

PUBLIC DISCLOSURE

January 27, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Union Bank and Trust Company
Certificate Number: 13421

3643 South 48th Street
Lincoln, Nebraska 68506

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			X
High Satisfactory	X		
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			
<i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

The Lending Test is rated High Satisfactory.

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- A high percentage of loans were made in the institution's assessment areas.
- The geographic distribution of loans reflects adequate distribution throughout the assessment areas.
- The distribution of borrowers reflects adequate penetration among businesses and farms of different sizes and individuals of different income levels, given the product lines offered by the institution.
- The institution exhibits a good record of serving the credit needs of highly economically disadvantaged areas in its assessment areas, low-income individuals, and businesses and farms with gross annual revenues of \$1 million or less, consistent with safe and sound operations.
- The institution has 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 its assessment areas.

The Investment Test is rated Low Satisfactory.

- The institution has an adequate level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The institution exhibits good responsiveness to credit and community development needs.
- The institution occasionally uses innovative and/or complex qualified investments to support community development initiatives.

The Service Test is rated Outstanding.

- Delivery systems are readily accessible to all portions of the institution's assessment areas.
- To the extent changes have been made, the institution'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.
- 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

Union Bank and Trust Company (Union Bank & Trust) is a full-service interstate financial institution headquartered in Lincoln, Nebraska. The bank is owned by Farmers & Merchants Investment, Inc., a financial holding company also located in Lincoln. Union Bank & Trust was assigned a Satisfactory rating at the November 1, 2021 FDIC Performance Evaluation based on Interagency Large Institution Examination Procedures.

Union Bank & Trust offers a variety of credit products, including commercial, agricultural, home mortgage, and consumer loans as well as credit cards through its 34 branches in Nebraska (32) 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 alternate means of accessing loan and deposit accounts.

As of September 30, 2024, the institution reported total assets of \$8.8 billion, total loans of \$6.3 billion, total securities of \$1.7 billion, and total deposits of \$6.9 billion. Total assets, loans, securities, and deposits grew 47.4, 46.0, 68.3, and 34.5 percent, respectively, since the previous evaluation, which utilized figures as of June 30, 2021. Examiners did not identify any financial, legal, or other 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 9/30/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	626,270	9.9
Secured by Farmland	365,480	5.8
Secured by 1-4 Family Residential Properties	408,899	6.5
Secured by Multifamily (5 or more) Residential Properties	411,189	6.5
Secured by Nonfarm Nonresidential Properties	2,172,977	34.3
Total Real Estate Loans	3,984,815	63.0
Commercial and Industrial Loans	1,275,995	20.2
Agricultural Production and Other Loans to Farmers	125,978	2.0
Consumer Loans	573,544	9.1
Obligations of State and Political Subdivisions in the U.S.	138,211	2.1
Other Loans	146,316	2.3
Lease Financing Receivable (net of unearned income)	85,477	1.3
Less: Unearned Income	0	0.0
Total Loans	6,330,336	100.0
<i>Source: Reports of Condition and Income 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. Union Bank & Trust defined five assessment areas, four in Nebraska and one in Kansas. The following table provides additional details regarding the composition of each assessment area. Refer to the individual assessment area sections within each rated area for additional details.

Description of Rated Areas and Assessment Areas			
Rated/Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Nebraska			
Lincoln MSA	Lancaster, Seward	85	18
Omaha MSA	Douglas, Saunders	168	3
Nonmetropolitan Nebraska	Brown, Butler, Cherry, Custer, Dodge, Gage, Garfield, Jefferson, Johnson, Loup, Nemaha, Otoe, Pawnee, Platte, Richardson, Saline, York	61	10
Grand Island MSA	Hall	14	1
Kansas			
Kansas City MSA	Johnson, Leavenworth, Wyandotte	237	2
<i>Source: 2020 U.S. Census and Bank Data</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated November 1, 2021, to the current evaluation dated January 27, 2025. Examiners used the Interagency Large Institution Examination Procedures to evaluate Union Bank & Trust's CRA performance using the Lending, Investment, and Service tests. The criteria evaluated for each test is outlined in the Appendices. The tests are used to determine the bank's overall rating, as well as its ratings in Nebraska and Kansas. Banks must achieve at least a Low Satisfactory rating under the Lending Test to obtain an overall Satisfactory rating.

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 Lincoln MSA, Omaha MSA, and Kansas City MSA assessment areas. Limited-scope procedures were used for the Nonmetropolitan Nebraska and Grand Island MSA assessment areas.

Among the two 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 Kansas received considerably less weight. The following table reflects the distribution of loans, deposits, and branches by each assessment area and rated area.

Rated and Assessment Area Breakdown of Loans, Deposits, and Branches						
Area	Loans*		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Lincoln MSA	2,901,392	50.1	5,296,703	80.4	18	53.0
Omaha MSA	1,400,880	24.2	478,853	7.3	3	8.8
Nonmetropolitan Nebraska	178,837	3.1	476,254	7.2	10	29.4
Grand Island MSA	96,678	1.7	84,783	1.3	1	2.9
Nebraska Subtotal	4,577,787	79.1	6,336,593	96.2	32	94.1
Kansas City MSA	1,210,320	20.9	252,157	3.8	2	5.9
Kansas Subtotal	1,210,320	20.9	252,157	3.8	2	5.9
Total	5,788,107	100.0	6,588,750	100.0	34	100.0
<i>Source: Bank Data (10/25/2024); FDIC Summary of Deposits (6/30/2024); Bank Data (1/27/2025)</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) Dollar volume of loans outstanding.</i>						

Activities Reviewed

Examiners determined that the bank's primary product lines include commercial, agricultural, 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 lending performance, examiners considered all small business and small farm loans reported under CRA data collection requirements for 2021, 2022, and 2023. In addition, examiner reviewed all 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 Business	2,591	366,110	929	242,673	951	243,348
Small Farm	1,141	94,531	476	69,169	496	67,595
Home Mortgage	2,089	556,684	1,747	515,248	1,269	359,293
Total	5,821	1,017,325	3,152	827,090	2,716	670,236
<i>Source: CRA Reported Data and HMDA Reported Data</i>						

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 loans to 2021 HMDA aggregate lending data and 2015 American Community Survey data. Due to changes in census boundaries, examiners compared 2022 and 2023 home mortgage loans to 2020 U.S. Census data and to 2022 and 2023 HMDA aggregate data. However, examiners generally 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. Examiners did not identify any trends between the three years of CRA and HMDA data that materially affected 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 lending data as of the date of the evaluation.

