

PUBLIC DISCLOSURE

August 19, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Pinnacle Bank
Certificate Number: 10634

1401 N Street
Lincoln, Nebraska 68508

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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 RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect excellent responsiveness to assessment areas credit needs.
- A substantial majority of loans were made in the institution's assessment areas.
- The geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business and farm customers of different revenue sizes.
- The institution exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The institution made a relatively high level of community development loans.
- The institution uses innovative and/or flexible lending practices in order to serve the credit needs of the assessment areas.

The Investment Test is rated High Satisfactory.

- The institution has a significant level of qualified community development investments and grants.
- The institution exhibits good responsiveness to credit and community development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

Pinnacle Bank is a full-service interstate financial institution headquartered in Lincoln, Nebraska. Pinnacle Bank is wholly owned by Pinnacle Bancorp, Inc., a financial holding company based in Omaha, Nebraska. Pinnacle Bancorp, Inc. also owns the following affiliated financial institutions: Bank of Colorado, Fort Collins, Colorado; Pinnacle Bank, Fort Worth, Texas; and Pinnacle Bank – Wyoming, Cody, Wyoming. Pinnacle Bank was assigned a Satisfactory CRA rating at the August 16, 2021 FDIC Performance Evaluation based on Interagency Large Institution Examination Procedures.

Pinnacle Bank offers a variety of credit products, including commercial, agricultural, home mortgage, and consumer loans through its 71 branches across Nebraska (63), Missouri (6), and Kansas (2). While these loan products vary slightly by market area, commercial, agricultural, and home mortgage loans continue to represent the institution's primary business lines. Additionally, the bank sells home mortgage loans to secondary market investors and participates in various government-sponsored loan programs. Generally, the bank's participation in the aforementioned programs assists small businesses, small farms, and home mortgage or consumer borrowers, including low- and moderate-income persons. Details are presented in the Lending Test under the Innovative or Flexible Lending Practices section. The institution also offers a full line of traditional deposit services, including checking, savings, and certificate of deposit accounts. Internet and mobile banking services provide alternative means of accessing loan and deposit accounts.

As of March 31, 2024, the institution reported total assets of \$8.6 billion, total loans of \$5.9 billion, total securities of \$1.8 billion, and total deposits of \$7.0 billion. Total assets, loans, securities, and deposits grew 26.7, 31.8, 44.0, and 20.9 percent, respectively since the prior evaluation, which utilized figures as of March 31, 2021. Examiners did not identify any impediments that affect the bank's ability to meet the credit needs of its assessment areas. The following table illustrates the bank's loan portfolio.

Loan Portfolio Distribution as of 3/31/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	862,307	14.6
Secured by Farmland	601,649	10.2
Secured by 1-4 Family Residential Properties	750,820	12.7
Secured by Multifamily (5 or more) Residential Properties	471,416	8.0
Secured by Nonfarm Nonresidential Properties	1,835,709	31.2
Total Real Estate Loans	4,521,901	76.7
Commercial and Industrial Loans	511,485	8.7
Agricultural Production and Other Loans to Farmers	638,532	10.8
Consumer Loans	54,985	0.9
Obligations of State and Political Subdivisions in the U.S.	134,781	2.3
Other Loans	38,975	0.6
Lease Financing Receivable (net of unearned income)	627	<0.1
Less: Unearned Income	(4,507)	(<0.1)
Total Loans	5,896,779	100.0
<i>Source: Reports of Condition and Income</i> <i>Due to rounding, totals may not equal 100.0%</i>		

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Pinnacle Bank defined seven assessment areas: Nonmetropolitan Nebraska; Lincoln Metropolitan Statistical Area (MSA); Omaha MSA; Grand Island MSA; Joplin MSA, Kansas City MSA, and Nonmetropolitan Kansas. Ratings are assigned to the states of Nebraska, Missouri, and Kansas. Refer to the individual assessment area sections within each rated area for additional details.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated August 16, 2021, to the current evaluation dated August 19, 2024. Examiners used the Interagency Large Institution Examination Procedures to evaluate Pinnacle Bank's CRA performance using the Lending, Investment, and Service tests. The criteria for the three tests are outlined in the Appendices. The tests are used to determine the bank's overall rating, as well as its ratings in Nebraska, Missouri, and Kansas. Banks must achieve at least a Low Satisfactory rating under the Lending Test to obtain an overall Satisfactory rating. None of the institution's affiliates activities were considered in the evaluation.

Examiners evaluated the bank's lending, deposit, and branch activity, as well as the assessment areas that received full-scope reviews at the previous evaluation to determine which assessment areas received full- or limited-scope reviews and appropriate weighting. In addition, examiners evaluated reported loan activity and market share data to determine the bank's relative impact in each assessment area when establishing the appropriate scope of review. Examiners used full-scope procedures to review the Nonmetropolitan Nebraska, Lincoln MSA, Omaha MSA, Joplin MSA, and Nonmetropolitan Kansas assessment areas. Limited-scope procedures were used for the Grand Island MSA and Kansas City MSA assessment areas.

Among the three rated areas, examiners placed the greatest weight on the bank's performance in Nebraska when arriving at overall conclusions, since a substantial majority of the bank's lending, deposit, and branch activity occurs within this rated area. Performance in Missouri and Kansas received considerably less weight. The following table reflects the distribution of loans, deposits, and branches by each assessment area and rated area. The rated and assessment areas are listed in order of significance toward the overall institution rating.

Rated and Assessment Area Breakdown of Loans, Deposits, and Branches									
Rated Area/Assessment Area	Loans			Deposits			Branches		
	\$(000s)	% of Total	% of State	\$(000s)	% of Total	% of State	#	% of Total	% of State
Nonmetropolitan Nebraska	2,119,773	50.0	52.8	2,997,701	42.5	45.8	33	46.5	52.4
Omaha MSA	1,017,354	24.0	25.4	2,116,013	30.0	32.3	15	21.1	23.8
Lincoln MSA	688,771	16.2	17.2	1,196,529	17.0	18.3	12	16.9	19.0
Grand Island MSA	185,923	4.4	4.6	232,826	3.3	3.6	3	4.2	4.8
Nebraska Subtotal	4,011,821	94.6	100.0	6,543,069	92.8	100.0	63	88.7	100.0
Joplin MSA	79,721	1.9	50.4	228,124	3.2	61.8	5	7.1	83.3
Kansas City MSA	78,596	1.9	49.6	141,286	2.0	38.2	1	1.4	16.7
Missouri Subtotal	158,317	3.7	100.0	369,410	5.2	100.0	6	8.5	100.0
Nonmetropolitan Kansas	68,641	1.6	100.0	140,802	2.0	100.0	2	2.8	100.0
Kansas Subtotal	68,641	1.6	100.0	140,802	2.0	100.0	2	2.8	100.0
Total	4,238,779	100.0	100.0	7,053,281	100.0	100.0	71	100.0	100.0
Source: Bank Data (1/31/2024); FDIC Summary of Deposits (6/30/2024)									
Due to rounding, totals may not equal 100.0%									

Activities Reviewed

Examiners determined that the bank's primary product lines include commercial, agriculture, and home mortgage lending. This conclusion considered the loan portfolio distribution, the number and dollar volume of reported loans during the evaluation period, and the bank's business strategy. Therefore, when evaluating the lending performance, examiners considered all small business and small farm loans reported under CRA data collection requirements for 2021, 2022, and 2023. In addition, examiners reviewed home mortgage loans reported on the bank's 2021, 2022, and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. Total loans reported and reviewed are detailed in the following table.

Loan Products Reviewed						
Loan Category	2021		2022		2023	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Farm	5,610	451,712	3,058	395,904	2,760	364,360
Small Business	4,891	470,705	2,705	377,513	2,412	312,063
Home Mortgage	3,813	966,293	3,240	858,652	2,425	496,179
Total	14,314	1,888,710	9,003	1,632,069	7,597	1,172,602
Source: CRA Reported Data; HMDA Reported Data						

CRA aggregate lending data for 2021 and 2022 and D&B data for 2021, 2022, and 2023 provided a standard of comparison for the small business and small farm loans reviewed. Examiners compared

2021 home mortgage lending performance to 2021 HMDA aggregate lending data and 2015 American Community Survey data. Due to changes in census boundaries, examiners compared the 2022 and 2023 home mortgage lending to 2020 U.S. Census data and 2022 and 2023 HMDA aggregate data. However, examiners placed more weight on the comparisons to aggregate data since it is typically a better indicator of market conditions and loan demand. Under the Geographic Distribution and Borrower Profile criteria, examiners only analyzed loans made inside the assessment areas. In addition, examiners did not identify any trends between the three years of CRA and HMDA data that materially affect conclusions. Therefore, examiners only presented small business and small farm loan data for 2022 and home mortgage loan data for 2023 in this evaluation for the Geographic Distribution and Borrower Profile criteria, which are the most recent years with available aggregate data.

For the Lending Test, examiners reviewed small farm, small business, and home mortgage loans, except for the Joplin MSA and Kansas City MSA assessment areas where small farm loans are not a primary product. The bank originated very few small farm loans in its Missouri assessment areas. The bank's lending focus varies by assessment area, and loan product weighting varied accordingly. Refer to the rated area and assessment area sections for further details.

Examiners considered community development loans, qualified investments, and community development services completed since the prior evaluation dated August 16, 2021. Additionally, qualified investments made prior to August 16, 2021, that remained outstanding as of August 19, 2024, were also considered. Prior period investments received credit for the outstanding balance as of August 19, 2024. Furthermore, examiners reviewed delivery systems for providing retail banking services, including branches and alternative delivery systems, and the impact of branch openings and closings during the evaluation period. The review also included retail banking products and services targeted to low- and moderate-income individuals or small businesses and farms.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Pinnacle Bank demonstrated high satisfactory performance under the Lending Test. The overall performance is consistent with the conclusions in Nebraska, which received the most weight when determining overall conclusions. Pinnacle Bank achieved low satisfactory performance in Missouri and Kansas. Of the performance criteria evaluated, examiners placed more weight on the Geographic Distribution, Borrower Profile, and Community Development Lending criteria.

Lending Activity

Lending levels reflect excellent responsiveness to the credit needs of the assessment areas. An excellent loan-to-deposit ratio combined with excellent records regarding small farm, small business, and home mortgage lending support this conclusion.

Pinnacle Bank's average net loan-to-deposit ratio was 78.3 percent over the 12 quarters from September 30, 2021, to March 31, 2024. Lending activity increased during the review period. During the review period, the net loan-to-deposit ratio ranged from a low of 67.1 percent as of December 31, 2021, to a high of 85.1 percent as of December 31, 2023. The average net loan-to-

deposit ratio does not represent all lending activity as a significant volume of home mortgage loans are sold on the secondary market, which are not reflected on the bank's balance sheet. Specifically, the bank sold 2,625 home mortgage loans totaling approximately \$636.3 million from August 16, 2021, the date of the previous evaluation, to end of calendar year 2023. Secondary market lending is responsive to the credit needs of the assessment areas by providing long-term mortgage financing.

Pinnacle Bank continues to be an active lender by originating a high volume of loans in its assessment areas. Pinnacle Bank maintains high rankings among HMDA and CRA reporters within its Nebraska assessment areas and Nonmetropolitan Kansas Assessment Area. Pinnacle Bank ranks lower in its Missouri assessment areas. Lending volumes and market shares for small farm, small business, and home mortgage lending, as applicable, are included in the full-scope assessment areas sections of this evaluation.

Assessment Area Concentration

A substantial majority of loans are made in Pinnacle Bank's assessment areas. This demonstrates the bank's willingness to meet the credit needs of its assessment areas. Details are provided in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	\$(000s)	%	\$(000s)	%	\$(000)
Home Mortgage										
2021	3,526	92.5	287	7.5	3,813	850,931	88.1	115,362	11.9	966,293
2022	3,034	93.6	206	6.4	3,240	706,172	82.2	152,480	17.8	858,652
2023	2,293	94.6	132	5.4	2,425	458,551	92.4	37,628	7.6	496,179
Subtotal	8,853	93.4	625	6.6	9,478	2,015,654	86.8	305,470	13.2	2,321,124
Small Business										
2021	4,669	95.5	222	4.5	4,891	432,198	91.8	38,507	8.2	470,705
2022	2,578	95.3	127	4.7	2,705	349,282	92.5	28,231	7.5	377,513
2023	2,288	94.9	124	5.1	2,412	289,207	92.7	22,856	7.3	312,063
Subtotal	9,535	95.3	473	4.7	10,008	1,070,687	92.3	89,594	7.7	1,160,281
Small Farm										
2021	5,390	96.1	220	3.9	5,610	426,144	94.3	25,568	5.7	451,712
2022	2,939	96.1	119	3.9	3,058	376,855	95.2	19,049	4.8	395,904
2023	2,651	96.1	109	3.9	2,760	349,439	95.9	14,921	4.1	364,360
Subtotal	10,980	96.1	448	3.9	11,428	1,152,438	95.1	59,538	4.9	1,211,976
Total	29,368	95.0	1,546	5.0	30,914	4,238,779	90.3	454,602	9.7	4,693,381
Source: HMDA Reported Data; CRA Reported Data Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the institution's assessment areas. Conclusions regarding the bank's overall lending performance are consistent with the conclusions in Nebraska, while lending performance in Missouri is good. The bank's sole assessment area in Kansas does not contain any low- or moderate-income census tracts; therefore, this criterion was not evaluated. Emphasis under the Geographic Distribution criterion is placed on the bank's record of lending in low- and moderate-income census tracts within the bank's assessment

areas. Examiners reviewed only those loans extended within the assessment areas to perform this analysis. A complete discussion of the bank's geographic distribution lending performance can be found in the separate assessment area sections of this evaluation.

Borrower Profile

The distribution of borrowers reflects good penetration among farms and businesses of different sizes and individuals of different income levels. Conclusions regarding the bank's overall lending performance are consistent with the conclusions in Nebraska, while lending performance is adequate in Missouri and excellent in Kansas. Emphasis under the Borrower Profile criterion is placed on the bank's record of making small farm and small business loans to farms and businesses with gross annual revenues of \$1 million or less and home mortgage loans to low- and moderate-income individuals within the bank's assessment areas. A complete discussion of the bank's borrower profile lending performance can be found in the separate assessment area sections of this evaluation.

Innovative or Flexible Lending Practices

Pinnacle Bank uses innovative and/or flexible lending practices in order to serve the credit needs of its assessment areas, including low- or moderate-income individuals and geographies, and small businesses and farms. These include home mortgage, agricultural, commercial, and consumer loan programs, as well as local, state, and federal loan programs. Many of these programs require extra effort by bank personnel compared to conventional loans, ultimately assisting borrowers who might not otherwise qualify for credit. The following table details the bank's flexible and innovative lending activity by program.

Innovative or Flexible Lending Programs										
Type of Program	2021 (Partial)		2022		2023		Year-to-Date 2024		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Opportunity Passport	11	25	27	54	23	420	9	13	70	512
Ways to Work	7	49	0	0	0	0	0	0	7	49
Federal Housing Administration	29	5,646	81	17,227	101	22,147	0	0	211	45,020
U.S. Department of Agriculture	27	3,879	45	6,541	26	3,526	0	0	98	13,946
Nebraska Investment Finance Authority	17	1,821	79	8,873	112	22,081	0	0	208	32,775
Northeast Nebraska Economic Development District	0	0	0	0	5	140	0	0	5	140
Veterans Affairs	30	8,824	34	10,394	30	11,037	0	0	94	30,255
Small Business Administration	1	146	8	7,420	0	0	0	0	9	7,566
Fannie Mae	6	1,298	14	2,734	20	3,470	0	0	40	7,502
Nebraska Department of Environmental and Energy	4	91	8	158	7	115	0	0	19	364
Federal Home Loan Bank	1	5	20	148	28	208	28	400	77	761
Southwest Nebraska Community Betterment Corporation	4	33	4	35	9	142	0	0	17	210
Totals	137	21,817	320	53,584	361	63,286	37	413	855	139,100
<i>Source: Bank Data</i>										

The bank continues to participate with local agencies to offer consumer loans through the Ways to Work and Opportunity Passport programs. The Ways to Work program is designed to help provide low-interest rate automobile loans to low-income individuals with challenging credit histories move to greater levels of self-sufficiency with access to financial education and reliable transportation. The Opportunity Passport program is a matched savings, asset-building program that includes financial education targeted to assist a low- or moderate-income individuals transition from foster care in Douglas and Sarpy counties in Nebraska. The program provides a 2-1 match for participants to purchase transportation and a 1-1 match for other eligible consumer needs. These small dollar loans are considered innovative programs as they are offered in conjunction with outreach initiatives that include financial education and/or a savings component. Furthermore, the bank has partnered with the agencies to provide onsite financial education, which is mandatory to obtain the program's financing options. Lastly, these programs are designed to help low- and moderate-income individuals establish or re-establish credit.

The bank participates in many home mortgage loan programs that include innovative and/or flexible practices. The bank continues to offer home mortgage loans through the Nebraska Investment Finance Authority (NIFA). NIFA's mission is to provide Nebraskans a broad range of financial resources for homeownership, rental housing, agriculture, manufacturing, medical, and community development endeavors. Through NIFA, the bank offers home mortgage loans with long-term, fixed rates and no prepayment penalties. They also offer loan programs to assist first-time and/or low- or moderate-income homebuyers with down payment and closing cost assistance. Pinnacle Bank also continues to offer several government-guaranteed home mortgage loan programs with long-term, fixed rates that provide flexible lending terms and underwriting criteria to accommodate low- and moderate-income borrowers. The bank offers Federal Housing Administration, Veterans Affairs, and U.S. Department of Agriculture home mortgage loans. Further, Pinnacle Bank works with the Federal Home Loan Bank to offer down payment, closing cost, and repair assistance grants to low- and moderate-income borrowers in connection with home mortgage loans.

Pinnacle Bank also offers programs for commercial and agricultural loans that include innovative and/or flexible practices. The bank continues to be a Small Business Administration (SBA) approved lender. The bank offers several SBA guaranteed loan types such as 7(a), Express, and 504 loans that include flexible lending terms to support start-up and small businesses. Additionally, the bank offers agricultural loans through the U.S. Department of Agriculture that include flexible lending terms that support new farmers and small operators. These business and agricultural loans are intended to assist start-up operations, provide gap financing, expand operations, and foster job creation within the bank's assessment areas.

Overall, Pinnacle Bank uses innovative and/or flexible lending programs and practices in order to serve the assessment areas' credit needs. The bank's use of these programs demonstrates the bank's good record of serving the credit needs of low- and moderate-income individuals and geographies within the assessment areas, as well as farms and businesses of varying sizes.

Community Development Loans

Pinnacle Bank originated or purchased a relatively high level of community development loans. This is consistent with the bank's performance in Nebraska, which carried the most weight in the overall rating, while the bank made a limited number of community development loans in Missouri

and Kansas. The bank made 211 community development loans totaling approximately \$334.5 million during the evaluation period.

The dollar volume of the bank's community development loans represented 3.9 percent of total assets and 5.7 percent of net loans as of March 31, 2024. Comparable institution ratios for community development loans to total assets ranged from 3.3 to 7.2 percent, and community development loans to net loans ranged from 4.7 to 8.7 percent.

As previously noted, the bank offers small dollar loans to low- and moderate-income individuals through flexible lending practices that range from approximately \$1,000 to \$5,000. The bank made 77 of these loans during the evaluation period, which impacts the dollar volume of community development loans. However, these small dollar loans are particularly responsive to low- and moderate-income individuals. Further, due to the timing of the evaluation periods, two of the comparable institutions' community development loan portfolios included SBA Paycheck Protection Program (PPP) loans, while Pinnacle Bank's evaluation does not include SBA PPP loans.

At the prior evaluation, the institution received consideration for 307 community development loans totaling \$189.5 million, which represented 2.8 percent of total assets and 4.3 percent of net loans. The number of community development loans decreased from the previous evaluation, as 100 SBA PPP loans were considered at the previous evaluation; however, the dollar volume of community development lending increased.

Examiners considered community development loans benefitting the broader statewide and regional area in the analysis since the bank was responsive to the community development needs of its assessment areas. This included four loans for approximately \$94.3 million reflected in the table below as Regional Activities. These loans revitalized and stabilized a moderate-income area by attracting and retaining business to the area, including job creation for low- and moderate-income individuals. The following tables illustrate the bank's community development loans by rated area, purpose, and year. Refer to the individual assessment area sections for more information and notable examples.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Nebraska	51	59,952	88	64,333	26	24,473	32	88,451	197	237,209
Missouri	2	233	5	403	1	461	1	1,523	9	2,620
Kansas	1	320	0	0	0	0	0	0	1	320
Regional Activities	0	0	0	0	0	0	4	94,342	4	94,342
Total	54	60,505	93	64,736	27	24,934	37	184,316	211	334,491
<i>Source: Bank Data</i>										

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	3	5,633	17	525	2	206	5	35,937	27	42,301
2022	24	14,692	36	43,199	15	13,294	16	92,691	91	163,876
2023	22	31,660	28	4,597	9	7,994	12	48,338	71	92,589
Year-to-Date 2024	5	8,520	12	16,415	1	3,440	4	7,350	22	35,725
Total	54	60,505	93	64,736	27	24,934	37	184,316	211	334,491
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated high satisfactory performance under the Investment Test. The bank's performance in Nebraska is consistent with the overall performance, which examiners weighed most heavily. Performance in Missouri and Kansas is not consistent with the overall performance. The bank's performance in Missouri needs to improve, while performance in Kansas was low satisfactory.

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants. The institution made or retained 806 qualified investments and donations totaling \$67.8 million, which includes 142 prior period investments still outstanding with a balance of \$46.4 million, and 656 donations or grants totaling \$2.0 million. The totals also include an investment in a minority-owned financial institution located in New York and is included as the nationwide activity in the below table.

The volume of qualified investments represents 0.8 percent of total assets and 3.7 percent of total securities as of March 31, 2024. The bank's activities were compared to similar banks, where the level of qualified investments ranged from 0.2 to 1.6 percent of total assets and 2.5 to 27.9 percent of total securities. The comparison revealed that Pinnacle Bank performed at the middle of the band in relation to assets and at the lower end of the band for securities.

At the prior evaluation, Pinnacle Bank received consideration for 1,177 qualified investments and donations totaling \$76.9 million, which represented 1.1 percent of total assets and 5.4 percent of total securities.

The bank identified affordable housing as a primary need in its rated areas. The bank made several investments in its rated areas, as well as a significant \$5.0 million investment in low-income housing tax credits that help fund affordable housing projects in five locations throughout Nebraska and Missouri. Further details regarding qualified investments are located in the rated areas sections of the evaluation. The following tables illustrate the bank's qualified investments by rated area, purpose, and year.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Nebraska	60	13,775	318	14,842	213	2,071	158	29,802	749	60,490
Missouri	3	1,039	27	132	10	7	0	0	40	1,178
Kansas	1	125	3	725	4	3	0	0	8	853
Regional Activities	2	5,002	1	1	5	15	0	0	8	5,018
Nationwide	0	0	0	0	1	245	0	0	1	245
Total	66	19,941	349	15,700	233	2,341	158	29,802	806	67,784
<i>Source: Bank Data</i>										

Qualified Investments by Year										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	544	42	14,581	2	1,590	95	29,661	142	46,376
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	3	5,000	0	0	0	0	0	0	3	5,000
2023	3	9,125	0	0	0	0	0	0	3	9,125
Year-to-Date 2024	1	5,000	0	0	1	245	0	0	2	5,245
Totals	10	19,669	42	14,581	3	1,835	95	29,661	150	65,746
Grants and Donations	56	271	307	1,119	230	506	63	141	656	2,037
Total	66	19,940	349	15,700	233	2,341	158	29,802	806	67,783
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

Pinnacle Bank exhibits good responsiveness to credit and community development needs. The bank completed sizable investments to promote affordable housing, develop community services, and help revitalize and stabilize eligible areas. These investments were mostly concentrated in Nebraska. The bank focused on Nebraska since it is the location of a majority of its banking offices. The bank's responsiveness in Missouri is poor with investments primarily limited to those meeting affordable housing needs. The bank's responsiveness in Kansas is adequate and addressed a broader spectrum of community development needs. Further details are in the separate rated area sections of this evaluation.

Pinnacle Bank continues to be instrumental in addressing financial education needs throughout its assessment areas by sponsoring and promoting the use of a financial literacy program. The bank recruits the schools and educators, often targeting schools located in disadvantaged areas or schools with primarily low- and moderate-income students, and provides funds to purchase the curriculum. The bank provided sponsorship dollars totaling approximately \$75,000 to roughly 72 sponsored schools across Nebraska, Missouri, and Kansas during the evaluation period. Pinnacle Bank is the largest sponsor of this program in Nebraska. The bank's collaboration to sponsor financial education demonstrates its responsiveness to the credit and community development needs of its assessment areas.

Community Development Initiatives

The institution occasionally uses innovative and/or complex investments to support community development initiatives. The bank invested \$19.1 million through purchases of low-income housing tax credits from Midwest Housing Equity Group. The invested funds were used to provide affordable housing projects in Nebraska, Missouri, and Kansas. These investments are complex and help meet the community development need of affordable housing. Most of the bank's remaining investments are noncomplex and routinely provided by investors.

SERVICE TEST

Pinnacle Bank demonstrated high satisfactory performance under the Service Test. The bank's performance in Nebraska, Missouri, and Kansas is consistent with the institution overall.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of its assessment areas. The bank's delivery systems include 71 offices and 96 ATMs located within its assessment areas, as well as alternative delivery methods. The following table shows the overall distribution of branches and ATMs by tract income level and population.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	62	8.1	160,876	6.0	0	0.0	0	0.0
Moderate	171	22.3	589,332	22.0	6	8.4	8	8.3
Middle	357	46.5	1,262,448	47.2	44	62.0	61	63.6
Upper	162	21.1	637,995	23.9	21	29.6	25	26.0
Not Available	15	2.0	22,717	0.9	0	0	2	2.1
Total	767	100.0	2,673,368	100.0	71	100.0	96	100.0
<i>Source: 2020 Census Data; Bank Data</i>								
<i>Due to rounding, total may not equal 100.0%</i>								

The above table reveals a dispersion of branches and ATMs that lags the population density. Specifically, 28.0 percent of the population in the bank's assessment areas live in low- or moderate-income census tracts while none of the bank's branches are located in low-income census tracts and only 8.4 percent of the bank's branches are located in moderate-income census tracts. The lower percentage of branches, compared to population levels, limits the accessibility of banking services by residents in those low- or moderate-income areas. Accessibility is augmented by the presence of branches in middle- or upper-income tracts that are near some of the low- and moderate-income census tracts.

Alternative delivery systems are also available, which enhances access to financial services. The bank offers electronic delivery systems that include telephone, internet, and mobile banking. The bank's website has information on bank products and services, allows users to apply for deposit and loan products, and provides access to online banking services. The online banking service has functionality allowing a customer to view account information, transfer funds, complete loan payments, and pay third parties. The mobile banking service includes the same functionality as internet banking plus customers can use it to make deposits.

Changes in Branch Locations

Pinnacle Bank's changes in branch locations have led to a decrease in the number of available banking offices but have generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income census tracts or to low- and moderate-income individuals. Since the prior evaluation, the bank closed four and opened two offices. As detailed in the below table, none of the opened or closed offices were located in a low- or moderate-income census tract.

Net Distribution of Branch Openings/Closings							
Rated Area/Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA*
Nonmetropolitan Nebraska	1	3	0	0	(-) 3	(+) 1	0
Lincoln MSA	0	1	0	0	0	0	(-) 1
Omaha MSA	1	1	0	0	(-) 1	(+) 1	0
Grand Island MSA	0	0	0	0	0	0	0
Nebraska Subtotal	2	5	0	0	(-) 4	(+) 2	(-) 1
Joplin MSA	0	1	0	0	(-) 1	0	0
Kansas City MSA	0	0	0	0	0	0	0
Missouri Subtotal	0	1	0	0	(-) 1	0	0
Nonmetropolitan Kansas	0	0	0	0	0	0	0
Kansas Subtotal	0	0	0	0	0	0	0
Total	2	6	0	0	(-) 5	(+) 2	(-) 1
<i>Source: 2020 U.S. Census; Bank Data</i>							
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>							

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. The bank's offices are open weekday hours. Most of the offices are also open or offer drive-up services on Saturday. Many of the offices without Saturday hours are within a reasonable distance to another office with Saturday hours.

The bank offers a wide variety of services through its offering of deposit and loan products. The services are reasonable and tailored to meet the demands of the bank's customer base. The bank offers three low-cost deposit accounts. These accounts do not have monthly service charges or minimum balance requirements, which can be beneficial to low- and moderate-income individuals.

The Safe E Checking and Safe E Savings accounts are designed for unbanked consumers or individuals not eligible for a traditional deposit account. The accounts do not have overdraft or returned item fees and offer low minimum balance requirements, debit cards, and electronic banking access. The bank began offering these accounts in 2011 as part of the FDIC's Model Safe Accounts Pilot program designed to help meet the needs of underserved and low- and moderate-income consumers. During the evaluation period, Pinnacle Bank opened 377 Safe E Checking and 61 Safe E Savings accounts.

Pinnacle Bank continues to participate in the Interest on Lawyer's Trust Account Program, which permits lawyers to deposit funds into interest bearing trust accounts. The interest generated is donated to the Nebraska Lawyers Trust Foundation and the Missouri Lawyers Trust Foundation to provide legal assistance to low-income individuals.

Community Development Services

Pinnacle Bank is a leader in providing community development services. Bank employees provided 472 services, which equated to 13,195 service hours of financial expertise or technical assistance to community development organizations in the rated areas. Employees served on boards and committees of organizations that provide affordable housing, support community services, focus on revitalizing and stabilizing neighborhoods, sponsor programs and events that promote economic development, assist small business owners, and provide banking and financial education services and counseling. Although the community development services are not particularly innovative, they demonstrate the bank's responsiveness to community development needs. Pinnacle Bank's high level of services outperforms similarly situated institutions, which reported a range of 120 to 415 community development services. The following tables detail the number of community development services by rated area, purpose, and year.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Nebraska	56	224	124	38	442
Missouri	0	15	0	0	15
Kansas	0	11	0	0	11
Regional Activities	0	4	0	0	4
Total	56	254	124	38	472
<i>Source: Bank Data</i>					

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	17	57	32	10	116
2022	19	69	35	11	134
2023	12	76	33	10	131
Year-to-Date 2024	8	52	24	7	91
Total	56	254	124	38	472
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

NEBRASKA

CRA RATING FOR NEBRASKA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEBRASKA

Pinnacle Bank maintains a dominant presence throughout Nebraska. Pinnacle Bank has delineated four assessment areas in Nebraska: Nonmetropolitan Nebraska, Lincoln MSA, Omaha MSA, and Grand Island MSA. The bank operates 63 offices, and 87 ATMs, in Nebraska. As noted previously, the bank's operations in Nebraska comprise 88.7 percent of total bank branches, 92.8 percent of total bank deposits, and 94.6 percent of bank loans. Details for the individual assessment areas are provided in subsequent sections.

SCOPE OF EVALUATION – NEBRASKA

Examiners evaluated the bank's CRA performance for Nebraska through full-scope reviews of the Nonmetropolitan Nebraska, Lincoln MSA, and Omaha MSA assessment areas. More weight was given to conclusions derived from the Nonmetropolitan Nebraska Assessment Area since this assessment area includes the highest percentage of the bank's branches, deposits, and loans, both statewide and overall. However, the bank also maintains significant operations in the Omaha MSA and Lincoln MSA, which respectively account for the second and third largest shares of its branches, deposits, and loan volume both statewide and overall. As such, the second and third most weight was given to the Omaha MSA and Lincoln MSA assessment areas, respectively. For statewide conclusions, the least weight was given to performance in the Grand Island MSA Assessment Area.