For the Lending Test, examiners reviewed small business, small farm, and home mortgage loans. However, small farm loans were not reviewed in the Grand Island MSA and the Kansas City MSA assessment areas and small business loans were not reviewed in the Grand Island MSA Assessment Area because they are not primary products in those markets. Since the bank's lending focus varies by assessment area, 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 previous evaluation dated November 1, 2021. Additionally, qualified investments made prior to November 1, 2021, that remained outstanding as of January 27, 2025, were also considered. Prior period investments received credit for the outstanding balance as of January 27, 2025. Examiners referenced three comparable institution's community development lending, qualified investment, and community development service activity for comparison purposes when evaluating the Union Bank & Trust's activity. These three institutions have comparable financial capacities and operate in similar markets. Furthermore, the CRA evaluations of these institutions were performed using the Interagency Large Institution Examination Procedures during Union Bank & Trust's evaluation period.

Lastly, examiners reviewed delivery systems for providing retail banking services, including branch and alternate 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 and small business and farms.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Union Bank & Trust demonstrated high satisfactory performance under the Lending Test. The overall performance is consistent with the conclusions in Nebraska, which received the most weight. While the bank demonstrated low satisfactory performance in Kansas, it did not hamper the overall rating as performance in this state received less weight in drawing conclusions. Of the performance criteria evaluated, examiners placed more weight on the lending activity, geographic distribution, borrower profile, and community development lending criteria. Further, the bank's performance under the Lending Test was enhanced by the bank's offering of innovative and/or flexible loan products to meet the credit needs of its assessment areas.

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 business, small farm, and home mortgage lending activity in Nebraska support this conclusion. Even though, lending levels in Kansas reflect adequate responsiveness, it did not impact overall conclusions as the bank's performance in this state received less weight.

Union Bank & Trust's average net loan-to-deposit ratio was 89.0 percent over the 12 quarters from December 31, 2021, to September 30, 2024. During the evaluation period, the net loan-to-deposit ratio ranged from a low of 77.6 percent as of December 31, 2021, to a high of 96.4 percent as of September 30, 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 2,246 home mortgage loans totaling \$545.0 million from November 1, 2021, the date of the previous evaluation, to December 31, 2024. Secondary market lending is responsive to the credit needs of the assessment areas by providing long-term home mortgage financing, further supporting an overall excellent record of responsiveness.

Union Bank & Trust continues to be an active lender by originating a high volume of loans in its assessment areas. The bank maintains high market share rankings among CRA and HMDA reporters within its Nebraska assessment areas, especially in the more heavily weighted assessment areas, while the bank ranks lower in its sole assessment area in Kansas. Performance under this criterion, lending volumes, and market share rankings for small business, small farm, and home mortgage lending are included in the full-scope assessment area sections of this evaluation.

Assessment Area Concentration

A high percentage of loans are made in Union Bank & Trust'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 Areas										
Loan Category	Number of Loans				Total	Dollar Amount of Loans				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	\$(000s)	%	\$(000s)	%	\$(000s)
Small Business										
2021	2,063	79.6	528	20.4	2,591	240,825	65.8	125,285	34.2	366,110
2022	671	72.2	258	27.8	929	160,762	66.2	81,911	33.8	242,673
2023	691	72.7	260	27.3	951	155,931	64.1	87,417	35.9	243,348
Subtotal	3,425	76.6	1,046	23.4	4,471	557,518	65.4	294,613	34.6	852,131
Small Farm										
2021	881	77.2	260	22.8	1,141	69,272	73.3	25,259	26.7	94,531
2022	346	72.7	130	27.3	476	49,246	71.2	19,923	28.8	69,169
2023	346	69.8	150	30.2	496	48,799	72.2	18,796	27.8	67,595
Subtotal	1,573	74.4	540	25.6	2,113	167,317	72.3	63,978	27.7	231,295
Home Mortgage										
2021	1,834	87.8	255	12.2	2,089	380,148	68.3	176,536	31.7	556,684
2022	1,515	86.7	232	13.3	1,747	318,316	61.8	196,932	38.2	515,248
2023	1,092	86.1	177	13.9	1,269	222,788	62.0	136,505	38.0	359,293
Subtotal	4,441	86.9	664	13.1	5,105	921,252	64.4	509,973	35.6	1,431,225
Total	9,439	80.8	2,250	19.2	11,689	1,646,087	65.5	868,564	34.5	2,514,651
Source: CRA Reported Data and HMDA 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. The overall performance proved consistent with the conclusions for Nebraska and Kansas. 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 lending performance under the geographic distribution criterion is in the separate assessment area sections of this evaluation.

Borrower Profile

The distribution of borrowers reflects adequate penetration among businesses and farms of different sizes and individuals of different income levels. The overall performance proved consistent with the conclusions for Nebraska and Kansas. Emphasis under the borrower profile criterion is placed on the bank's record of making small business and small farm loans to businesses and farms 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 lending performance under the borrower profile criterion is in the separate assessment area sections of this evaluation.

Innovative or Flexible Lending Practices

Union Bank & Trust uses innovative and 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 consumer, home mortgage, and commercial 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 provides details of the bank’s innovative and flexible lending activity by program.

Innovative and/or Flexible Lending Programs												
Program	2021 (Partial)		2022		2023		2024		Year-to-Date 2025		Totals	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
Emerging Credit – Checking Plus	0	0	0	0	6	6	5	5	0	0	11	11
Emerging Credit – Credit Cards	0	0	0	0	253	253	271	271	15	15	539	539
Engler Enterprise Financing Program	0	0	0	0	0	0	3	40	0	0	3	40
Federal Housing Administration	4	758	15	3,401	24	5,141	22	5,629	1	347	66	15,276
FHLB HSP \$15k	0	0	0	0	0	0	13	1,843	0	0	13	1,843
FHLB HOPE \$12.5k	0	0	0	0	0	0	4	974	0	0	4	974
First Time Home Buyer	67	10,851	280	51,150	237	47,667	243	49,508	9	1,783	836	160,959
HomeReady	0	0	3	485	18	2,994	0	0	0	0	21	3,479
HomeReady VLIP \$2.5k	0	0	0	0	0	0	20	2,960	1	221	21	3,181
Innovation Loan Fund	0	0	2	75	4	200	0	0	0	0	6	275
Nebraska Energy Loans	24	262	137	1,598	186	2,407	173	2,379	9	116	529	6,762
NIFA	18	1,447	51	4,514	43	4,621	76	10,779	2	183	190	21,544
Outreach Loans	5	3	21	10	20	11	46	23	8	4	100	51
SBA 7(a)	0	0	1	509	15	7,683	2	366	0	0	18	8,558
SBA Express	3	293	7	611	21	1,487	45	7,062	1	50	77	9,503
SBA Preferred Lender	7	7,644	17	6,441	12	4,192	44	22,288	2	770	82	41,335
SBA 504 <\$1 million	0	0	1	315	10	6,387	6	4,246	3	2,305	20	13,253
SBA 504 >\$1 million	0	0	8	20,374	9	17,344	11	22,919	0	0	28	60,637
Veterans Administration	3	956	8	1,861	6	1,882	15	5,153	0	0	32	9,852
Totals	131	22,214	551	91,344	864	102,275	999	136,445	51	5,794	2,596	358,072
<i>Source: Bank Data</i>												

Union Bank & Trust introduced the Emerging Credit Program since the previous evaluation that is targeted to low- and moderate-income individuals who have a deposit account with the bank, but do not have an established credit history. The program includes the option of a credit card or a checking account plus line of credit in order to build credit history. The bank utilizes flexible qualification criteria based upon deposit account history with the bank.