Examiners reviewed small farm, small business, and home mortgage loans for all assessment areas. When analyzing performance in the Nonmetropolitan Nebraska Assessment Area small farm lending received the most weight, followed by small business lending, and then home mortgage lending. When analyzing performance in the Lincoln MSA and Omaha MSA assessment areas home mortgage lending received the most weight, followed by small business lending, and then small farm lending. Examiners conducted a limited-scope reviews of the Grand Island MSA Assessment Area, evaluating if the assessment area is consistent compared to Nebraska. Refer to the overall Scope of Evaluation section for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEBRASKA

LENDING TEST

Pinnacle Bank demonstrated high satisfactory performance under the Lending Test in Nebraska. The bank's performance is consistent with the Nonmetropolitan Nebraska, Lincoln MSA, and Omaha MSA assessment areas. The bank's performance in the Grand Island MSA Assessment Area was below the performance in Nebraska, but did not impact the rating.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of Nebraska. Excellent responsiveness in the Nonmetropolitan Nebraska, Lincoln MSA, and Omaha MSA assessment areas supports this conclusion. Refer to the separate Nebraska assessment area sections of this evaluation for details.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas in Nebraska. The bank's performance is consistent in the Nonmetropolitan Nebraska, Lincoln MSA, and Omaha MSA assessment areas. Performance in the Grand Island MSA Assessment Area is consistent with the overall performance in Nebraska. Details are discussed in each assessment area analysis.

Borrower Profile

The distribution of borrowers reflects good penetration among farms and businesses of different sizes and individuals of different income levels throughout the assessment areas in Nebraska. While performance in the Nonmetropolitan Nebraska Assessment Area was excellent, adequate performance in the Omaha MSA Assessment Area and reasonable performance in the Lincoln MSA Assessment Area resulted in good performance overall. Performance in the Grand Island MSA Assessment Area is consistent with the overall performance in Nebraska. Details are discussed in each assessment area analysis.

Community Development Loans

The bank originated a relatively high level of community development loans in Nebraska. The majority of the community development lending in Nebraska occurred in the Nonmetropolitan Nebraska Assessment Area, which received the greatest weight. Performance was consistent in the Nonmetropolitan Nebraska and Omaha MSA assessment areas, while performance in the Lincoln MSA Assessment Area was adequate. Performance in the Grand Island MSA Assessment Area was below that of the state overall, but did not impact the overall conclusions. Pinnacle Bank made 197 community development loans totaling \$237.2 million in its Nebraska assessment areas. The number of community development loans decreased in Nebraska since the previous evaluation, primarily due to SBA PPP loans, while the dollar volume increased from \$188.7 million to \$237.2 million. Details are discussed in each assessment area analysis. The following table illustrates the bank's community development loans by assessment area and purpose.

Community Development Lending by Assessment Area – Nebraska										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Nonmetropolitan Nebraska	27	14,162	35	39,560	10	15,203	23	55,728	95	124,653
Lincoln MSA	19	18,669	23	1,377	11	8,818	4	4,267	57	33,131
Omaha MSA	3	26,000	11	23,361	3	180	5	28,456	22	77,997
Grand Island MSA	2	1,121	19	35	2	272	0	0	23	1,428
Total	51	59,952	88	64,333	26	24,473	32	88,451	197	237,209
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated high satisfactory performance under the Investment Test in Nebraska. The bank's performance as described under Investment and Grant Activity, Responsiveness to Credit and Community Development Needs, and Community Development Initiatives sections provide support for this rating. The bank's performance in the Nonmetropolitan Nebraska and Lincoln MSA assessment areas are consistent with Nebraska, with the bank extending a high level of investments that were responsive to area needs. Performance in the Omaha MSA and Grand Island MSA assessment areas was below the level observed for Nebraska; however, it did not impact the Nebraska rating.

Investment and Grant Activity

The bank has made a significant level of qualified community development investments and grants in Nebraska, occasionally in a leadership position, particularly those not provided by private investors. A total of \$60.5 million of qualified investments and grants were completed in Nebraska. Given this responsiveness, the bank also received positive consideration for investments in the broader statewide area. Noteworthy investments statewide included three investments totaling \$9.5 million that were used to construct affordable housing projects. The following table illustrates the qualified investments by assessment area and purpose.

Qualified Investments by Assessment Area – Nebraska										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Nonmetropolitan Nebraska	27	79	159	12,221	174	300	145	25,795	505	38,395
Lincoln MSA	11	4,101	68	400	9	1,609	2	2,458	90	8,568
Omaha MSA	4	19	81	537	19	94	7	1,542	111	2,192
Grand Island MSA	5	3	12	1,735	2	1	3	2	22	1,741
Statewide	5	9,507	6	15	9	67	1	5	21	9,594
Total	52	13,709	326	14,908	213	2,071	158	29,802	749	60,490
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs in the Nebraska assessment areas. Investments were made across all Nebraska assessment areas and penetrated all four categories of community development.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in Nebraska.

SERVICE TEST

Pinnacle Bank demonstrated high satisfactory performance under the Service Test in Nebraska. The bank's performance as described under Accessibility of Delivery Systems, Changes in Branch Locations, Reasonableness of Business Hours and Services, and Community Development Services sections provide support for this rating. The bank's performance in the Nonmetropolitan Nebraska,

Lincoln MSA, and Grand Island MSA assessment areas was consistent with Nebraska. Performance in the Omaha MSA Assessment Area was below the level observed for Nebraska; however, it did not change the Nebraska rating.

Accessibility of Delivery Systems

The institution's delivery systems are reasonably accessible to essentially all portions of its Nebraska assessment areas. The branch distribution in Nebraska is consistent with the bank's overall distribution as discussed previously. Specifically, the bank operates five offices and seven ATMs in low- and moderate-income census tracts, providing access to banking services to low- and moderate-income individuals within its Nebraska assessment areas. Furthermore, alternative delivery systems provide access to bank services and are consistent with those discussed in the bank's overall performance.

Changes in Branch Locations

The bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Pinnacle Bank opened two branches and closed five branches across its Nebraska assessment areas. None of the new or closed branches were located in low- or moderate-income census tracts. Refer to the separate assessment area sections for additional information.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals within the Nebraska assessment areas. This performance is consistent with performance at the institution level.

Community Development Services

Pinnacle Bank is a leader in providing community development services in Nebraska. Employees expended 11,938 hours performing 442 community development services in its Nebraska assessment areas. The following table illustrates community development services by assessment area and purpose. Refer to the separate assessment area sections for specific details.

Community Development Services by Assessment Area – Nebraska					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Nonmetropolitan Nebraska	32	121	93	35	281
Lincoln MSA	5	43	5	0	53
Omaha MSA	7	38	14	2	61
Grand Island MSA	12	22	12	1	47
Total	56	224	124	38	442
<i>Source: Bank Data</i>					

NONMETROPOLITAN NEBRASKA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE NONMETROPOLITAN NEBRASKA ASSESSMENT AREA

The Nonmetropolitan Nebraska Assessment area includes the following contiguous counties: Adams, Antelope, Arthur, Blaine, Boone, Boyd, Brown, Buffalo, Butler, Chase, Cherry, Clay, Colfax, Cuming, Custer, Dawson, Deuel, Dodge, Dundy, Fillmore, Franklin, Frontier, Furnas, Gage, Garden, Garfield, Gosper, Grant, Greeley, Hamilton, Harlan, Hayes, Hitchcock, Holt, Hooker, Jefferson, Kearney, Keith, Keya Paha, Knox, Lincoln, Logan, Loup, McPherson, Madison, Nance, Nuckolls, Perkins, Phelps, Platte, Polk, Red Willow, Rock, Saline, Sherman, Stanton, Thayer, Thomas, Valley, Webster, Wheeler, and York. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area consists of 2 low-, 19 moderate-, 126 middle-, and 20 upper-income census tracts. The bank operates 33 offices and 46 ATMs in the assessment area, 30 of which are deposit taking ATMs.

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area.

Demographic Information of the Nonmetropolitan Nebraska Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	1.2	11.4	75.4	12.0	0.0
Population by Geography	515,092	1.4	10.2	72.9	15.4	0.0
Housing Units by Geography	248,513	1.2	10.2	74.7	14.0	0.0
Owner-Occupied Units by Geography	150,612	0.7	8.9	74.4	16.1	0.0
Occupied Rental Units by Geography	62,291	2.7	13.6	72.1	11.5	0.0
Vacant Units by Geography	35,610	0.8	9.8	80.1	9.2	0.0
Businesses by Geography	64,948	0.7	8.9	75.5	15.0	0.0
Farms by Geography	12,402	0.1	4.0	82.9	13.0	0.0
Family Distribution by Income Level	136,383	17.9	19.0	23.3	39.8	0.0
Household Distribution by Income Level	212,903	22.1	16.8	19.3	41.8	0.0
Median Family Income – Nonmetropolitan Nebraska		\$71,424	Median Housing Value			\$130,101
			Median Gross Rent			\$705
			Families Below Poverty Level			6.7%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

Numerous middle-income geographies within Pinnacle Bank’s Nonmetropolitan Nebraska Assessment Area were designated as distressed, underserved or both during the review period. The Federal Financial Institution Examination Council (FFIEC) updates the listing annually. Certain revitalization or stabilization activities in these geographies are eligible to receive CRA consideration under the community development definition. The following table illustrates the counties within the assessment area that contained nonmetropolitan middle-income distressed and/or underserved census tracts during the evaluation period.

Nonmetropolitan Middle-Income Distressed and/or Underserved Areas – Nonmetropolitan Nebraska								
County	Distressed				Underserved			
	2021	2022	2023	2024	2021	2022	2023	2024
Antelope	x	x	x	x	x	x	x	x
Arthur					x	x	x	x
Boone	x	x	x	x	x	x	x	x
Boyd	x	x	x	x	x	x	x	x
Brown		x	x	x		x	x	x
Chase					x	x	x	x
Cherry	x	x	x	x	x	x	x	x
Clay					x	x	x	x
Cuming	x	x	x	x				
Deuel					x	x	x	x
Dundy	x	x	x	x	x	x	x	x
Fillmore	x	x	x	x	x	x	x	x
Franklin	x	x	x	x	x	x	x	x
Frontier	x	x	x	x	x	x	x	x
Furnas					x	x	x	x
Garden	x				x			
Garfield					x	x	x	x
Grant		x	x	x		x	x	x
Greeley					x	x	x	x
Harlan					x	x	x	x
Hayes	x	x	x	x	x	x	x	x
Hitchcock					x	x	x	x
Holt					x	x	x	x
Hooker						x	x	x
Jefferson	x	x	x	x				
Keya Paha		x	x	x		x	x	x
Knox					x	x	x	x
Loup	x	x	x	x	x	x	x	x
Nance					x	x	x	x
Nuckolls	x	x	x	x	x	x	x	x
Perkins	x	x	x	x	x	x	x	x
Polk					x	x	x	x
Red Willow					x	x	x	x
Rock	x	x	x	x	x	x	x	x
Sherman					x	x	x	x
Thayer	x	x	x	x	x	x	x	x
Thomas	x	x	x	x	x	x	x	x
Valley					x	x	x	x
Webster					x	x	x	x
Wheeler					x	x	x	x
Source: FFIEC								

The assessment area is generally rural in nature with many community hubs that provide services, retail, employment, and housing including Kearney, Fremont, and Norfolk. The population has remained stable with a slight decline of less than one percent, while the number of businesses and

farms have increased significantly, by 48.3 and 34.5 percent, respectively, since the previous evaluation.

The three largest business segments in the assessment area are services (27.7 percent), agriculture (16.0 percent), and non-classifiable establishments (18.8 percent). These businesses are predominantly small operations with 90.5 percent operating from a single location and 66.8 percent employing less than five employees, according to 2023 D&B data.

Examiners used the FFIEC-estimated median family income to analyze home mortgage loans under the Borrower Profile criterion and to qualify certain community development activities. The following table reflects the FFIEC-estimated median family income for the nonmetropolitan areas of Nebraska as well as the respective low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges – Nonmetropolitan Nebraska				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$70,000)	<\$35,000	\$35,000 to <\$56,000	\$56,000 to <\$84,000	≥\$84,000
2022 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080
2023 (\$88,400)	<\$44,200	\$44,200 to <\$70,720	\$70,720 to <\$106,080	≥\$106,080
2024 (\$85,800)	<\$42,900	\$42,900 to <\$68,640	\$68,640 to <\$102,960	≥\$102,960
<i>Source: FFIEC</i>				

Competition

The Nonmetropolitan Nebraska Assessment Area is competitive for financial services. According to 2024 FDIC Deposit Market Share data, 107 financial institutions operated 458 offices within the assessment area. Of these institutions, Pinnacle Bank ranked 1st with a deposit market share of 11.1 percent. Pinnacle Bank faces a competitive market for small farm loans as evidenced by 2022 CRA aggregate data, which is the most recent year available. In 2022, 34 lenders originated or purchased 7,733 small farm loans. Pinnacle Bank ranked 1st among these lenders with 43.8 percent of the market share by dollar volume. There is also significant competition for small business loans in the assessment area according to 2022 CRA aggregate data, as 92 lenders reported 9,995 small business loans in 2022. Pinnacle Bank ranked 1st with 34.0 percent of the market share by dollar volume. Further, HMDA aggregate data indicated strong competition for home mortgage loans within the assessment area. In 2023, 262 lenders reported 8,672 home mortgage loans in the assessment area. Pinnacle Bank ranked 1st among these lenders with 11.5 percent of the market share by dollar volume.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also helps show what credit and community development opportunities are available.

Examiners reviewed a community contact interview previously conducted with a representative of a community development organization operating in the Nonmetropolitan Nebraska Assessment Area. The contact stated that the primary economic driver is agricultural with many retail and service-based businesses, as well as healthcare industries contributing to job opportunities in

community hubs scattered among rural areas. Overall, the economy is stable with a very low unemployment rate. The contact indicated that there is a housing shortage in many areas and generally new construction for housing is not affordable for the low- and moderate-income populations. The primary credit needs for the area include agricultural, commercial, and home mortgage lending.

Credit and Community Development Needs and Opportunities

Examiners determined that agriculture, commercial, and home mortgage lending represent the primary credit needs in the assessment area considering information from bank management, the community contact, and demographic and economic data. Furthermore, the primary community development needs are affordable housing, community services, economic development, and revitalization and stabilization of distressed and/or underserved areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN NEBRASKA ASSESSMENT AREA

LENDING TEST

Pinnacle Bank demonstrated good performance under the Lending Test in the Nonmetropolitan Nebraska Assessment Area. Lending Activity, Geographic Distribution, Borrower Profile, and Community Development lending performance support this conclusion.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Nonmetropolitan Nebraska Assessment Area. As previously noted, the bank ranked 1st in market share for small farm and small business lending in 2022 and 1st in market share for home mortgage lending in 2023. This is comparable to the bank's market share at the previous evaluation, when the bank ranked 1st in market share for both small farm and small business lending and 3rd in market share for home mortgage lending. In 2023, the bank reported 2,274 small farm loans totaling \$297.8 million, 1,518 small business loans totaling \$149.5 million, and 1,082 home mortgage loans totaling \$160.1 million. This accounts for 55.4 percent of the bank's reported loans by dollar volume and 67.4 percent by number of loans within the bank's assessment areas. In comparison, according to 2023 FDIC Summary of Deposits data, 44.7 percent of the bank's deposits were in this assessment area. Overall, the bank's lending activity is comparable to the previous evaluation, with a slight decline in small farm and small business lending and a slight increase in home mortgage lending.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Adequate small farm, small business, and home mortgage lending performance supports this conclusion.

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration throughout the assessment area. As shown in the following table, the bank only made one loan in low-income census tracts, which is expected given the limited opportunities to make small farm loans in these tracts. The percentage of small farm loans made in moderate-income census tracts is comparable to

aggregate lending performance, especially given that only 3.8 percent of farms are located in moderate-income census tracts.