The bank also introduced an entrepreneurship financing program partnership with the Engler Entrepreneurship Program at the University of Nebraska – Lincoln that is targeted to small businesses. Through the Engler Enterprise Financing Program the bank provides startup funding for Engler students. The program provides low-interest financing to entrepreneurs who might not otherwise be able to obtain it.

The bank also participates in many various home mortgage loan programs that are innovative and/or flexible. The bank continues to offer home mortgage loans through the Nebraska Investment Finance Authority (NIFA). This program provides long-term, fixed-rate mortgages made to homebuyers, typically first-time homeowners, who need assistance with a down payment throughout Nebraska and meet established income and purchase price limits. NIFA's mission is to provide Nebraskans a broad range of financial resources for homeownership, rental housing, agricultural, manufacturing, medical, and community development endeavors. This loan program assists low- or moderate-income homebuyers with down payment and closing cost assistance.

Union Bank & Trust also continues to offer 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 through the Federal Housing Administration, which allows homebuyers to have a minimal down payment and finance a portion of the closing costs. In addition, the bank offers Veterans Administration mortgages, which helps servicemembers, veterans, and eligible surviving spouses become homeowners by providing a home loan guaranty benefit and other housing-related programs to help veterans buy, build, repair, retain, or adapt a home for personal.

Further, Union Bank & Trust works with the Federal Home Loan Bank (FHLB) to offer down payment, closing cost, and repair assistance grants to low- and moderate-income borrowers. Through the FHLB the bank offers Fannie Mae's HomeReady Mortgage Program, which provides low-income borrowers the ability to attain home ownership by offering a down payment as low as three percent, high loan-to-value limits, and flexible sources of down payment. Borrower-income eligibility limits are based upon the area median income of the census tract in which the property is located. In addition, the bank offers the HomeReady Very Low-Income Purchase (VLIP) LLPA credit program, which provides a \$2,500 credit to HomeReady borrowers that are first-time homebuyers and classified as very low-income. The credit can be used for down payment or closing costs. Union Bank & Trust also partners with the FHLB to offer grant opportunities for qualified home buyers through their TurnKey suite of products. TurnKey products include the Homeownership Set-aside Program (HSP) for low- to moderate-income first-time home buyers, and the Homeownership Possibilities Expanded (HOPE) for low- to moderate-income home buyers.

Union Bank & Trust offers programs for commercial loans that include innovative and/or flexible practices. The bank continues to be a U.S. Small Business Administration (SBA) approved lender and offers several SBA guaranteed loan programs including SBA 7(a), Express, and 504. These programs include flexible lending terms to assist start-up operations, provide gap financing, expand operations, and foster job creation within the bank's assessment areas.

The bank continues to offer Nebraska Dollar and Energy Savings loans through the Nebraska Department of Environment and Energy Office. The office's mission is to provide funds and energy saving loans for homes, buildings, and efficient and renewable energy projects. Prequalified projects for home and building improvements are cost-effective and can be financed with a low-interest loan for up to 15 years, or 5 years for appliances.

As detailed above, Union Bank & Trust offers flexible lending programs throughout its assessment areas, which are generally available throughout its assessment areas with the exception of the

Engler Enterprise Financing Program, NIFA home mortgage loans, and Nebraska Dollar and Energy Savings loans, which are only available in Nebraska. Examiners analyzed Union Bank & Trust's performance for this criterion at the institution level only, as a detailed breakdown by rated area was not available.

Overall, Union Bank & Trust uses innovative and flexible lending programs and practices in order to serve the credit needs of its assessment areas. 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 businesses and farms of varying sizes.

Community Development Loans

Union Bank & Trust originated or purchased a relatively high level of community development loans. The bank's performance in Nebraska and Kansas is consistent with the overall performance.

The bank made 82 community development loans totaling approximately \$430.6 million during the evaluation period. The dollar volume of community development loans represented 4.9 percent of total assets and 6.9 percent of net loans as of September 30, 2024. Union Bank & Trust increased its level of community development lending by number and dollar volume since the previous evaluation when the bank made 75 loans totaling \$199.5 million, which represented 3.3 percent of total assets and 4.7 percent of net loans as of June 30, 2021.

Union Bank & Trust's community development lending activity is similar to the ratios of the three comparable institutions and consistent with those reflecting a relatively high level of community development lending. Comparable institutions' ratios for community development loans to total assets ranged from 1.6 to 14.8 percent, and community development loans to net loans ranged from 2.7 to 17.9 percent. The following table illustrates the bank's community development loans by purpose and year.

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	4	13,867	1	1,000	2	2,020	1	5,000	8	21,887
2022	2	60,192	2	1,750	16	34,981	8	93,830	28	190,753
2023	8	43,003	0	0	12	23,031	7	106,749	27	172,783
2024	2	1,060	3	4,350	11	22,919	3	16,800	19	45,129
Year-to-Date 2025	0	0	0	0	0	0	0	0	0	0
Total	16	118,122	6	7,100	41	82,951	19	222,379	82	430,552
<i>Source: Bank Data</i>										

In addition to community development loans that directly benefitted the bank's assessment areas, examiners also considered community development loans that benefitted the broader regional area in the analysis since the bank was responsive to the community development needs of its assessment areas. These are shown in following table, which illustrates the community development lending by rated area and includes loans made in the broader regional area. Regional lending activity included two lines of credit totaling \$90.0 million made to a low-income housing tax credit syndicator that funds affordable housing projects across the Midwest, including projects

that directly benefit each of the bank’s assessment areas. Regional lending activity also included three loans totaling \$54.2 million that did not directly impact or benefit the any of the assessment areas. One loan supported the renovation of a multifamily housing complex using low-income housing tax credits. The other two loans provided funding for construction projects that revitalized and stabilized low- and moderate-income areas. 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	12	21,948	6	7,100	40	81,331	16	152,155	74	262,534
Kansas	1	2,174	0	0	1	1,620	1	20,000	3	23,794
Regional Activities	3	94,000	0	0	0	0	2	50,224	5	144,224
Total	16	118,122	6	7,100	41	82,951	19	222,379	82	430,552
<i>Source: Bank Data</i>										

INVESTMENT TEST

Union Bank & Trust demonstrated low satisfactory performance under the Investment Test. The overall performance is consistent with the conclusions in Nebraska, which received the most weight. The bank also demonstrated low satisfactory performance in Kansas. The bank’s overall adequate level of investment and grant activity primarily supports this rating.

Investment and Grant Activity

The bank has an adequate level of qualified community development investments, particularly those that are not routinely provided by private investors, occasionally in a leadership position. This conclusion is supported by the bank’s performance in Nebraska and Kansas.

The institution made or retained 378 qualified community development investments and donations totaling \$40.5 million, which includes 32 prior period investments that remain outstanding with a balance of \$15.3 million and 339 grants and donations totaling \$8.9 million. The dollar volume of qualified investments represented 0.5 percent of total assets and 2.4 percent of total securities as of September 30, 2024. The number and dollar volume of qualified investments increased since the previous evaluation when the bank received consideration for 360 qualified investments totaling \$25.2 million, which represented 0.4 percent of total assets and 2.5 percent of total securities as of June 30, 2021.

While Union Bank & Trust’s qualified investment activity ratios are similar to the prior evaluation, the bank’s current evaluation ratios are on the lower end of the ratios of the three comparable institutions and consistent with institutions exhibiting an adequate level of qualified community development investments. Comparable institutions’ ratios for qualified investments to total assets ranged from 0.6 to 2.6 percent, and qualified investments to total securities ranged from 1.7 to 21.9 percent. The following table illustrates the bank’s qualified investments by purpose and year.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	23	3,990	0	0	0	0	9	11,329	32	15,319
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	2	2,535	2	2,535
2023	0	0	0	0	0	0	2	2,492	2	2,492
2024	1	8,750	0	0	0	0	2	2,471	3	11,221
Year-to-Date 2025	0	0	0	0	0	0	0	0	0	0
Subtotal	24	12,740	0	0	0	0	15	18,827	39	31,567
Qualified Grants & Donations	15	206	279	6,596	7	33	38	2,084	339	8,919
Total	39	12,946	279	6,596	7	33	53	20,911	378	40,486
Source: Bank Data										

In addition to qualified investments and donations that directly benefitted the assessment areas, examiners also considered qualified investments that benefitted the broader regional area in the analysis since the bank was responsive to the needs of its assessment areas. These are shown in following table, which illustrates the qualified investment activity by rated area and investments in the broader regional area. Specifically, the bank retained six prior period investments totaling \$443,000 that supported affordable housing projects throughout the Midwest that did not benefit any of the bank's assessment areas. The bank also retained five prior period investments totaling \$2.6 million, which financed a number of affordable housing projects in the broader regional area including projects directly benefiting the bank's assessment areas and statewide areas. All of the statewide and regional investment activities consisted of investments made in low-income housing tax credit funds. These investments are shown as regional activities in the following table which shows qualified investments by rated area and purpose. Refer to the individual assessment area sections for more information and notable examples.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Nebraska	21	9,397	271	6,579	7	33	53	20,911	352	36,920
Kansas	7	508	8	17	0	0	0	0	15	525
Regional Activities	11	3,041	0	0	0	0	0	0	11	3,041
Total	39	12,946	279	6,596	7	33	53	20,911	378	40,486
Source: Bank Data										

Responsiveness to Credit and Community Development Needs

Union Bank & Trust exhibits good responsiveness to credit and community development needs. This conclusion is primarily supported by good responsiveness in Nebraska, while responsiveness in Kansas is adequate. The credit and community development needs of each assessment area and the bank's responsiveness to those needs are discussed in more detail in the individual assessment areas sections of this evaluation.

Community Development Initiatives

Union Bank & Trust occasionally uses innovative and/or complex investments to support community development initiatives. This conclusion is primarily supported by performance in Nebraska, which received the most weight.

While the bank's investments are responsive to the needs of the assessment areas, a significant percentage of the qualified investment activity by dollar volume included local municipal bonds and donations to organizations supporting community development initiatives, which are generally not innovative or complex and are routinely provided by private investors. This resulted in an overall adequate usage of such investments. During the evaluation period, the bank also invested in a mortgage-backed security that financed a multi-family affordable housing complex. While responsive to affordable housing needs, mortgage-backed securities are also routinely provided by private investors and are not innovative or complex. Lastly, the bank has also maintained 23 prior period investments totaling \$3.9 million in low-income housing tax credit funds that benefit affordable housing projects in Nebraska, Kansas, and adjacent states in the Midwest. These investments are somewhat innovative complex, help meet affordable housing needs, and are not routinely provided by private investors.

SERVICE TEST

Union Bank & Trust demonstrated outstanding performance under the Service Test. This conclusion is supported by the bank's performance in Nebraska, which received the most weight. The bank demonstrated low satisfactory performance in Kansas, it did not impact the overall rating as performance in this state received less weight in drawing conclusions. Examiners placed the most weight on the accessibility of delivery systems and the level and responsiveness of community development services.

Accessibility of Delivery Systems

Union Bank & Trust's delivery systems are readily accessible to all portions of its assessment areas. This conclusion is primarily supported by delivery systems in Nebraska that are readily accessible, while delivery systems in Kansas are reasonably accessible.

The bank's delivery systems include 34 offices and 122 ATMs located throughout its assessment areas as well as alternative delivery methods. As shown in the following table, the bank's dispersion of branches and ATMs is comparable to the population density of low- and moderate-income census tracts for all assessment areas. Accessibility is further supported by the presence of branches and ATMs in middle- and upper-income census tracts that are near low- and moderate-income census tracts.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	41	7.3	119,591	5.8	1	2.9	8	6.6
Moderate	112	19.8	373,255	18.0	5	14.7	21	17.2
Middle	220	38.9	844,010	40.8	17	50.0	52	42.6
Upper	174	30.8	719,278	34.8	10	29.5	29	23.8
Not Available	18	3.2	11,978	0.6	1	2.9	12	9.8
Totals	565	100.0	2,068,112	100.0	34	100.0	122	100.0
Source: 2020 U.S. Census & Bank Data Due to rounding, totals may not equal 100.0%								

Alternative delivery systems are also available, which enhances access to financial services. The bank offers electronic delivery systems such as internet and mobile banking that provides customers the ability to view account information, transfer funds, make remote deposits, complete loan payments, and pay third parties. Additionally, the bank's website allows users to apply for deposit and loan accounts electronically.

Changes in Branch Locations

To the extent changes have been made, Union Bank & Trust's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income census tracts or to low- and moderate-income individuals. This conclusion is supported by the performance in Nebraska as the bank did not open or close any branches in its sole assessment area in Kansas during the evaluation period. As shown in the following table, the bank opened three offices since the previous evaluation, one of which is in a moderate-income census tract in Omaha, Nebraska. The bank did not close any offices since the previous evaluation.

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

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 individuals. This conclusion is supported by consistent performance in Nebraska and Kansas.