Geographic Distribution of Small Farm Loans - Nonmetropolitan Nebraska						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.1	0.0	1	0.0	225	0.1
Moderate	3.8	3.3	37	1.5	6,431	2.0
Middle	83.2	85.2	2,240	89.9	287,816	90.3
Upper	12.8	11.5	215	8.6	24,290	7.6
Totals	100.0	100.0	2,493	100.0	318,762	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The percentage of small business loans made in low-income census tracts is comparable to the aggregate lending performance. The percentage of small business loans made in moderate-income census tracts slightly lags aggregate lending performance by number, but is more comparable by dollar volume. The following table provides details.

Geographic Distribution of Small Business Loans – Nonmetropolitan Nebraska						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.7	0.7	10	0.6	1,079	0.6
Moderate	8.9	8.3	98	5.9	11,905	6.8
Middle	75.8	75.4	1,366	82.7	144,294	82.2
Upper	14.7	15.7	178	10.8	18,287	10.4
Totals	100.0	100.0	1,652	100.0	175,565	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. As shown in the following table, the percentage of home mortgage loans made in both low- and moderate-income census tracts is comparable to aggregate lending performance.

Geographic Distribution of Home Mortgage Loans – Nonmetropolitan Nebraska						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.7	0.9	10	0.9	1,627	1.0
Moderate	8.9	10.0	100	9.2	13,347	8.3
Middle	74.4	71.6	771	71.3	104,515	65.3
Upper	16.1	17.5	201	18.6	40,586	25.4
Totals	100.0	100.0	1,082	100.0	160,076	100.0
Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects excellent penetration among farms and businesses of different sizes and individuals of different income levels. Excellent small farm and small business lending performance outweighed adequate home mortgage lending performance.

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms with gross annual revenues of \$1 million or less. The percentage of the bank's small farm loans made to borrowers with gross annual revenues of \$1 million or less significantly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Farm Loans by Gross Annual Revenue Category – Nonmetropolitan Nebraska						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	97.7	61.8	2,154	86.4	244,861	76.8
>\$1,000,000	1.4	--	334	13.4	73,518	23.1
Revenue Not Available	0.9	--	5	0.2	383	0.1
Totals	100.0	100.0	2,493	100.0	318,762	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses with gross annual revenues of \$1 million or less. The percentage of the bank's small business loans, by number of loans, made to entities with gross annual revenues of \$1 million or less significantly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Nonmetropolitan Nebraska						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	82.3	56.4	1,246	75.4	96,792	55.1
>\$1,000,000	4.2	--	401	24.3	78,386	44.6
Revenue Not Available	13.4	--	5	0.3	387	0.2
Totals	100.0	100.0	1,652	100.0	175,565	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. As reflected in the following table, the percentage of home mortgage loans made to both low- and moderate-income borrowers is slightly lower than aggregate performance by number of loans, but is still reasonably comparable.

Distribution of Home Mortgage Loans by Borrower Income Level - Nonmetropolitan Nebraska						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.9	10.4	77	7.1	5,785	3.6
Moderate	19.0	23.6	193	17.8	21,611	13.5
Middle	23.3	25.4	288	26.6	40,074	25.0
Upper	39.8	25.7	392	36.2	75,328	47.1
Not Available	0.0	14.9	132	12.2	17,278	10.8
Totals	100.0	100.0	1,082	100.0	160,076	100.0
Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%						

Community Development Loans

Pinnacle Bank originated a relatively high level of community development loans in the Nonmetropolitan Nebraska Assessment Area. The bank originated 95 community development loans totaling approximately \$124.6 million. The dollar volume of community development lending has significantly increased since the previous evaluation when the bank made 132 loans totaling \$53.0 million in the Nonmetropolitan Nebraska Assessment Area. The loans were particularly responsive to affordable housing needs, community service needs of low- and moderate-income individuals, and revitalization and stabilization needs for distressed and/or underserved areas.

Notable community development lending in the Nonmetropolitan Nebraska Assessment Area includes:

- A \$980,000 construction loan to develop public infrastructure improvements for business expansion and job creation as part of the revitalization plan for distressed areas of McCook;
- 26 small dollar consumer loans to low- or moderate-income individuals to assist with transportation expenses as part of the Opportunity Passport program.

The following table illustrates the bank’s community development loans in the Nonmetropolitan Nebraska Assessment Area by purpose and year.

Community Development Lending by Year – Nonmetropolitan Nebraska										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	4	136	1	146	4	26,337	9	26,619
2022	17	11,584	18	35,151	7	9,032	10	5,959	52	61,726
2023	9	818	10	3,870	2	6,025	5	16,082	26	26,795
Year-to-Date 2024	1	1,760	3	403	0	0	4	7,350	8	9,513
Total	27	14,162	35	39,560	10	15,203	23	55,728	95	124,653
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated good performance under the Investment Test in the Nonmetropolitan Nebraska Assessment Area. Performance under Investment and Grant Activity and Responsiveness to Credit and Community Development Needs requirements primarily supports this conclusion.

Investment and Grant Activity

Pinnacle Bank provided a significant level of qualified community development investments and grants in the Nonmetropolitan Nebraska Assessment Area. The bank made 505 qualified investments totaling \$38.4 million of which 378 were donations totaling \$566,000. The majority of these investments provided funds to help build education facilities and construct community infrastructure. The following table illustrates the bank’s qualified investments in the Nonmetropolitan Nebraska Assessment Area by purpose and year.

Qualified Investments by Year – Nonmetropolitan Nebraska										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	36	12,126	0	0	91	25,703	127	37,829
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
Year-to-Date 2024	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	36	12,126	0	0	91	25,703	127	37,829
Grants & Donations	27	79	123	95	174	300	54	92	378	566
Total	27	79	159	12,221	174	300	145	25,795	505	38,395
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

Pinnacle Bank exhibits good responsiveness to credit and community development needs in the Nonmetropolitan Nebraska Assessment Area based on the investments and donations that support affordable housing, community service, economic development, and revitalization and stabilization.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

SERVICE TEST

Pinnacle Bank demonstrated good performance under the Service Test in the Nonmetropolitan Nebraska Assessment Area. Performance under Community Development Services primarily supports this conclusion.

Accessibility of Delivery Systems

Pinnacle Bank's delivery systems are reasonably accessible to essentially all portions of the Nonmetropolitan Nebraska Assessment Area. The bank's performance in this assessment area is consistent with the institution's overall performance discussed previously. The distribution of branches and ATMs lags the population distribution restricting accessibility; however, alternative delivery systems help augment accessibility. In addition, four offices are located in a distressed and underserved area and seven offices are located in an underserved area. Eleven ATMs are located in distressed and/or underserved areas.

Branch & ATM Distribution by Geography Income Level – Nonmetropolitan Nebraska								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	2	1.2	7,314	1.4	0	0.0	0	0.0
Moderate	19	11.4	52,542	10.2	2	6.1	2	4.4
Middle	126	75.4	375,695	72.9	27	81.8	39	84.7
Upper	20	12.0	79,541	15.5	4	12.1	5	10.9
Total	167	100.0	515,092	100.0	33	100.0	46	100.0
<i>Source: 2020 Census Data; Bank Data Due to rounding, totals may not equal 100.0%</i>								

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, Pinnacle Bank opened one branch and closed three branches in this assessment area. The bank closed one office in Kearney on July 29, 2022, one office in Fremont on November 18, 2022, and one office in Neligh on April 4, 2024. None of the closed or opened offices were in low- or moderate-income census tracts. The closed branches were all located in middle-income census tracts. In addition, the bank opened one office in an upper-income census tract in Kearney on August 1, 2022.

Reasonableness of Business Hours and Services

Services and business hours, do not vary in a way that inconveniences certain portions of the Nonmetropolitan Nebraska Assessment Area, particularly low- and moderate-income geographies and/or individuals, and are consistent with the bank's overall performance.

Community Development Services

Pinnacle Bank is a leader in providing community development services within the

Nonmetropolitan Nebraska Assessment Area. Employees expended 7,432 hours performing 281 community development services in the assessment area. The following table details the number of community development services by year and purpose.

Community Development Services by Year – Nonmetropolitan Nebraska					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	9	25	22	10	66
2022	10	33	28	9	80
2023	8	38	24	9	79
Year-to-Date 2024	5	25	19	7	56
Total	32	121	93	35	281
<i>Source: Bank Data</i>					

LINCOLN MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE LINCOLN MSA ASSESSMENT AREA

This assessment area is comprised of Lancaster and Seward counties that make up the Lincoln, Nebraska MSA. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area consists of 6 low-, 17 moderate-, 30 middle-, and 27 upper-income census tracts, as well as 5 census tracts without an income designation. The low- and moderate-income census tracts are within city limits of Lincoln, mostly located in northern and central Lincoln. The bank operates its main office and 11 branches in the assessment area, as well as 16 ATMs, 12 of which are deposit taking ATMs.

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area.

Demographic Information of the Lincoln MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	85	7.1	20.0	35.3	31.8	5.9
Population by Geography	340,217	5.9	19.6	39.2	32.2	3.1
Housing Units by Geography	140,312	8.0	22.0	39.6	29.5	0.9
Owner-Occupied Units by Geography	79,756	2.1	14.7	44.8	38.3	0.1
Occupied Rental Units by Geography	53,676	15.8	32.4	31.6	18.3	1.8
Vacant Units by Geography	6,880	14.8	24.6	41.4	16.5	2.7
Businesses by Geography	37,644	5.4	15.7	35.5	40.8	2.5
Farms by Geography	1,769	2.8	7.0	44.4	45.2	0.6
Family Distribution by Income Level	80,729	19.0	18.7	22.5	39.9	0.0
Household Distribution by Income Level	133,432	22.7	17.0	19.6	40.8	0.0
Median Family Income – Lincoln, Nebraska MSA	\$82,381	Median Housing Value				\$190,886
		Median Gross Rent				\$876
		Families Below Poverty Level				6.6%
Source: 2020 U.S. Census and 2023 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.						

The assessment area is primarily urban and suburban. The City of Lincoln is the retail, population, and employment center, while the more rural communities are located in Seward County. The population has remained relatively stable with a slight increase of 8.0 percent, while the number of businesses and farms have significantly increased by 60.3 percent and 61.7 percent, respectively, since the previous evaluation.

The three largest business segments in the assessment area are services (35.7 percent); non-classifiable establishments (21.4 percent); and finance, insurance, and real estate (12.4 percent). These businesses are predominantly small operations with 91.9 percent operating from a single location and 63.9 percent employing less than five employees, according to 2023 D&B data.

The following table reflects the FFIEC-estimated median family income for the Lincoln, Nebraska MSA as well as the respective low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges – Lincoln, Nebraska MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$83,700)	<\$41,850	\$41,850 to <\$66,960	\$66,960 to <\$100,440	≥\$100,440
2022 (\$91,200)	<\$45,600	\$45,600 to <\$72,960	\$72,960 to <\$109,440	≥\$109,440
2023 (\$101,500)	<\$50,750	\$50,750 to <\$81,200	\$81,200 to <\$121,800	≥\$121,800
2024 (\$102,200)	<\$51,100	\$51,100 to <\$81,760	\$81,760 to <\$122,640	≥\$122,640
<i>Source: FFIEC</i>				

Competition

The Lincoln MSA Assessment Area is competitive for financial services. According to 2024 FDIC Deposit Market Share data, 31 financial institutions operated 124 offices in the Lincoln MSA Assessment Area. Of these institutions, Pinnacle Bank ranked 3rd with a deposit market share of 8.2 percent. According to 2022 CRA aggregate data, the assessment area is relatively competitive for

small farm loans, as 15 lenders originated 357 small farm loans. Pinnacle Bank ranked 1st with 35.0 percent of the market share by dollar volume. The assessment area also contains high demand and competition for small business loans as evidenced by 2022 CRA aggregate data, as 75 lenders reported 5,996 small business loans in 2022. Pinnacle Bank ranked 2nd with 11.5 percent of the market share by dollar volume. Further, significant competition for home mortgage loans exists, as 236 lenders reported 8,297 home mortgage loans in the assessment area during 2023. Pinnacle Bank ranked 4th with a home mortgage market share of 5.2 percent by dollar volume.

Community Contact

Examiners reviewed a community contact interview previously conducted with a representative of a government agency operating in the Lincoln MSA Assessment Area. The contact stated that current economic conditions are strong and there is continued business growth in the area. There is limited supply of housing that is affordable; however, there are a lot of opportunities for financial institutions to work with new construction housing projects that support low- and moderate-income individuals. The contact indicated that the primary credit needs in the community are home mortgage and consumer loans. There are community development opportunities for affordable housing through low-income housing tax credits and other construction projects.

Credit and Community Development Needs and Opportunities

Examiners determined that commercial and home mortgage lending represent the primary credit needs in the assessment area considering information from bank management, the community contact, and demographic and economic data. Furthermore, the primary community development needs are affordable housing, community services, economic development, and revitalization and stabilization of low- and moderate-income geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LINCOLN MSA ASSESSMENT AREA

LENDING TEST

Pinnacle Bank demonstrated good performance under the Lending Test in the Lincoln MSA Assessment Area. Lending Activity, Geographic Distribution, Borrower Profile, and Community Development lending performance support this conclusion.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Lincoln MSA Assessment Area. As previously noted, the bank ranked 1st in market share for small farm lending, and 2nd for small business lending in 2022, and 4th in market share for home mortgage lending in 2023. Pinnacle Bank lending market share increased for small business and home mortgage lending compared to the previous evaluation, and is comparable for small farm lending. Specifically, in 2019, Pinnacle Bank ranked 1st in market share for small farm lending, 7th in market share for small business lending, 8th in market share for home mortgage lending. In 2023, the bank reported 59 small farm loans totaling \$7.8 million, 210 small business loans totaling \$42.4 million, and 498 home mortgage loans totaling \$99.2 million. This accounts for 13.6 percent of the bank's reported loans by dollar volume and 10.6 percent by number of loans within the bank's assessment areas. In comparison, according to 2023 FDIC Summary of Deposit data, 15.9 percent of the bank's deposits

were in this assessment area. Overall, the bank's lending activity is comparable to the previous evaluation, with a slight decline in small farm, small business, and home mortgage lending.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Adequate home mortgage and small farm lending performance along with good small business lending performance supports this conclusion.

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration throughout the assessment area. Although the bank did not make any small farm loans in low-income census tracts, only 1.6 percent of farms are located in these tracts, and the bank's performance is equal to aggregate performance. The percentage of small farm loans made in moderate-income census tracts is comparable by both number and dollar volume to the aggregate lending performance. The following table provides details.

Geographic Distribution of Small Farm Loans – Lincoln MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.6	0.0	0	0.0	0	0.0
Moderate	7.8	1.4	1	1.3	157	1.6
Middle	44.8	59.9	56	70.9	6,513	64.8
Upper	45.2	38.7	22	27.8	3,374	33.6
Not Available	0.6	0.0	0	0.0	0	0.0
Totals	100.0	100.0	79	100.0	10,044	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. The percentage of small business loans made in low-income census tracts slightly lags by number, and slightly exceeds by dollar volume, aggregate lending performance. The percentage of small business loans made in moderate-income census tracts exceeds aggregate lending performance by both number and dollar volume. The following table provides details.

Geographic Distribution of Small Business Loans – Lincoln MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.5	3.8	7	3.0	2,109	4.1
Moderate	16.3	18.4	54	23.1	12,698	24.5
Middle	36.2	35.3	79	33.8	16,234	31.3
Upper	40.4	40.6	85	36.3	18,163	35.0
Not Available	2.6	2.0	9	3.8	2,673	5.2
Totals	100.0	100.0	234	100.0	51,877	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. The percentage of home mortgage loans made in both low- and moderate-income census tracts is reasonably comparable to aggregate lending performance. The following table provides details.