Union Bank & Trust's offices are open weekday hours and a majority are also open or offer drive-up services on Saturday. The bank offers a wide variety of deposit and loan products that are reasonably tailored to meet the demands of the bank's customer base. The bank offers low-cost checking accounts that do not have monthly service charges or minimum balance requirements. Additionally, the Simply Basic Checking account is an affordable, and low-fee account that does not assess overdraft or insufficient funds fees, which can be beneficial to low- and moderate-income individuals. The account is designed for unbanked consumers and provides them access to a transactional account with no minimum balance requirements, a free debit card, and online and mobile banking. The Simply Basic Checking account is consistent with the and has been certified by the Cities for Financial Empowerment Fund since 2022.

Finally, the 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 Kansas Bar Foundation to provide legal assistance to low-income individuals.

Community Development Services

Union Bank & Trust is a leader in providing community development services. This conclusion is primarily supported by the performance in Nebraska, which received the most weight. Performance in Kansas demonstrated an adequate level of community development services.

During the evaluation period, employees provided 610 instances of community development services, which equated to 4,730 service hours of financial expertise or technical assistance to community development organizations. The number of community development services has significantly increased from the previous evaluation, at which time employees provided 285 instances of community development. The bank's level of community development services exceeds that of comparable institutions, which ranged from 172 to 472 instances. Refer to the individual assessment area sections for more information and notable examples. The following tables illustrate the bank's community development services by rated area, purpose, and year.

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	4	65	3	3	75
2022	4	124	4	5	137
2023	7	168	17	6	198
2024	4	160	28	8	200
Year-to-Date 2025	0	0	0	0	0
Total	19	517	52	22	610
<i>Source: Bank Data</i>					

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Nebraska	19	502	49	22	592
Kansas	0	15	3	0	18
Total	19	517	52	22	610
<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: Low Satisfactory

The Service Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEBRASKA

Union Bank & Trust has delineated four assessment areas in Nebraska: Lincoln MSA, Omaha, MSA, Nonmetropolitan Nebraska, and Grand Island MSA. The bank operates 32 offices and 119 ATMs in the Nebraska assessment areas. As noted previously, the bank's operations in Nebraska comprise 94.1 percent of total bank branches, 96.2 percent of total bank deposits, and 79.1 percent of outstanding 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 Lincoln MSA and Omaha MSA assessment areas. The Lincoln MSA Assessment Area accounts for the greatest portion of the bank's lending, deposits, and branches in Nebraska and overall. Consequently, examiners weighed records the Lincoln MSA Assessment Area heaviest when arriving at applicable conclusions and ratings in Nebraska. The Omaha MSA Assessment Area received the second most weight since it accounts for the second largest portion of the bank's lending and deposits. Examiners conducted limited-scope reviews of the Nonmetropolitan Nebraska and Grand Island MSA assessment areas. Examiners compared the performance in the two limited-scope assessment areas with performance in the rated area of Nebraska when forming conclusions. Examiners weighed the performance for each limited-scope assessment area consistent with the lending level in each area as reflected in the Rated and Assessment Area Breakdown of Loans, Deposits, and Branches table in the overall Scope of Evaluation section.

Examiners reviewed small business, small farm, and home mortgage loans, except as previously noted for the Grand Island MSA Assessment Area in which only home mortgage loans were reviewed. When analyzing performance in the Lincoln MSA and Omaha MSA assessment areas small business and home mortgage lending received equal weight followed by small farm lending. For the Nonmetropolitan Nebraska Assessment Area small farm lending received the most weight, followed by home mortgage and small business lending. Refer to the overall Scope of Evaluation section for additional details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEBRASKA

LENDING TEST

Union Bank & Trust demonstrated high satisfactory performance under the Lending Test in Nebraska. The bank's performance is consistent with the Lincoln MSA, Omaha MSA, and

Nonmetropolitan Nebraska assessment areas. The bank's performance in the Grand Island MSA Assessment Area is below the performance in Nebraska, but did not impact the rating. The excellent lending levels, relatively high level of community development loans, and use innovative and flexible lending products primarily support this conclusion. The adequate performance for geographic distribution and borrower profile did not hinder the overall lending performance.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs in Nebraska. Excellent responsiveness in the Lincoln MSA primarily supports this conclusion. The bank's lending activity in the Omaha MSA reflects good responsiveness. Performance in the Nonmetropolitan Nebraska and Grand Island MSA assessments areas is below the performance in Nebraska, but did not impact overall conclusions. During the evaluation period, 96.3 percent of the CRA and HMDA reported lending activity were in this rated area, whereas as 96.2 percent of the bank's deposits are allocated to this area according to 2024 FDIC Deposit Market Share Reports. Details are discussed in each assessment area analysis.

Geographic Distribution

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

Borrower Profile

The distribution of borrowers reflects adequate penetration among businesses and farms of different sizes and individuals of different income levels throughout the assessment areas in Nebraska. The bank's performance is consistent in the Lincoln MSA, Omaha MSA, and Grand Island MSA assessment areas, while performance in the Nonmetropolitan Nebraska Assessment Area exceeded 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 largest portion of community development lending occurred in the Lincoln MSA Assessment Area, which received the greatest weight. Performance was consistent in the Omaha MSA and Grand Island MSA assessment areas, while performance in the Nonmetropolitan Nebraska Assessment Area was below overall performance in Nebraska.

Union Bank & Trust made 74 community development loans totaling \$262.5 million in Nebraska. The bank's community development lending in Nebraska increased since the previous evaluation when the bank originated 56 loans totaling \$139.0 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)
Lincoln MSA	10	10,748	5	3,100	17	23,259	11	76,800	43	113,907
Omaha MSA	2	11,200	0	0	18	42,976	1	1,340	21	55,516
Nonmetropolitan Nebraska	0	0	1	4,000	3	6,152	2	9,015	6	19,167
Grand Island MSA	0	0	0	0	0	0	2	65,000	2	65,000
Statewide Activities	0	0	0	0	2	8,944	0	0	2	8,944
Total	12	21,948	6	7,100	40	81,331	16	152,155	74	262,534
<i>Source: Bank Data</i>										

As shown in the table above, Union Bank & Trust made two loans totaling \$8.9 million that benefitted the broader statewide area, but that did not directly impact one or more of the assessment areas. These were included since the bank was responsive to the community development needs of its Nebraska assessment areas. These two loans promoted economic development by financing a small business that helped create and retain jobs for low- and moderate-income individuals.

INVESTMENT TEST

Union Bank & Trust demonstrated low satisfactory performance under the Investment Test in Nebraska. The level of qualified investments and the occasional use innovative and complex investments primarily support this conclusion. Overall investment performance is consistent throughout the Nebraska assessment areas.

Investment and Grant Activity

The bank made an adequate level of qualified investments in Nebraska, although rarely in a leadership position, particularly those that are not routinely provided by private investors. The performance is consistent in all Nebraska assessment areas.