Geographic Distribution of Home Mortgage Loans – Lincoln MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.1	3.4	14	2.8	1,778	1.8
Moderate	14.7	14.9	65	13.1	12,412	12.5
Middle	44.8	42.3	171	34.3	32,053	32.3
Upper	38.3	39.1	245	49.2	52,799	53.2
Not Available	0.1	0.3	3	0.6	146	0.1
Totals	100.0	100.0	498	100.0	99,188	100.0
<i>Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects good penetration among farms and businesses of different sizes and individuals of different income levels. Adequate home mortgage lending performance combined with excellent small farm and small business lending performance supports the overall good conclusion, considering the loan product weighting. Among the loan products reviewed, home mortgage lending carried the most weight in determining conclusions in the Lincoln MSA Assessment Area, closely followed by small business lending, while small farm lending carried the least weight.

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms with gross annual revenues of \$1 million or less. The percentage of the bank's small farm loans made to borrowers with gross annual revenues of \$1 million or less significantly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Farm Loans by Gross Annual Revenue Category – Lincoln MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	98.3	56.3	67	84.8	7,029	70.0
>\$1,000,000	1.1	--	12	15.2	3,015	30.0
Revenue Not Available	0.7	--	0	0.0	0	0.0
Totals	100.0	100.0	79	100.0	10,044	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses with gross annual revenues of \$1 million or less. The percentage of the bank's small business loans, by number of

loans, made to borrowers with gross annual revenues of \$1 million or less exceeds aggregate lending performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Lincoln MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.5	53.9	142	60.7	21,231	40.9
>\$1,000,000	4.4	--	91	38.9	29,881	57.6
Revenue Not Available	10.2	--	1	0.4	765	1.5
Totals	100.0	100.0	234	100.0	51,877	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, home mortgage lending to low-income borrowers is comparable to aggregate performance. In addition, the percentage of home mortgage loans made to moderate-income borrowers slightly lags aggregate lending performance, but is still reasonably comparable, which reflects adequate performance.

Distribution of Home Mortgage Loans by Borrower Income Level – Lincoln MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.0	8.2	31	6.2	2,965	3.0
Moderate	18.7	21.6	66	13.3	8,650	8.7
Middle	22.5	22.3	91	18.3	16,039	16.2
Upper	39.9	30.0	226	45.4	47,643	48.0
Not Available	0.0	18.0	84	16.9	23,891	24.1
Totals	100.0	100.0	498	100.0	99,188	100.0
<i>Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Community Development Loans

Pinnacle Bank originated an adequate level of community development loans in the Lincoln MSA Assessment Area. The bank originated 57 community development loans totaling approximately \$33.1 million. This level of activity has decreased since the previous evaluation when the bank made 76 loans totaling \$56.8 million in the Lincoln MSA Assessment Area. The loans were particularly responsive to affordable housing needs, community service needs of low- and moderate-income individuals, economic development, and revitalization and stabilization needs for low- and moderate-income areas.

Notable community development lending in the Lincoln MSA Assessment Area includes:

- Three loans totaling \$7.2 million to construct and develop 131 affordable housing units for low- and moderate-income individuals as part of Lincoln's Affordable Housing Action Plan;
- A \$2.7 million loan to construct a commercial building in a moderate-income census tract to assist an existing small business to create and retain jobs for low- and moderate-income

individuals.

The following table illustrates the bank's community development loans in the Lincoln MSA Assessment Area by purpose and year.

Community Development Lending by Year – Lincoln MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	3	5,633	4	206	0	0	0	0	7	5,839
2022	5	2,948	5	749	5	3,605	3	1,567	18	8,869
2023	9	9,328	11	417	5	1,773	1	2,700	26	14,219
Year-to-Date 2024	2	760	3	5	1	3,440	0	0	6	4,205
Total	19	18,669	23	1,377	11	8,818	4	4,267	57	33,131
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated good performance under the Investment Test in the Lincoln MSA Assessment Area. Performance under Investment and Grant Activity and Responsiveness to Credit and Community Development Needs requirements primarily supports this conclusion.

Investment and Grant Activity

Pinnacle Bank provided a significant level of qualified community development investments and grants in the Lincoln MSA Assessment Area. The bank made 90 qualified investments totaling \$8.6 million of which 85 were donations totaling \$520,000. The majority of these investments provided funds to help create housing for low- and moderate-income individuals and revitalize moderate-income areas designated as opportunity zones. The most notable investment was the purchase of low-income housing tax credits from Midwest Housing Equity Group for \$4.0 million. This investment helped rehabilitate the historic Trabert Hall building and create 32 one-bedroom apartments of which 18 are designated for low-income households. The following table details the qualified investments by purpose and year.

Qualified Investments by Year – Lincoln MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	2	1,590	2	2,458	4	4,048
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	1	4,000	0	0	0	0	0	0	1	4,000
Year-to-Date 2024	0	0	0	0	0	0	0	0	0	0
Subtotal	1	4,000	0	0	2	1,590	2	2,458	5	8,048
Grants & Donations	10	101	68	400	7	19	0	0	85	520
Total	11	4,101	68	400	9	1,609	2	2,458	90	8,568
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

Pinnacle Bank exhibits good responsiveness to credit and community development needs in the Lincoln MSA Assessment Area based on the investments and donations that support affordable housing, community service, economic development, and revitalization and stabilization.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

SERVICE TEST

Pinnacle Bank demonstrated good performance under the Service Test in the Lincoln MSA Assessment Area. Performance under Accessibility of Delivery Systems and Community Development Services primarily supports this conclusion.

Accessibility of Delivery Systems

Pinnacle Bank's delivery systems are accessible to essentially all portions of the Lincoln MSA Assessment Area. The bank's performance in this assessment area exceeds the institution's overall performance discussed previously when considering its distribution of offices in the moderate-income census tracts. The branch distribution in moderate-income census tracts slightly exceeds the percentages of tracts and population. The higher presence of offices in moderate-income census tracts helps make banking services more readily available to low- and moderate-income individuals living in those areas. The bank does not presently have any locations in low-income census tracts, limiting accessibility to individuals living in these areas. The same alternative delivery systems discussed earlier are also available to residents in this assessment area and help augment accessibility.

Branch & ATM Distribution by Geography Income Level – Lincoln MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	6	7.1	19,962	5.9	0	0.0	0	0.0
Moderate	17	20.0	66,721	19.6	3	25.0	3	18.8
Middle	30	35.3	133,436	39.2	5	41.7	5	31.2
Upper	27	31.7	109,405	32.2	4	33.3	6	37.5
Not Available	5	5.9	10,693	3.1	0	0.0	2	12.5
Total	85	100.0	340,217	100.0	12	100.0	16	100.0
<i>Source: 2020 Census Data.; Bank Data Due to rounding, totals may not equal 100.0%</i>								

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank closed one office in Lincoln during the evaluation period. The closed branch was located in a census tract that did not have a classified income level due to the limited population living in the tract.

Reasonableness of Business Hours and Services

Services and business hours, do not vary in a way that inconveniences certain portions of the Lincoln MSA Assessment Area, particularly low- and moderate-income geographies and/or individuals, and are consistent with the bank's overall performance.

Community Development Services

Pinnacle Bank provides a relatively high level of community development services within the Lincoln MSA Assessment Area. Employees expended 2,405 hours performing 53 community development services in the assessment area. The following table details the number of community development services by year and purpose.

Community Development Services by Year – Lincoln MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	2	10	2	0	14
2022	2	10	1	0	13
2023	1	11	1	0	13
Year-to-Date 2024	0	12	1	0	13
Total	5	43	5	0	53
<i>Source: Bank Data</i>					

OMAHA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE OMAHA MSA ASSESSMENT AREA

The Omaha MSA Assessment Area consists of 4 of the 5 Nebraska counties within the Omaha-Council Bluffs, Nebraska-Iowa MSA. Specifically, the assessment area includes Cass, Douglas, Sarpy, and Saunders counties. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area consists of 16 low-, 53 moderate-, 84 middle-, and 68 upper-income census tracts. The bank operates 15 offices in Elkhorn (2), Gretna, La Vista, Louisville, Omaha (5), Papillion (4), and Springfield. The bank operates 21 ATMs in the assessment area, 20 of which are deposit-taking ATMs.

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area.

Demographic Information of the Omaha MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	221	7.2	24.0	38.0	30.8	0.0
Population by Geography	824,006	5.1	21.2	38.9	34.8	0.0
Housing Units by Geography	328,439	4.9	22.1	42.2	30.8	0.0
Owner-Occupied Units by Geography	198,874	2.8	16.0	42.9	38.3	0.0
Occupied Rental Units by Geography	108,491	7.8	32.2	40.8	19.2	0.0
Vacant Units by Geography	21,074	9.3	27.7	43.5	19.5	0.0
Businesses by Geography	99,177	3.1	17.4	39.7	39.7	0.0
Farms by Geography	3,557	2.0	11.4	47.6	39.0	0.0
Family Distribution by Income Level	197,936	18.6	18.1	22.6	40.8	0.0
Household Distribution by Income Level	307,365	22.4	16.6	18.7	42.3	0.0
Median Family Income – Omaha-Council Bluffs, Nebraska-Iowa MSA		\$87,733	Median Housing Value			\$193,590
			Median Gross Rent			\$983
			Families Below Poverty Level			6.0%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

The assessment area is urban with Omaha being the largest city in Nebraska. The population has remained relatively stable with a slight increase of nine percent, while the number of businesses and farms have increased significantly, by 59.3 and 37.0 percent, respectively, since the previous evaluation.

The three largest business segments in the assessment area are services (33.3 percent), non-classifiable establishments (26.2 percent), and finance, insurance, and real estate (11.9 percent). These businesses are predominantly small operations with 92.9 percent operating from a single location and 60.6 percent employing less than five employees, according to 2023 D&B data.

The following table reflects the FFIEC-estimated median family income for the Omaha-Council Bluffs, Nebraska-Iowa MSA as well as the respective low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges – Omaha, Nebraska-Iowa MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$87,700)	<\$43,850	\$43,850 to <\$70,160	\$70,160 to <\$105,240	≥\$105,240
2022 (\$95,100)	<\$47,550	\$47,550 to <\$76,080	\$76,080 to <\$114,120	≥\$114,120
2023 (\$109,200)	<\$54,600	\$54,600 to <\$87,360	\$87,360 to <\$131,040	≥\$131,040
2024 (\$109,700)	<\$54,850	\$54,850 to <\$87,760	\$87,760 to <\$131,640	≥\$131,640
Source: FFIEC				

Competition

The Omaha MSA Assessment Area is highly competitive for financial services. According to 2024 FDIC Deposit Market Share data, 87 financial institutions operated 248 offices within the assessment area. Of these institutions, Pinnacle Bank ranked 5th with a deposit market share of 6.9 percent. According to 2022 CRA aggregate data, there is competition for small farm loans within the assessment area, as 21 lenders originated 490 small farm loans. Pinnacle Bank ranked 2nd

among these lenders with 35.6 percent of the market share by dollar volume. Pinnacle Bank faces significant competition for small business loans in the assessment area as evidenced by 2022 CRA aggregate data. In 2022, 113 lenders reported 17,621 small business loans. Pinnacle Bank ranked 2nd among these lenders with 11.5 percent of the market share by dollar volume. Further, aggregate HMDA data strong competition for home mortgage loans within the assessment area. In 2023, 391 lenders reported 28,296 home mortgage loans in the assessment area. Pinnacle Bank ranked 5th with 3.2 percent of the market share by dollar volume.

Credit and Community Development Needs and Opportunities

Examiners determined that commercial and home mortgage lending represent the primary credit needs in the assessment area considering information from bank management and demographic and economic data. Furthermore, the primary community development needs are affordable housing, community services, economic development, and revitalization and stabilization of low- and moderate-income geographies. The assessment area provides a number of community development opportunities given the number of low- and moderate-income census tracts, areas targeted for redevelopment by the federal, state, and local government. Additionally, the area has a number of organizations that provide services to low- and moderate-income individuals and families.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE OMAHA MSA ASSESSMENT AREA

LENDING TEST

Pinnacle Bank demonstrated good performance under the Lending Test in the Omaha MSA Assessment Area. Lending Activity, Geographic Distribution, Borrower Profile, and Community Development lending performance support this conclusion.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Omaha MSA Assessment Area. As previously noted, the bank ranked 1st in market share for small farm lending and 2nd for small business lending in 2022, and 5th in market share for home mortgage lending in 2023 for this assessment area. Pinnacle Bank has increased its lending market share in comparison to the previous evaluation when it was ranked 4th in market share for small farm lending, 8th in market share for small business lending, 13th in market share for home mortgage lending. In 2023, the bank reported 51 small farm loans totaling \$9.7 million, 370 small business loans totaling \$71.5 million, and 479 home mortgage loans totaling \$116.7 million in 2023. This accounts for 18.0 percent of the bank's reported loans by dollar volume and 12.4 percent by number of loans within its assessment areas. In comparison, according to 2023 FDIC Summary of Deposits data, 28.9 percent of the bank's deposits were in this assessment area. Overall, the bank's lending activity is comparable to the previous evaluation.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. Adequate home mortgage, small business, and small farm lending performance supports this conclusion.

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration throughout the assessment area. Although the bank did not make any small farm loans in the low- or moderate-income census tracts, its performance is considered adequate when considering performance context. There is limited farm loan demand in these census tracts as demonstrated by aggregate lending performance with only 2.7 percent of reported loans extended in these tracts. The following table provides details.

Geographic Distribution of Small Farm Loans – Omaha MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	1.6	0.6	0	0.0	0	0.0
Moderate	10.5	2.1	0	0.0	0	0.0
Middle	49.6	71.5	25	43.9	4,431	39.6
Upper	38.3	25.9	32	56.1	6,767	60.4
Totals	100.0	100.0	57	100.0	11,198	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. The percentage of small business loans made in low-income census tracts slightly lags, by number and dollar volume, aggregate lending performance. The percentage of small business loans made in moderate-income census tracts compares closely to aggregate lending performance by both number and dollar volume. The following table provides details.

Geographic Distribution of Small Business Loans – Omaha MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.8	2.3	1	0.2	71	0.1
Moderate	16.9	15.8	58	13.6	14,813	17.2
Middle	40.8	39.3	166	39.1	28,589	33.2
Upper	39.5	42.6	200	47.1	42,517	49.4
Totals	100.0	100.0	425	100.0	85,990	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Although the percentage of home mortgage loans made in low- and moderate-income census tracts slightly lags aggregate lending performance, it is still reasonably comparable to aggregate lending performance and demographic data. The following table provides details.

Geographic Distribution of Home Mortgage Loans – Omaha MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.8	3.5	9	1.9	2,228	1.9
Moderate	16.0	15.0	62	12.9	26,811	23.0
Middle	42.9	38.8	175	36.5	35,265	30.2
Upper	38.3	42.6	233	48.6	52,357	44.9
Totals	100.0	100.0	479	100.0	116,661	100.0
Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects adequate penetration among farms and businesses of different sizes and individuals of different income levels. The adequate performance for home mortgage lending outweighed the good small business and excellent small farm lending performance as home mortgage lending contributed more weight within this assessment area.

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms with gross annual revenues of \$1 million or less. The percentage of the bank's small farm loans made to borrowers with gross annual revenues of \$1 million or less significantly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Farm Loans by Gross Annual Revenue Category – Omaha MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	97.4	60.2	47	82.5	8,243	73.6
>\$1,000,000	1.4	--	10	17.5	2,955	26.4
Revenue Not Available	1.2	--	0	0.0	0	0.0
Totals	100.0	100.0	57	100.0	11,198	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of borrowers reflects good penetration among businesses with gross annual revenues of \$1 million or less. The percentage of the bank's small business loans made to borrowers with gross annual revenues of \$1 million or less slightly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Omaha MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.4	50.0	232	54.6	36,432	42.4
>\$1,000,000	4.6	--	190	44.7	49,063	57.1
Revenue Not Available	9.0	--	3	0.7	495	0.6
Totals	100.0	100.0	425	100.0	85,990	100.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. The percentage of the bank's home mortgage loans made to low-income borrowers is comparable to aggregate performance. In addition, the percentage of loans made to moderate-income borrowers slightly lags aggregate lending performance, but is still comparable, which reflects adequate performance. The following table provides details.

Distribution of Home Mortgage Loans by Borrower Income Level – Omaha MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.6	8.8	36	7.5	3,072	2.6
Moderate	18.1	21.6	69	14.4	11,145	9.6
Middle	22.6	23.6	79	16.5	13,983	12.0
Upper	40.8	30.8	187	39.0	47,788	41.0
Not Available	0.0	15.2	108	22.5	40,673	34.9
Totals	100.0	100.0	479	100.0	116,661	100.0
Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%						

Community Development Loans

Pinnacle Bank originated a relatively high level of community development loans in the Omaha MSA Assessment Area. The bank originated 22 community development loans totaling approximately \$78.0 million. This dollar volume represents an increase in the dollar volume of community development loans since the previous evaluation when it totaled \$35.7 million. The loans were particularly responsive to affordable housing needs, community service needs of low- and moderate-income individuals, and revitalization and stabilization needs for low- and moderate-income areas.

Notable community development lending in the Omaha MSA Assessment Area includes:

- A \$20.0 million loan to construct and develop 138 affordable housing units for low- and moderate-income individuals as part of a redevelopment plan;
- A \$16.0 million loan to acquire real estate and construct a facility to serve as a food bank for Omaha.

The following table illustrates the bank’s community development loans in the Omaha MSA Assessment Area by purpose and year.

Community Development Lending by Year – Omaha MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	3	123	1	60	1	9,600	5	9,783
2022	0	0	4	7,234	1	60	0	0	5	7,294
2023	1	20,000	0	0	1	60	4	18,856	6	38,916
Year-to-Date 2024	2	6,000	4	16,004	0	0	0	0	6	22,004
Total	3	26,000	11	23,361	3	180	5	28,456	22	77,997
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated adequate performance under the Investment Test in the Omaha MSA Assessment Area. Performance under Investment and Grant Activity and Responsiveness to Credit and Community Development Needs criteria primarily supports this conclusion.

Investment and Grant Activity

Pinnacle Bank provided an adequate level of qualified community development investments and grants in the Omaha MSA Assessment Area. The bank made 111 qualified investments totaling \$2.2 million of which 109 were donations totaling \$700,000. The majority of these investments provided funds to help revitalize and stabilize low- and moderate-income areas designated as redevelopment zones. These funds were primarily used to improve vital infrastructure in the redevelopment zone. The bank also made notable investments through the purchase of low-income housing tax credits from Midwest Housing Equity Group totaling roughly \$5.5 million where the proceeds were used for housing projects in this assessment area. The following table details the qualified investments by purpose and year.

Qualified Investments by Year – Omaha MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	2	1,500	2	1,500
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
Year-to-Date 2024	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	2	1,500	2	1,500
Grants & Donations	4	19	81	537	19	94	5	42	109	692
Total	4	19	81	537	19	94	7	1,542	111	2,192
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

Pinnacle Bank exhibits adequate responsiveness to credit and community development needs in the Omaha MSA Assessment Area based on the investments and donations that support affordable housing, community service, economic development, and revitalization and stabilization.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

SERVICE TEST

Pinnacle Bank demonstrated adequate performance under the Service Test in the Omaha MSA Assessment Area. Performance under Accessibility of Delivery Systems and Community Development Services primarily supports this conclusion.

Accessibility of Delivery Systems

Pinnacle Bank's delivery systems are accessible to limited portions of the Omaha MSA Assessment Area. The bank's performance in this assessment area lags the institution's overall performance discussed previously when considering its distribution of offices in the low- and moderate-income census tracts. The bank does not have any of its 15 branches located in a low- or moderate-income census tract within this assessment area. As noted in the below table, 31 percent of the tracts are classified as low- or moderate-income and 26 percent of the population is low- or moderate-income. Many of these residents also reside in the low- and moderate-income tracts. The lack of offices in these tracts limits accessibility to the individuals living in these areas. The same alternative delivery systems discussed earlier are also available to residents in this assessment area and help augment accessibility.

Branch & ATM Distribution by Geography Income Level – Omaha MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	16	7.2	42,222	5.1	0	0.0	0	0.0
Moderate	53	24.0	174,557	21.0	0	0.0	2	9.5
Middle	84	38.0	320,576	38.9	4	26.7	7	33.3
Upper	68	30.8	286,651	34.8	11	73.3	12	57.2
Total	221	100.0	824,006	100.0	15	100.0	21	100.0
<i>Source: 2020 Census Data; Bank Data Due to rounding, totals may not equal 100.0%</i>								

Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The bank opened a branch in Papillion on January 18, 2022, which is in an upper-income census tract. The bank closed a branch in Omaha on February 29, 2024, which was located in a middle-income census tract.

Reasonableness of Business Hours and Services

Services and business hours, do not vary in a way that inconveniences certain portions of the Omaha MSA Assessment Area, particularly low- and moderate-income geographies and/or individuals, and are consistent with the bank's overall performance.

Community Development Services

Pinnacle Bank provides a relatively high level of community development services within the Omaha MSA Assessment Area. Employees expended 1,444 hours performing 61 community development services in the assessment area. The following table details the number of community development services by year and purpose.

Community Development Services by Year – Omaha MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	2	13	4	0	19
2022	3	12	2	1	18
2023	1	10	5	1	17
Year-to-Date 2024	1	3	3	0	7
Total	7	38	14	2	61

Source: Bank Data

GRAND ISLAND MSA ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE GRAND ISLAND MSA ASSESSMENT AREA

The Grand Island MSA Assessment Area includes Hall, Howard, and Merrick counties, which comprise the Grand Island, Nebraska, MSA. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area consists of 3 moderate-, 13 middle-, and 3 upper-income census tracts. The bank operates three offices and four deposit taking ATMs in the assessment area. The following table provides select demographic characteristics of the assessment area.

Demographic Information of the Grand Island MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	15.8	68.4	15.8	0.0
Population by Geography	77,038	0.0	19.5	63.3	17.2	0.0
Housing Units by Geography	31,965	0.0	18.8	64.7	16.5	0.0
Owner-Occupied Units by Geography	19,169	0.0	14.7	67.6	17.7	0.0
Occupied Rental Units by Geography	10,389	0.0	27.6	56.5	15.9	0.0
Vacant Units by Geography	2,407	0.0	13.5	77.2	9.3	0.0
Businesses by Geography	8,169	0.0	16.4	63.5	20.1	0.0
Farms by Geography	904	0.0	4.6	86.3	9.1	0.0
Family Distribution by Income Level	19,905	18.7	19.4	23.2	38.8	0.0
Household Distribution by Income Level	29,558	21.9	18.3	19.3	40.6	0.0
Median Family Income – Grand Island, Nebraska MSA		\$70,828	Median Housing Value			\$152,526
			Median Gross Rent			\$742
			Families Below Poverty Level			8.0%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GRAND ISLAND MSA ASSESSMENT AREA

LENDING TEST

Pinnacle Bank’s Lending Test performance in the Grand Island MSA Assessment Area is below the overall performance in Nebraska, but did not impact overall conclusions. Examiners drew conclusions regarding the bank’s lending performance from reviewing facts and data, including performance figures, aggregate lending data comparisons, and demographic information. In 2022, the bank reported 158 small farm loans totaling \$22.6 million, 110 small business loans totaling \$14.8 million, and 132 home mortgage loans totaling approximately \$26.5 million in the Grand Island MSA Assessment Area. In 2023, the bank reported 147 small farm loans totaling \$22.1 million, 84 small business loans totaling \$9.3 million, and 113 home mortgage loans totaling \$20.1 million in the Grand Island MSA Assessment Area. Tables demonstrating the geographic distribution and borrower profile performance for this assessment area are in the Appendices.

Pinnacle Bank’s community development lending performance in this assessment area is below the overall performance in Nebraska, but did not impact overall conclusions. During the evaluation period, the bank originated 23 community development loans totaling approximately \$1.4 million in the Grand Island MSA Assessment Area. This is an increase in the number of community development loans and decrease in the dollar volume since the previous evaluation when the bank received consideration for 14 loans totaling approximately \$43.3 million.

INVESTMENT TEST

Pinnacle Bank’s Investment Test performance in the Grand Island MSA Assessment Area is below the performance overall in Nebraska. While the performance was considered, it did not change the overall conclusions for Nebraska. During the review period, the institution purchased four qualified

investments totaling \$1.7 million within the assessment area and made \$11,000 in qualified donations.

SERVICE TEST

Pinnacle Bank's Service Test performance in the Grand Island MSA Assessment Area is consistent with the bank's overall performance in Nebraska. Products, services, access, and business hours are similar to those offered within the full-scope assessment areas. All offices and ATMs are located in middle-income census tracts. Employees provided 657 hours of financial and technical assistance when completing 47 services to various community development organizations in this assessment area.

MISSOURI

CRA RATING FOR MISSOURI: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Needs to Improve

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MISSOURI

Pinnacle Bank has delineated two assessment areas in Missouri: Joplin MSA and Kansas City MSA. The bank operates six offices and six ATMs in Missouri. As noted previously, the bank's operations in Missouri comprise 8.5 percent of total bank branches, 5.2 percent of total bank deposits, and 3.7 percent of bank loans. Details for the individual assessment areas are provided in subsequent sections.

SCOPE OF EVALUATION – MISSOURI

Examiners evaluated the bank's CRA performance for Missouri through a full-scope review of the Joplin MSA Assessment Area. Examiners reviewed small business and home mortgage loans, as small farm loans are not a primary product in Missouri and there were too few small farm loans to draw any meaningful conclusions. When analyzing performance in the Joplin MSA Assessment Area home mortgage lending received the most weight, followed by small business lending. Examiners conducted a limited-scope review of the Kansas City MSA Assessment Area, evaluating if the assessment area is consistent compared to Missouri. Refer to the overall Scope of Evaluation section for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MISSOURI

LENDING TEST

Pinnacle Bank demonstrated low satisfactory performance under the Lending Test in Missouri. The bank's performance is consistent with the Joplin MSA Assessment Area. The bank's performance in the Kansas City MSA Assessment Area is below the performance in Missouri, but did not impact the rating.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs of Missouri. Good responsiveness in the Joplin MSA Assessment Area supports this conclusion. Performance in the Kansas City MSA Assessment Area is below that of Missouri, but did not impact the rating. Details are discussed in each assessment area analysis.

Geographic Distribution

The geographic distribution of loans reflects good penetration in Missouri. This conclusion is consistent with the bank's performance in the Joplin MSA Assessment Area, but not consistent with

the bank's performance in the Kansas City MSA Assessment Area, where performance lagged. Details are discussed in each assessment area analysis.

Borrower Profile

The distribution of borrowers reflects adequate penetration among businesses of different sizes and individuals of different income levels throughout the assessment areas in Missouri. The bank's performance is consistent throughout all assessment areas in Missouri. Details are discussed in each assessment area analysis.

Community Development Loans

The bank originated an adequate level of community development loans in Missouri. The low level of community development lending Joplin MSA Assessment Area was offset by the performance in the Kansas City MSA Assessment Area to arrive at the overall adequate level. Pinnacle Bank made nine community development loans totaling \$2.6 million in its Missouri assessment areas. The number of community development loans decreased in Missouri since the previously evaluation from 10 to 9, while the dollar volume increased from \$711,000 to \$2.6 million. Details are discussed in each assessment area analysis. The following table illustrates the bank's community development loans by assessment area and purpose.

Community Development Lending by Assessment Area – Missouri										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Joplin MSA	2	233	4	103	0	0	0	0	6	336
Kansas City MSA	0	0	1	300	1	461	1	1,523	3	2,284
Total	2	233	5	403	1	461	1	1,523	9	2,620
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated performance that needs to improve under the Investment Test in Missouri. The bank's performance as described under Investment and Grant Activity, Responsiveness to Credit and Community Development Needs, and Community Development Initiatives sections provide support for this rating. The bank's performance in the Joplin MSA Assessment Area was consistent with performance in Missouri, with the bank extending a poor level of investments that exhibited a poor responsiveness to area needs. Performance in the Kansas City MSA Assessment Area was above the level observed for Missouri; however, it did not change the Missouri rating.

Investment and Grant Activity

The bank has a poor level of qualified community development investments and grants and does not take a leadership position when investing in Missouri. A total of \$1.2 million of qualified investments and grants were completed in the Missouri assessment areas. The activity was largely limited to donations, with only two investments completed in the Kansas City MSA Assessment Area. The volume of activity is poor in relation to the bank's resources and the assessment area needs. The bank invested 1.7 percent of its funds dedicated to community development investments in the Missouri assessment areas, while 5.2 percent of the bank's deposit base comes from these

areas. The current level of investments represents a 52 percent decline from the prior evaluation where the bank completed \$2.5 million of qualified investments. The following table details the qualified investments by assessment area and purpose.

Qualified Investments by Assessment Area – Missouri										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Joplin MSA	0	0	8	14	5	3	0	0	13	18
Kansas City MSA	3	1,039	19	118	5	4	0	0	27	1,160
Total	3	1,039	27	132	10	7	0	0	40	1,178
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

The bank exhibits poor responsiveness to credit and community development needs in the Missouri assessment areas. A low volume of investments was made in each community development category.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in the Missouri assessment areas.

SERVICE TEST

Pinnacle Bank demonstrated high satisfactory performance under the Service Test in Missouri. The bank's performance as described under Accessibility of Delivery Systems, Changes in Branch Locations, Reasonableness of Business Hours and Services, and Community Development Services sections provide support for this rating. The bank's performance in the Joplin MSA and Kansas City MSA Assessment Areas was consistent with Missouri.

Accessibility of Delivery Systems

The institution's delivery systems are accessible to essentially all portions of the Missouri assessment areas. The bank's branch distribution in Missouri is consistent with the bank's overall distribution as discussed previously. Specifically, the bank operates one office and one ATM in low- and moderate-income census tracts, providing access to banking services to low- and moderate-income individuals within the Missouri assessment areas. Furthermore, alternative delivery systems provide access to bank services and are consistent with those discussed in the bank's overall performance.

Changes in Branch Locations

The bank's opening and closing of branches in Missouri has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Pinnacle Bank closed one office in Joplin. The closed branch was in a middle-income census tract. Overall, the branch changes in the Missouri assessment areas resulted in one less office reducing access; however, the closure was not in a low- or moderate-income area.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals within the Missouri assessment areas. This performance is consistent with performance at the institution level.

Community Development Services

Pinnacle Bank provided an adequate level of community development services in Missouri. Employees expended 1,164 hours performing 15 community development services in the Missouri assessment areas. Refer to the separate assessment area sections for specific details.

Qualified Services by Assessment Area – Missouri					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Joplin MSA	0	11	0	0	11
Kansas City MSA	0	4	0	0	4
Total	0	15	0	0	15
<i>Source: Bank Data</i>					

JOPLIN MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE JOPLIN MSA ASSESSMENT AREA

This assessment area includes Jasper and Newton counties, which are the two Missouri counties in the Joplin, Missouri-Kansas MSA. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area consists of 7 moderate-, 29 middle-, and 6 upper-income census tracts. The bank operates 5 offices and 5 ATMs in the assessment area.

Economic and Demographic Data

The following table provides select demographic characteristics of the assessment area.

Demographic Information of the Joplin MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	0.0	16.7	69.0	14.3	0.0
Population by Geography	181,409	0.0	17.8	67.1	15.1	0.0
Housing Units by Geography	76,573	0.0	18.6	65.9	15.5	0.0
Owner-Occupied Units by Geography	45,556	0.0	12.8	69.2	18.0	0.0
Occupied Rental Units by Geography	23,028	0.0	29.0	60.1	10.9	0.0
Vacant Units by Geography	7,989	0.0	21.6	63.5	14.9	0.0
Businesses by Geography	21,116	0.0	20.0	64.1	16.0	0.0
Farms by Geography	888	0.0	8.7	72.6	18.7	0.0
Family Distribution by Income Level	45,362	18.9	19.7	21.7	39.8	0.0
Household Distribution by Income Level	68,584	22.6	17.5	19.2	40.7	0.0
Median Family Income – Joplin, Missouri-Kansas MSA		\$60,833	Median Housing Value			\$126,450
			Median Gross Rent			\$751
			Families Below Poverty Level			11.3%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

The assessment area is primarily suburban in nature and has experienced growth since the previous evaluation. The population increased by 3.1 percent, while the number of businesses and farms have increased significantly, by 99.2 and 91.8 percent, respectively.