Union Bank & Trust made 352 qualified investments totaling \$36.9 million in Nebraska. The bank's qualified investments in Nebraska increased since the previous evaluation, when the bank had 339 qualified investments totaling \$19.7 million. Details are discussed in each assessment area section. The following table illustrates the bank's qualified investments activity in Nebraska by 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)
Lincoln MSA	10	8,947	187	6,322	1	12	35	20,794	233	36,075
Omaha MSA	3	6	57	170	6	21	1	1	67	198
Nonmetropolitan Nebraska	2	2	18	53	0	0	15	101	35	156
Grand Island MSA	0	0	7	14	0	0	0	0	7	14
Statewide Activities	6	442	2	20	0	0	2	15	10	477
Total	21	9,397	271	6,579	7	33	53	20,911	352	36,920
<i>Source: Bank Data</i>										

As shown in the table above, Union Bank & Trust's Nebraska qualified investment activity included 10 qualified investments and donations totaling approximately \$477,000 that benefitted the broader statewide area. This activity included six prior period investments totaling approximately \$442,000 in low-income housing tax credit funds that funded affordable housing projects that directly benefitted projects in the broader statewide area as well as projects within the bank's Nebraska assessment areas.

Further, as described at the overall institution level section, the bank also maintained five prior period investments totaling \$2.6 million that funded a number of affordable housing projects in the broader regional area including projects that directly benefitted each of the Nebraska assessment areas. These activities are reflected as Regional Activities in Qualified Investments by Rated Area table included at the overall institution level. These investments supported affordable housing projects in Nebraska and the regional area using low-income housing tax credits.

Responsiveness to Credit and Community Development Needs

The bank exhibits good responsiveness to credit and community development needs in Nebraska. The conclusion is primarily supported by the bank's performance in the Lincoln MSA Assessment Area, which received the greatest weight. Performance in the Omaha MSA Assessment Area is adequate. The bank's performance in the other Nebraska assessments areas is below the overall performance in Nebraska, but did not impact overall conclusions. Details are discussed in each assessment area section.

Community Development Initiatives

Union Bank & Trust occasionally uses of innovative and/or complex investments to support community development initiatives in Nebraska. This conclusion is consistent with the performance in Lincoln MSA Assessment Area, which contributed the most weight. Union Bank & Trust has a diversified qualified community development investment mix in the Lincoln MSA Assessment Area. However, the banks qualified community development investment activity in other assessment areas only consists of donations in addition to the prior period investments in statewide and regional low-income housing tax credit funds. As such, the Omaha Assessment Area demonstrated limited or rare use of innovative and/or complex investments and the performance in the other Nebraska assessment areas is below the overall Nebraska performance. Details are discussed in each assessment area section.

SERVICE TEST

Union Bank & Trust demonstrated outstanding performance under the Service Test in Nebraska. The performance in the Lincoln MSA Assessment Area, which was given the most weight, supports this conclusion. The Omaha MSA Assessment Area performance is adequate but contributed less weight. The performance in the other Nebraska assessment areas is below the overall performance in Nebraska, but did not impact overall conclusions.

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to all portions of its Nebraska assessment areas. This conclusion is primarily supported by the accessibility of delivery systems in the Lincoln MSA Assessment Area where the majority of branches and ATMs are located. The Omaha MSA Assessment Area performance is adequate as delivery systems are reasonably accessible to essentially all portions of the assessment area. Further, the performance in the Nonmetropolitan Nebraska and Grand Island MSA assessment areas are below the overall performance in Nebraska. However, performance in these assessment areas did not impact overall conclusions as these assessment areas received less weight in drawing conclusions. The bank operates five branches and 28 ATMs in low- and moderate-income census tracts in Nebraska. Details are discussed in each assessment area section.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems in Nebraska, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. Since the previous evaluation, Union Bank & Trust opened three branches in Nebraska and did not close any branches. One of the opened branches is in a moderate-income census tract, while the other two are in middle-income census tracts. Details are discussed in each assessment area section.

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 in Nebraska. Performance in all Nebraska assessment areas is consistent with the overall performance in Nebraska. Details are discussed in the separate assessment area sections.

Community Development Services

Union Bank & Trust is a leader in providing community development services in Nebraska. A substantial portion of the community development services were performed in the Lincoln MSA Assessment Area, which received the most weight and is consistent with the bank's operations. The bank provided a limited level of community development services in the Omaha MSA Assessment Area. Performance in the other Nebraska assessments areas is below the overall performance in Nebraska, but did not impact overall conclusions.

Employees performed 592 instances of community development services equating to 4,536 hours in Nebraska since the previous evaluation. This included four instances of community development services that benefitted the broader statewide area since the bank was responsive to the community development needs of its Nebraska assessment areas. The level of community development services in Nebraska increased from 274 instances considered at the previous evaluation. Details

and notable examples are discussed in the individual assessment area sections. The following table illustrates the bank's community development services by assessment area and purpose.

Community Development Services by Assessment Area - Nebraska					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Lincoln MSA	13	460	42	2	517
Omaha MSA	2	14	1	0	17
Nonmetropolitan Nebraska	4	19	4	20	47
Grand Island MSA	0	5	2	0	7
Statewide Activities	0	4	0	0	4
Total	19	502	49	22	592
<i>Source: Bank Data</i>					

LINCOLN MSA ASSESSMENT AREA – Full-Scope Review

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

The Lincoln MSA Assessment Area is comprised of Lancaster and Seward counties, which makes up the entire 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-, 27 upper-income, and 5 census tracts without an income classification. The bank operates 18 offices and 96 ATMs in the assessment area.

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. Lincoln is the primary retail, population, and employment center of the area, while the more suburban and rural communities are located in Seward County. The population has increased 8.0 percent since the previous evaluation, while the number of businesses and farms have significantly increased by 60.3 percent and 61.7 percent, respectively.

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.

Examiners used the Federal Financial Institution Examination Council's (FFIEC) estimated median family income data 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 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, Union Bank & Trust ranked 1st with a deposit market share of 36.4 percent. According to 2022 CRA aggregate data, there is high demand for small business loans, as 75 lenders reported 5,996 small business loans in 2022. Union Bank & Trust ranked 1st with 31.2 percent of the small business loan market share by dollar volume. The assessment area also has some competition for small farm loans as evidenced by 2022 CRA aggregate data, which reflects 15 lenders originated 357 small farm loans in 2022. Union Bank & Trust ranked 2nd with 33.3 percent of the small farm loan market share by dollar volume. Further, home mortgage loan data collected under HMDA also provides an indication of competition for such loans in the assessment area. According to 2023 HMDA aggregate data significant competition for home mortgage loans exists, as 274 lenders reported 10,736 home mortgage loans in 2023. Union Bank & Trust ranked 1st with 7.3 percent market share by dollar volume.

Community Contacts

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 local financial institutions' responsiveness to these needs and available credit and community development opportunities.