The three largest business segments in the assessment area are services (29.4 percent), non-classifiable establishments (26.2 percent), and retail trade (11.2 percent). These businesses are predominantly small operations with 92.4 percent operating from a single location and 60.5 percent employing less than five employees, according to 2023 D&B data.

The following table reflects the FFIEC-estimated median family incomes for the assessment area as well as the respective low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges – Joplin, Missouri-Kansas MSA*				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$60,200)	<\$30,100	\$30,100 to <\$48,160	\$48,160 to <\$72,240	≥\$72,240
2022 (\$65,000)	<\$32,500	\$32,500 to <\$52,000	\$52,000 to <\$78,000	≥\$78,000
2023 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
2024 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
Source: FFIEC (* Figures for calendar years 2023 and prior are based on the Joplin, Missouri MSA, which consisted of Newton and Jasper Counties, Missouri. Figures for 2024 reflect the 2023 MSA boundary delineations as defined by Office of Management and Budget, which added Cherokee County, Kansas to the Joplin, Missouri-Kansas MSA.				

Competition

The Joplin MSA Assessment Area is highly competitive for financial services given the size of the assessment area. According to 2024 FDIC Deposit Market Share data, 16 financial institutions operated 72 offices within the assessment area. Of these institutions, Pinnacle Bank ranked 6th with a deposit market share of 5.6 percent. Pinnacle Bank faces moderate competition for small farm loans in the assessment area, as 22 lenders originated 315 small farm loans per 2022 CRA aggregate

data. Of these lenders, Pinnacle Bank ranked 5th with 5.2 percent of the market share by dollar volume. There is strong competition for small business loans in the assessment area, as 76 lenders reported 3,462 small business loans per 2022 CRA aggregate data. Pinnacle Bank ranked 6th with 5.3 percent of the market share by dollar volume. Further, aggregate HMDA data indicated there is also strong competition for home mortgage loans. In 2023, 221 lenders reported 4,700 home mortgage loans in the assessment area. Pinnacle Bank ranked 15th with 1.8 percent of the market share by dollar volume.

Community Contact

Examiners reviewed a community contact interview previously conducted with a representative of an economic development organization operating in the Joplin MSA. The contact stated that current economic conditions are declining due to the area being rural and underserved in development. However, there have been local efforts to help support new businesses which has resulted in some new small business creation. Further, the population of the area is increasing due to the low cost of living, and housing values have been rising in recent years. The contact indicated that a lack of affordable housing is a primary concern. Local financial institutions are highly involved in community development opportunities and are meeting the credit needs of the community, which are primarily small business and home mortgage lending.

Credit and Community Development Needs and Opportunities

Examiners determined that commercial and home mortgage lending represent the primary credit needs in the assessment area considering information from bank management, the community contact, and demographic and economic data. Furthermore, the primary community development needs are affordable housing and economic development. The assessment area provides opportunities for banks to participate in community development activities through affordable housing initiatives, economic development, and community services targeted to low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE JOPLIN MSA ASSESSMENT AREA

LENDING TEST

Pinnacle Bank demonstrated adequate performance under the Lending Test in the Joplin MSA Assessment Area. The bank demonstrated good performance under lending activities and geographic distribution; however, this performance was offset by the adequate performance under borrower profile and the low level of community development loans.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs of the Joplin MSA Assessment Area. As previously noted, the bank ranked 5th in market share for small farm lending and 6th in market share for small business lending in 2022, and 15th in market share for home mortgage lending in 2023. This is an increase for both small farm and small business lending since the previous evaluation when the bank ranked 11th in market share for small farm lending and 15th in market share for small business lending. However, Pinnacle Bank's home mortgage market share is comparable to the previous evaluation when it ranked 18th in market share. In 2023, the

bank reported 8 small farm loans totaling \$620,000, 27 small business loans totaling \$6.7 million, and 79 home mortgage loans totaling \$13.9 million. This accounts for 1.9 percent of the bank's reported loans by dollar volume and 1.6 percent by number of loans within its assessment areas. In comparison, according to 2023 FDIC Summary of Deposits data, 3.3 percent of the bank's deposits were in this assessment area. Overall, the bank's lending activity is comparable to the previous evaluation, with a slight decline in small farm and small business lending and a slight increase in home mortgage lending.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. Good home mortgage lending performance outweighed excellent small business lending performance to support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. The percentage of small business loans made in moderate-income census tracts significantly exceeds aggregate performance by both number and dollar volume. The following table provides details.

Geographic Distribution of Small Business Loans – Joplin MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	19.9	16.7	11	28.2	1,780	21.6
Middle	64.3	65.6	24	61.5	5,192	63.0
Upper	15.9	17.7	4	10.3	1,268	15.4
Totals	100.0	100.0	39	100.0	8,240	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Although the percentage of home mortgage loans made in moderate-income census tracts slightly lags aggregate performance, it is still reasonably comparable to demographic data. The following table provides details.

Geographic Distribution of Home Mortgage Loans – Joplin MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	12.8	16.4	10	12.7	1,236	8.9
Middle	69.2	67.6	48	60.8	8,042	57.8
Upper	18.0	16.0	21	26.6	4,638	33.3
Totals	100.0	100.0	79	100.0	13,916	100.0
<i>Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among businesses of different sizes and individuals of different income levels. Adequate home mortgage lending performance outweighed good small business lending performance as home mortgage lending received more weight.

Small Business Loans

The distribution of borrowers reflects good penetration among businesses with gross annual revenues of \$1 million or less. The percentage of the bank's small business loans made to entities with gross annual revenues of \$1 million or less exceeds aggregate performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Joplin MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	88.5	50.6	23	59.0	4,104	49.8
>\$1,000,000	2.9	--	16	41.0	4,136	50.2
Revenue Not Available	8.7	--	0	0.0	0	0.0
Totals	100.0	100.0	39	100.0	8,240	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The distribution of borrowers reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. The percentage of home mortgage loans made to low-income borrowers is comparable to aggregate performance. While the percentage of the bank's home mortgage loans made to moderate-income borrowers lags aggregate performance it is still reasonably comparable. The following table provides details.

Distribution of Home Mortgage Loans by Borrower Income Level – Joplin MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	18.9	6.4	7	8.9	406	2.9
Moderate	19.7	18.9	7	8.9	631	4.5
Middle	21.7	21.8	11	13.9	1,668	12.0
Upper	39.8	29.6	40	50.6	9,218	66.2
Not Available	0.0	23.3	14	17.7	1,993	14.3
Totals	100.0	100.0	79	100.0	13,916	100.0
<i>Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%</i>						

Community Development Loans

Pinnacle Bank originated a low level of community development loans in the Joplin MSA Assessment Area. The bank originated six community development loans totaling approximately \$336,000. This is a decrease in the number and dollar volume of community development loans since the previous evaluation when the bank made nine community development loans totaling approximately \$411,000. As shown in the following table, the community development loans made

in the Joplin MSA Assessment Area were responsive to affordable housing needs and community service needs of low- and moderate-income individuals.

Community Development Lending by Year – Joplin MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	1	50	0	0	0	0	1	50
2022	1	152	2	51	0	0	0	0	3	203
2023	1	81	1	2	0	0	0	0	2	83
Year-to-Date 2024	0	0	0	0	0	0	0	0	0	0
Total	2	233	4	103	0	0	0	0	6	336
<i>Source: Bank Data</i>										

INVESTMENT TEST

Pinnacle Bank demonstrated poor performance under the Investment Test in the Joplin MSA Assessment Area. Performance under Investment and Grant Activity and Responsiveness to Credit and Community Development Needs requirements primarily supports this conclusion.

Investment and Grant Activity

The bank has a poor level of qualified community development investments and grants and does not take a leadership position when investing in the Joplin MSA Assessment Area. The bank only made 13 donations and grants totaling \$18,000 during the evaluation period. This is a low level considering the bank's available resources. The bank only invested 1.7 percent of its funds dedicated to community development investments in the Joplin MSA Assessment Area, while 3.3 percent of the bank's deposit base comes from this assessment area. The current level of investments also represents a decline from the prior evaluation when the bank completed 29 donations totaling \$22,000.

Responsiveness to Credit and Community Development Needs

Pinnacle Bank exhibits poor responsiveness to credit and community development needs in the Joplin MSA Assessment Area. No investments were completed to address the affordable housing needs or to help revitalize or stabilize the moderate-income areas in the Joplin MSA Assessment Area.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

SERVICE TEST

Pinnacle Bank demonstrated good performance under the Service Test in the Joplin MSA Assessment Area. Pinnacle Bank's accessibility of delivery systems as well as its record of opening and closing branches and that its services do not vary in a way that inconveniences portions of the assessment area outweighed the adequate level of community development services.

Accessibility of Delivery Systems

Pinnacle Bank’s delivery systems are accessible to essentially all portions of the Joplin MSA Assessment Area. The bank’s performance in this assessment area exceeds the institution’s overall performance discussed previously when considering its distribution of offices in the moderate-income census tracts. As detailed in the following table, the branch and ATM distribution slightly exceeds the percentage of population located in moderate-income tracts. The presence of an office in a moderate-income census tract helps make banking services more readily available to low- and moderate-income individuals living in that area. The same alternative delivery systems discussed earlier are also available to residents in this assessment area and help further augment accessibility.

Branch & ATM Distribution by Geography Income Level for Joplin MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Moderate	7	16.7	32,220	17.8	1	20.0	1	20.0
Middle	29	69.0	121,799	67.1	3	60.0	3	60.0
Upper	6	14.3	27,390	15.1	1	20.0	1	20.0
Total	42	100.0	181,409	100.0	5	100.0	5	100.0
<i>Source: 2020 Census Data; Bank Data</i>								
<i>Due to rounding, total may not equal 100.0%</i>								

Changes in Branch Locations

The bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. During the evaluation period, Pinnacle Bank closed one Joplin branch in a middle-income census tract.

Reasonableness of Business Hours and Services

Services and business hours, do not vary in a way that inconveniences certain portions of the Joplin MSA Assessment Area, particularly low- and moderate-income geographies and/or individuals, and are consistent with the bank’s overall performance.

Community Development Services

Pinnacle Bank provides an adequate level of community development services within the Joplin MSA Assessment Area. Employees expended 799 hours performing 11 community development services in the assessment area. This activity is considered adequate based on the needs and available opportunities in the Joplin MSA Assessment Area. The following table details the number of community development services by year and purpose.

Community Development Services by Year - Joplin MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	0	2	0	0	2
2022	0	3	0	0	3
2023	0	3	0	0	3
Year-to-Date 2024	0	3	0	0	3
Total	0	11	0	0	11
<i>Source: Bank Data</i>					

KANSAS CITY MSA ASSESSMENT AREA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KANSAS CITY MSA ASSESSMENT AREA

The Kansas City MSA Assessment Area consists of Jackson County, Missouri. Jackson County is 1 of the 14 counties comprising the bi-state Kansas City, Missouri-Kansas MSA. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area contains 38 low-, 72 moderate-, 70 middle-, 37 upper-income, and 10 census tracts with no income designation. The bank operates its Lake Lotawana branch and ATM in this assessment area, which are both located in an upper-income census tract. The following table provides select demographic characteristics of the assessment area.

Demographic Information of the Kansas City MSA Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	227	16.7	31.7	30.8	16.3	4.4
Population by Geography	717,204	12.7	34.6	34.3	16.6	1.7
Housing Units by Geography	325,759	14.0	35.3	33.1	15.5	2.0
Owner-Occupied Units by Geography	170,399	8.3	31.0	39.2	20.4	1.1
Occupied Rental Units by Geography	121,133	19.1	39.9	27.7	10.4	2.9
Vacant Units by Geography	34,227	24.0	40.5	22.5	9.1	4.0
Businesses by Geography	132,617	9.8	27.7	33.6	25.6	3.3
Farms by Geography	2,907	8.2	28.1	39.0	22.9	1.9
Family Distribution by Income Level	167,177	26.2	19.8	21.4	32.5	0.0
Household Distribution by Income Level	291,532	30.6	17.9	17.9	33.6	0.0
Median Family Income – Kansas City, Missouri-Kansas MSA	\$86,562	Median Housing Value				\$158,816
		Median Gross Rent				\$947
		Families Below Poverty Level				9.8%
Source: 2020 U.S. Census and 2023 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.						

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE KANSAS CITY MSA ASSESSMENT AREA

LENDING TEST

Pinnacle Bank’s Lending Test performance in the Kansas City MSA Assessment Area is consistent with the performance in Missouri. Examiners drew conclusions regarding the bank’s lending performance from reviewing facts and data, including performance figures, aggregate lending data comparisons, and demographic information. In 2022, the bank originated 33 small business loans totaling \$5.5 million and 31 home mortgage loans totaling \$8.6 million in the Kansas City MSA Assessment Area. In 2023, the bank originated 18 small business loans totaling \$4.5 million and 17 home mortgage loans totaling \$46.2 million in the Kansas City MSA Assessment Area. Tables

demonstrating the geographic distribution and borrower profile performance for this assessment area are in the Appendices.

Pinnacle Bank’s community development lending performance in this assessment area exceeds the bank’s overall performance in Missouri and elevated the overall conclusion for the state. During the evaluation period, the Pinnacle Bank originated three community development loans totaling approximately \$2.3 million in the Kansas City MSA Assessment Area. This is an increase in community development lending activity since the previous evaluation when the bank made one community development loan totaling approximately \$300,000.

INVESTMENT TEST

Pinnacle Bank’s Investment Test performance in the Kansas City MSA Assessment Area is above the bank’s overall performance in Missouri. While the performance was considered, it did not change the overall conclusions for Missouri. During the review period, the institution purchased two qualified investments totaling \$1.0 million within the assessment area and made \$124,000 in qualified donations.

SERVICE TEST

Pinnacle Bank’s Service Test performance in the Kansas City MSA Assessment Area is consistent with its overall performance in Missouri. Employees provided 4 instances of community development services totaling 32 hours of financial and technical assistance to various community development organizations in this assessment area. Products, services, and business hours are similar to those offered within the full-scope assessment area. However, the branch distribution is below the overall branch and ATM distribution as the bank does not have any branches or ATMs in low- or moderate-income census tracts.

Branch & ATM Distribution by Geography Income Level for Kansas City MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	38	16.7	91,378	12.7	0	0.0	0	0.0
Moderate	72	31.7	248,266	34.6	0	0.0	0	0.0
Middle	70	30.8	246,144	34.3	0	0.0	0	0.0
Upper	37	16.3	119,392	16.6	1	100.0	1	100.0
Not Available	10	4.4	12,024	1.7	0	0.0	0	0.0
Total	227	100.0	717,204	100.0	1	100.0	1	100.0
<i>Source: 2020 Census Data; Bank Data</i> <i>Due to rounding, total may not equal 100.0%</i>								

KANSAS

CRA RATING FOR KANSAS: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KANSAS

Pinnacle Bank has delineated one assessment area in Kansas, which includes Dickinson County in the nonmetropolitan, central portion of the state. The boundaries of the assessment area remain unchanged since the previous evaluation; however, the income designations of some census tracts changed following the release of the 2020 U.S. Census. According to 2020 U.S. Census data, the assessment area consists of five middle-, and one upper-income census tracts. The bank operates two offices and three ATMs, two of which are deposit taking ATMs.

Economic and Demographic Data

The following table provides select demographic characteristics of the Nonmetropolitan Kansas Assessment Area.