Examiners conducted a community contact interview with a representative of a community development organization operating in the Lincoln MSA Assessment Area. The contact stated that the general economy is strong with low unemployment levels and many construction projects going on. Housing prices and rents continue to rise and contribute to a shortage of affordable housing for low-income families. The contact indicated that there are many multifamily housing projects in process and planned for the near future to help address the shortage. According to the contact, commercial and home mortgage loans are the primary credit needs and local financial institutions are meeting those needs. Additionally, opportunities exist for financial institutions to participate with many of the planned affordable housing 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. The assessment area provides a number of community development opportunities given the number of low- and moderate-income census tracts and areas targeted for redevelopment by federal, state, and local government. Demographic data indicates that 37.7 percent of families and 39.7 percent of households are classified as low- or moderate-income. This suggests a need for activities that benefit projects or organizations that provide affordable housing or community services targeted to low- or moderate-income individuals, including financial education. Additionally, the area has a number of organizations that provide services to low- and moderate-income individuals, which reflects opportunities for bank personnel to get involved in these organizations.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LINCOLN MSA ASSESSMENT AREA

LENDING TEST

Union Bank & Trust demonstrated good performance under the Lending Test in the Lincoln MSA Assessment Area. The excellent lending activity and relatively high level of community development lending bolstered the adequate geographic distribution and borrower profile performance.

Lending Activity

The bank's lending activity reflects excellent responsiveness to the credit needs of the Lincoln MSA Assessment Area. Union Bank & Trust is a market leader and has a dominant presence in the Lincoln MSA Assessment Area. As previously noted, the bank ranked 1st in market share for small business and 2nd for small farm lending in 2022 and 1st in market share for home mortgage lending in 2023 for this assessment area. Overall, this is an improvement in the bank's market share rankings since the previous evaluation, where the bank ranked 4th in market share for small business loans, 2nd for small farm loans, and 2nd for home mortgage loans.

In 2023, the bank originated 55.1 percent of reported small business, small farm, and home mortgage loans, by dollar volume, in the assessment area, whereas according to 2024 FDIC Summary of Deposit data, 80.4 percent of the bank's deposits were in this assessment area. Union Bank & Trust Company originated 2,209 small business loans totaling \$336.2 million, 2,954 home mortgage loans totaling \$599.9 million, and 288 small farm loans totaling \$33.6 million in the assessment area from 2021 to 2023. Overall, the bank's volume of lending declined since the previous evaluation in this assessment area. The decrease in lending is attributed to the high volume of SBA Paycheck Protection Program (PPP) loans originated in 2020 during the previous evaluation and an increase in interest rates resulting in lower loan demand.

Geographic Distribution

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

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 commensurate with aggregate lending performance. The percentage of small business loans, by number, made in moderate-income census tracts is slightly below aggregate lending performance but is still reasonably comparable. The following table provides details.

Geographic Distribution of Small Business Loans – Lincoln MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.5	3.8	13	3.2	2,464	2.7
Moderate	16.3	18.4	59	14.7	16,178	17.4
Middle	36.2	35.3	142	35.4	30,678	33.1
Upper	40.4	40.6	175	43.6	41,101	44.3
Not Available	2.6	2.0	12	3.0	2,300	2.5
Totals	100.0	100.0	401	100.0	92,721	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data Due to rounding, totals may not equal 100.0%						

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, small farm loan demand is limited in these areas as evidenced by the percentage of farms in these tracts as well as aggregate performance. The percentage of small farm loans, by number, made in moderate-income census tracts approximates aggregate lending performance. The following table provides details.

Geographic Distribution of Small Farm Loans – Lincoln MSA Assessment Area						
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	1.7	415	4.3
Middle	44.8	59.9	28	47.5	3,700	38.7
Upper	45.2	38.7	30	50.8	5,435	56.9
Not Available	0.6	0.0	0	0.0	0	0.0
Totals	100.0	100.0	59	100.0	9,550	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported 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, by number, made in low-income census tracts is reasonably comparable to aggregate lending performance. The percentage of home mortgage loans, by number, made in moderate-income census tracts slightly lags aggregate lending performance but is still reasonably comparable. The following table provides details.

Geographic Distribution of Home Mortgage Loans – Lincoln MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.1	3.4	13	1.8	5,368	3.9
Moderate	14.7	14.9	65	9.2	7,636	5.5
Middle	44.8	42.3	300	42.6	45,857	33.3
Upper	38.3	39.1	326	46.3	78,916	57.3
Not Available	0.1	0.3	0	0.0	0	0.0
Totals	100.0	100.0	704	100.0	137,777	100.0
Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2023 HMDA Reported Data Due to rounding, totals may not equal 100.0%						

Borrower Profile

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

Small Business Loans

The distribution of borrowers reflects adequate penetration among businesses of different sizes. The percentage of small business loans, by number, made to borrowers with gross annual revenues of \$1 million or less is comparable to aggregate lending performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Lincoln MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.5	53.9	215	53.6	26,397	28.5
>\$1,000,000	4.4	--	170	42.4	63,149	68.1
Revenue Not Available	10.2	--	16	4.0	3,175	3.4
Totals	100.0	100.0	401	100.0	92,721	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms of different sizes. The percentage of small farm loans, by number, 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 Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
≤\$1,000,000	98.3	56.3	43	72.9	5,710	59.8
>\$1,000,000	1.1	--	11	18.6	2,250	23.6
Revenue Not Available	0.7	--	5	8.5	1,590	16.6
Totals	100.0	100.0	59	100.0	9,550	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported 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, by number, made to low-income borrowers is comparable to aggregate lending performance. In addition, the bank's level of lending to moderate-income borrowers is slightly lower than aggregate lending performance but is still reasonably comparable, which reflects adequate performance.

Distribution of Home Mortgage Loans by Borrower Income Level – Lincoln MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.0	8.2	51	7.2	5,124	3.7
Moderate	18.7	21.6	126	17.9	15,712	11.4
Middle	22.5	22.3	171	24.3	25,975	18.9
Upper	39.9	30.0	286	40.6	69,757	50.6
Not Available	0.0	18.0	70	9.9	21,210	15.4
Totals	100.0	100.0	704	100.0	137,777	100.0
Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2023 HMDA Reported Data Due to rounding, totals may not equal 100.0%						

Community Development Loans

Union Bank & Trust made a relatively high level of community development loans in the Lincoln MSA Assessment Area. The bank originated 43 community development loans totaling \$113.9 million. The dollar volume of community development loans benefitting the Lincoln MSA Assessment Area increased since the previous evaluation when the bank made 43 loans totaling \$100.9 million. The loans were responsive to all categories of community development. Notable community development lending in the Lincoln MSA Assessment Area includes:

- A \$4.1 million loan to construct a multifamily development that will provide 131 affordable housing units for low- and moderate-income individuals.
- A \$1.0 million loan to remodel and expand facilities for a non-profit organization that provides community services targeted to low- and moderate-income children.
- A \$2.3 million SBA 504 loan to construct a manufacturing facility for a start-up business, which was made in conjunction with the Nebraska Economic Development Corporation.
- A \$3.9 million loan to develop 50 acres of commercial land in a moderate-income

geography designated for redevelopment by the City of Lincoln, which will revitalize and stabilize the area.