Demographic Information of the Nonmetropolitan Kansas Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	0.0	83.3	16.7	0.0
Population by Geography	18,402	0.0	0.0	87.0	13.0	0.0
Housing Units by Geography	9,180	0.0	0.0	88.2	11.8	0.0
Owner-Occupied Units by Geography	5,814	0.0	0.0	87.5	12.5	0.0
Occupied Rental Units by Geography	2,119	0.0	0.0	89.6	10.4	0.0
Vacant Units by Geography	1,247	0.0	0.0	89.0	11.0	0.0
Businesses by Geography	1,511	0.0	0.0	88.0	12.0	0.0
Farms by Geography	211	0.0	0.0	75.4	24.6	0.0
Family Distribution by Income Level	4,967	15.4	16.5	25.7	42.4	0.0
Household Distribution by Income Level	7,933	23.6	15.1	17.9	43.3	0.0
Median Family Income – Nonmetropolitan Kansas	\$65,467	Median Housing Value				\$116,977
		Median Gross Rent				\$711
		Families Below Poverty Level				6.5%
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%						

The assessment area is primarily rural in nature with the largest community hub for services, retail, employment, and housing being Abilene. The population decreased slightly by 5.7 percent, while the number of businesses and farms have increased by 41.3 and 24.1 percent, respectively, since the previous evaluation.

The three largest business segments in the assessment area are services (32.1 percent), non-classifiable establishments (13.2 percent), and agriculture (12.3 percent). These businesses are

predominantly small operations with 88.1 percent operating from a single location and 67.1 percent employing less than five employees, according to 2023 D&B data.

The following table reflects the FFIEC-estimated median family income for the nonmetropolitan areas of Kansas as well as the respective low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges – Nonmetropolitan Kansas				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$64,800)	<\$32,400	\$32,400 to <\$51,840	\$51,840 to <\$77,760	≥\$77,760
2022 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
2023 (\$79,900)	<\$39,950	\$39,950 to <\$63,920	\$63,920 to <\$95,880	≥\$95,880
2024 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080

Source: FFIEC

Competition

The Nonmetropolitan Kansas Assessment Area is moderately competitive for financial services. According to 2024 FDIC Deposit Market Share data, 10 financial institutions operated 14 offices within the assessment area. Of these institutions, Pinnacle Bank ranked 1st with a deposit market share of 26.2 percent. There is competition for small farm and small business loans in the assessment area, as 2022 CRA aggregate data shows that 9 lenders originated 215 small farm loans, and 27 lenders reported 297 small business loans. By dollar volume, Pinnacle Bank ranked 1st for both small farm and small business lending with 75.8 percent and 67.9 percent of the market share, respectively. Aggregate HMDA data indicated there is also competition for home mortgage loans within the assessment area. In 2023, 87 lenders reported 354 home mortgage loans in the assessment area. Pinnacle Bank ranked 6th among HMDA reporters, with 4.6 percent of the market share by dollar volume. These figures do not include loans originated by non-HMDA reporters; some local financial institutions are not required to report home mortgage lending data since this assessment area is in the nonmetropolitan portion of the state.

Community Contact

Examiners conducted a community contact interview with a representative of an economic development organization operating in the assessment area. The contact stated that agricultural is the primary economic driver of the area with the largest industry being manufacturing that supports agriculture. Current economic conditions are stable with many employment opportunities available and a sufficient supply of housing that is in good condition. In addition, there is a steady flow of new housing development including income-based housing and retirement communities.

Opportunities exist for financial institution to participate in community development projects related to affordable housing and economic development for small businesses. Overall, the contact felt that small business and home mortgage loans are the primary credit needs and that local financial institutions are meeting the credit needs for home mortgages, but less so for small business loans.

Credit and Community Development Needs and Opportunities

Examiners determined that agricultural, commercial, and home mortgage lending represent the primary credit needs of the assessment area considering information from bank management, the community contact, and demographic and economic data. Furthermore, the primary community

development needs are affordable housing and economic development. As previously indicated, the community development opportunities include affordable housing and economic development.

SCOPE OF EVALUATION – KANSAS

Examiners reviewed small farm, small business, and home mortgage lending. Small farm loans received the most weight, followed by small business lending and then home mortgage lending. Examiners did not evaluate the Geographic Distribution criterion because there are no low-or moderate-income census tracts in the assessment area. Refer to the overall Scope of Evaluation section for more information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN KANSAS

LENDING TEST

Pinnacle Bank demonstrated low satisfactory performance under the Lending Test in Kansas, which is supported by the bank's adequate performance in the Nonmetropolitan Kansas Assessment Area. Excellent performance under lending activity and borrower profile was offset by the limited number of community development loans made in the assessment area.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Nonmetropolitan Kansas Assessment Area. As previously noted, the bank ranked 1st in market share for small farm and small business lending in 2022 and 6th in market share for home mortgage lending in 2023. This is comparable to the bank's market share at the previous evaluation for small farm and small business lending when the bank ranked 1st in market share. However, the bank's home mortgage market share has declined from the previous evaluation when the bank ranked 1st in market share. In 2023, the bank reported 112 small farm loans totaling \$11.3 million, 61 small business loans totaling \$5.4 million, and 25 home mortgage loans totaling \$2.4 million. This accounts for 1.7 percent by dollar volume of the bank's reported loans by dollar volume and 2.7 percent by number of loans within its assessment areas. In comparison, according to 2023 FDIC Summary of Deposits data, 2.1 percent of the bank's deposits were in this assessment area. Overall, the bank's lending activity is comparable to the previous evaluation, with a slight decline in small farm, small business, and home mortgage lending.

Geographic Distribution

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects excellent penetration among farms and businesses of different sizes and individuals of different income levels. Excellent small farm and small business lending performance, and home mortgage lending performance supports this conclusion.

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms with gross annual revenues of \$1 million or less. The percentage of the bank's small farm loans made to borrowers with gross annual revenues of \$1 million or less significantly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Farm Loans by Gross Annual Revenue Category – Nonmetropolitan Kansas						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	97.9	81.2	136	97.1	12,699	97.2
>\$1,000,000	2.1	--	4	2.9	364	2.8
Totals	100.0	100.0	140	100.0	13,063	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses with gross annual revenues of \$1 million or less. The percentage of the bank's small business loans made to borrowers with gross annual revenues of \$1 million or less significantly exceeds aggregate lending performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Nonmetropolitan Kansas						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	79.3	59.5	73	85.9	4,775	65.5
>\$1,000,000	4.7	--	12	14.1	2,517	34.5
Revenue Not Available	16.0	--	0	0.0	0	0.0
Totals	100.0	100.0	85	100.0	7,292	100.0
<i>Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The distribution of borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, the percentage of home mortgage loans made to low-income borrowers significantly exceeds aggregate lending performance. While the percentage of home mortgage loans made to moderate-income borrowers is comparable to aggregate lending performance.

Distribution of Home Mortgage Loans by Borrower Income Level – Nonmetropolitan Kansas						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	15.4	7.1	4	16.0	190	7.8
Moderate	16.5	24.0	5	20.0	213	8.8
Middle	25.7	22.6	6	24.0	446	18.3
Upper	42.4	20.1	6	24.0	911	37.5
Not Available	0.0	26.3	4	16.0	669	27.6
Totals	100.0	100.0	25	100.0	2,429	100.0
Source: 2020 U.S. Census; 2023 HMDA Reported Data; 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%						

Community Development Loans

The bank has made a low level of community development loans in Kansas. Specifically, the bank originated a limited number of community development loans in the Nonmetropolitan Kansas Assessment Area. Pinnacle Bank made one community development loan totaling \$320,000 in the assessment area, which is an increase from the previous evaluation when the bank did not make any community development loans in the Nonmetropolitan Kansas Assessment Area. The community development loan was responsive to affordable housing needs of low- and moderate-income seniors.

INVESTMENT TEST

Pinnacle Bank demonstrated low satisfactory performance under the Investment Test in Kansas as supported by adequate performance in the Nonmetropolitan Kansas Assessment Area. Performance under investment and grant activity and responsiveness to credit and community development needs primarily supports this conclusion.

Investment and Grant Activity

Pinnacle Bank provided an adequate level of qualified community development investments and grants in the Nonmetropolitan Kansas Assessment Area. As shown in the following table, the bank made eight qualified investments totaling \$853,000. The majority of these investments provided funds to help renovate education facilities and develop affordable housing.

Qualified Investments by Year – Nonmetropolitan Kansas										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	2	725	0	0	0	0	2	725
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	1	125	0	0	0	0	0	0	1	125
Year-to-Date 2024	0	0	0	0	0	0	0	0	0	0
Subtotal	1	125	2	725	0	0	0	0	3	850
Grants & Donations	0	0	0	0	0	0	0	0	5	3
Total	1	125	3	725	4	3	0	0	8	853
Source: Bank Data										

Responsiveness to Credit and Community Development Needs

Pinnacle Bank exhibits adequate responsiveness to credit and community development needs in the Nonmetropolitan Kansas Assessment Area based on the investments and donations that support affordable housing, community service, and economic development.

Community Development Initiatives

Pinnacle Bank occasionally uses innovative and/or complex investments to support community development initiatives in this assessment area.

SERVICE TEST

Pinnacle Bank demonstrated high satisfactory performance under the Service Test in Kansas, which is supported by good performance in the Nonmetropolitan Kansas Assessment Area. Community development services activity primarily supports this conclusion as well as the reasonableness of business hours and services and the accessibility of delivery systems to the assessment area.

Accessibility of Delivery Systems

Pinnacle Bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. The performance is consistent with the institution's overall performance discussed previously. Both branches are located in middle-income census tracts and are located in the center of the assessment area. The location makes services reasonably accessible to residents. The bank also offers alternative delivery systems as well as three ATMs that help augment accessibility.

Branch & ATM Distribution by Geography Income Level for Nonmetropolitan Kansas								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Middle	5	83.3	16,012	87.0	2	100.0	3	100.0
Upper	1	16.7	2,390	13.0	0	0.0	0	0.0
Total	6	100.0	18,402	100.0	2	100.0	3	100.0
<i>Source: 2020 Census Data; Bank Data Due to rounding, total may not equal 100.0%</i>								

Changes in Branch Locations

There were no changes to the bank's branch locations.

Reasonableness of Business Hours and Services

Services and business hours, do not vary in a way that inconveniences certain portions of the Nonmetropolitan Kansas Assessment Area, particularly areas where low- and moderate-income individuals reside, and are consistent with the bank's overall performance.

Community Development Services

Pinnacle Bank provides a relatively high level of community development services within the Nonmetropolitan Kansas Assessment Area. During the evaluation period, employees expended 365 hours performing 11 instances of community development services in the assessment area. This reflects a high level of activity considering the size of and opportunities available within the assessment area. The following table details the number of community development services by year and purpose.

Community Development Services by Year – Nonmetropolitan Kansas					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	0	3	0	0	3
2022	0	3	0	0	3
2023	0	3	0	0	3
Year-to-Date 2024	0	2	0	0	2
Total	0	11	0	0	11
<i>Source: Bank Data</i>					

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (e.g., RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

Scope of Evaluation		
Evaluation Type:	Large Institution	
Time Period Reviewed:	8/16/2021 – 8/19/2024	
Products Reviewed		
Product Category	Source	Time Period
<u>Lending Test:</u>		
Small Business Loans	CRA Reported Data	1/1/2021 – 12/31/2023
Small Farm Loans	CRA Reported Data	1/1/2021 – 12/31/2023
Home Mortgage Loans	HMDA Reported Data	1/1/2021 – 12/31/2023
Innovative/Flexible Lending Programs	Bank Data	8/16/2021 – 8/19/2024
Community Development Loans	Bank Data	8/16/2021 – 8/19/2024
<u>Investment Test:</u>		
Qualified Investments and Donations	Bank Data	8/16/2021 – 8/19/2024*
<u>Service Test:</u>		
Community Development Services	Bank Data	8/16/2021 – 8/19/2024
Branches and ATMs	Bank Data	8/16/2021 – 8/19/2024
(*) Includes qualified investments made prior to the current evaluation period that remained outstanding as of 8/19/2024		

List of Assessment Areas and Type of Evaluation		
Rated Area/ Assessment Area	Type of Evaluation	Other Information
Nebraska		
Nonmetropolitan Nebraska	Full-Scope	None
Lincoln MSA	Full-Scope	None
Omaha MSA	Full-Scope	None
Grand Island MSA	Limited Scope	None
Missouri		
Joplin MSA	Full-Scope	Small farm loans not reviewed.
Kansas City	Limited Scope	Small farm loans not reviewed.
Kansas		
Nonmetropolitan Kansas	Full-Scope	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Overall Rating
Nebraska	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Missouri	Low Satisfactory	Needs to Improve	High Satisfactory	Satisfactory
Kansas	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

GEOGRAPHIC AND BORROWER DISTRIBUTION PERFORMANCE TABLES FOR THE LIMITED-SCOPE ASSESSMENT AREAS

Distribution of Loans to Farms by Income Category of the Geography – Limited-Scope Assessment Areas																	2022		
Assessment Area	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$(000s)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Grand Island MSA	158	22,617	73.5	680	0.0	0.0	0.0	4.6	0.0	0.9	87.1	99.4	94.7	8.3	0.6	4.4	0.0	0.0	0.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Distribution of Loans to Farms by Gross Annual Revenues – Limited-Scope Assessment Areas										2022	
Assessment Area	Total Loans to Farms				Farms with Revenues <= \$1MM			Farms with Revenues > \$1MM		Farms with Revenues Not Available	
	#	\$(000s)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Grand Island MSA	158	22,617	73.5	680	96.7	81.6	61.5	2.2	18.4	1.0	0.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											

Distribution of Loans to Small Businesses by Income Category of the Geography – Limited-Scope Assessment Areas																	2022		
Assessment Area	Total Loans to Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$(000s)	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Grand Island MSA	110	14,815	19.4	1,839	0.0	0.0	0.0	16.4	6.4	19.6	63.8	76.4	62.0	19.8	17.3	18.4	0.0	0.0	0.0
Kansas City MSA	33	5,503	5.8	16,263	9.9	6.1	9.4	27.5	33.3	26.6	33.5	30.3	34.4	25.8	30.3	27.3	3.4	0.0	2.2
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Distribution of Loans to Small Businesses by Gross Annual Revenues – Limited-Scope Assessment Areas										2022	
Assessment Area	Total Loans to Businesses				Businesses with Revenues <= \$1MM			Businesses with Revenues > \$1MM		Businesses with Revenues Not Available	
	#	\$(000s)	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Grand Island MSA	110	14,815	19.4	1,839	81.8	67.3	49.3	5.0	31.8	13.3	0.9
Kansas City MSA	33	5,503	5.8	16,263	91.9	45.5	51.8	2.6	51.5	5.4	3.0
Source: 2022 D&B Data; 2022 CRA Reported Data; 2022 CRA Aggregate Data Due to rounding, totals may not equal 100.0%											

Distribution of Home Mortgage Loans by Income Category of the Geography – Limited-Scope Assessment Areas																	2023		
Assessment Area	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Grand Island MSA	113	20,065,482	18.6	1,627	0.0	0.0	0.0	14.7	11.5	17.4	67.6	75.2	64.4	17.7	13.3	18.3	0.0	0.0	0.0
Kansas City MSA	17	46,216,946	2.8	17,834	8.3	0.0	8.8	31.0	23.5	33.1	39.2	23.5	37.5	20.4	52.9	19.7	1.1	0.0	1.0
Source: 2020 U.S. Census; 2023 HMDA Reported Data, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%																			

Distribution of Home Mortgage Loans by Income Category of the Borrower – Limited-Scope Assessment Areas																	2023		
Assessment Area	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Grand Island MSA	113	20,065,482	18.6	1,627	18.7	7.1	6.2	19.4	16.8	24.7	23.2	17.7	24.5	38.8	45.1	26.4	0.0	13.3	18.1
Kansas City MSA	17	46,216,946	2.8	17,834	26.2	5.9	12.9	19.8	0.0	22.6	21.4	23.5	19.4	32.5	41.2	23.6	0.0	29.4	21.4
Source: 2020 U.S. Census; 2023 HMDA Reported Data, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%																			

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.