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 Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	2	2,667	1	1,000	1	1,000	1	5,000	5	9,667
2022	1	192	2	1,750	7	11,578	5	53,600	15	67,120
2023	5	6,829	0	0	6	6,530	2	1,400	13	14,759
2024	2	1,060	2	350	3	4,151	3	16,800	10	22,361
Year-to-Date 2025	0	0	0	0	0	0	0	0	0	0
Total	10	10,748	5	3,100	17	23,259	11	76,800	43	113,907
<i>Source: Bank Data</i>										

INVESTMENT TEST

Union Bank & Trust demonstrated adequate performance under the Investment Test in the Lincoln MSA Assessment Area. This conclusion is primarily supported by the bank's overall level of qualified investments and the occasional use of innovative or complex investments. The bank's investments demonstrated good responsiveness to the community development needs of Lincoln MSA Assessment Area.

Investment and Grant Activity

Union Bank & Trust provided an adequate level of qualified community development investments in the Lincoln MSA Assessment Area. The bank made or retained 233 qualified investments and donations totaling \$36.1 million in the assessment area. The dollar volume of qualified investments and donations increased since the previous evaluation when the bank received consideration for 253 qualified investments and donations totaling \$18.1 million in the Lincoln MSA Assessment Area. A significant dollar volume of qualified investments was responsive to affordable housing needs and revitalization and stabilization needs of low- and moderate-income geographies, while a large number of donations assisted community development organizations that provide community services to low- and moderate-income individuals. This level of qualified investment activity is commensurate the scale of the bank's operations and activity in this assessment area.

Notable qualified investment activity in the Lincoln MSA Assessment Area included nine prior period investments totaling \$11.3 million and six new investments totaling \$7.5 million that are local municipal bonds financing the redevelopment of low- and moderate-income census tracts in the City of Lincoln, which are also targeted for redevelopment by the local government. The following table illustrates the bank's qualified investments in the Lincoln MSA Assessment area by purpose and year.

Qualified Investments by Year – Lincoln MSA Assessment Area										
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	9	11,328	9	11,328
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	2	2,535	2	2,535
2023	0	0	0	0	0	0	2	2,492	2	2,492
2024	1	8,750	0	0	0	0	2	2,471	3	11,221
Year-to-Date 2025	0	0	0	0	0	0	0	0	0	0
Subtotal	1	8,750	0	0	0	0	15	18,827	16	27,577
Qualified Grants & Donations	9	198	187	6,322	1	12	20	1,967	217	8,499
Total	10	8,948	187	6,322	1	12	35	20,794	233	36,075
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

Union Bank & Trust 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 services, economic development, and revitalization and stabilization. The Qualified Investments by Assessment Area table at the state level, shows the bank was most responsive to revitalization and stabilization and affordable housing needs, by dollar volume.

Community Development Initiatives

Union Bank & Trust occasionally uses innovative and complex investments to support community development initiatives in the Lincoln MSA Assessment Area.

SERVICE TEST

Union Bank & Trust demonstrated excellent performance under the Service Test in the Lincoln MSA Assessment Area. This conclusion is primarily supported by the accessibility of delivery systems and the level of community development services.

Accessibility of Delivery Systems

Union Bank & Trust's delivery systems are readily accessible to all portions of the Lincoln MSA Assessment Area. As shown in the following table, the dispersion of branches and ATMs in the Lincoln MSA Assessment Area is comparable to the population density of low- and moderate-income census tracts. Accessibility is also supported by the presence of branches and ATMs in middle- and upper-income census tracts, as well as census tracts with an unknown income designation, which are near low- and moderate-income census tracts. Finally, the alternative delivery methods provide further access to bank services and are consistent with those discussed in the bank's overall performance.

Branch and ATM Distribution by Geography Income Level – Lincoln MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	6	7.1	19,962	5.9	1	5.6	8	8.3
Moderate	17	20.0	66,721	19.6	3	16.6	18	18.8
Middle	30	35.3	133,436	39.2	6	33.3	34	35.4
Upper	27	31.8	109,405	32.2	7	38.9	24	25.0
Not Available	5	5.9	10,693	3.1	1	5.6	12	12.5
Totals	85	100.0	340,217	100.0	18	100.0	96	100.0
<i>Source: 2020 U.S. Census & Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>								

Changes in Branch Locations

To the extent changes have been made, 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 individuals. During the evaluation period, the bank opened one branch in Lincoln in a middle-income census tract on May 14, 2024, and did not close any branches. The new branch is located approximately two miles from a moderate-income census tract.

Reasonableness of Business Hours and Services

Services, including 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

Union Bank & Trust is a leader in providing community development services within the Lincoln MSA Assessment Area. Employees performed 517 instances of community development services equating to 3,581 hours in the assessment area. The bank's level of community development services in the assessment area increased significantly from 232 instances considered at the previous evaluation. Notable community development services in the Lincoln MSA Assessment Area includes:

- An employee serves on the Board of a Community Development Company whose mission is to provide capital, technical assistance, and training opportunities for small businesses.
- Multiple employees teach financial literacy classes at schools where a majority of students qualify for free and reduced lunch and to community development organizations whose services are targeted to low- and moderate-income individuals.

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

Community Development Services by Year – Lincoln MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	2	58	1	0	61
2022	2	109	3	1	115
2023	6	152	12	0	170
2024	3	141	26	1	171
Year-to-Date 2025	0	0	0	0	0
Total	13	460	42	2	517
<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 two of the five Nebraska counties within the Omaha-Council Bluffs, Nebraska-Iowa MSA. Specifically, the assessment area includes Douglas 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-, 45 moderate-, 61 middle-, and 46 upper-income census tracts. The bank operates three offices and six ATMs in the assessment area.

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)	168	9.5	26.8	36.3	27.4	0.0
Population by Geography	606,804	7.0	24.8	37.4	30.9	0.0
Housing Units by Geography	246,727	6.5	25.3	41.0	27.2	0.0
Owner-Occupied Units by Geography	144,266	3.9	18.9	41.6	35.6	0.0
Occupied Rental Units by Geography	85,727	9.8	35.3	39.7	15.2	0.0
Vacant Units by Geography	16,734	11.7	29.7	42.5	16.1	0.0
Businesses by Geography	78,289	3.9	19.8	40.5	35.8	0.0
Farms by Geography	2,442	2.9	14.0	48.6	34.6	0.0
Family Distribution by Income Level	142,383	20.3	18.5	22.1	39.0	0.0
Household Distribution by Income Level	229,993	24.2	17.2	18.8	39.8	0.0
Median Family Income – Omaha-Council Bluffs, Nebraska-Iowa MSA		\$87,733	Median Housing Value			\$187,046
			Median Gross Rent			\$963
			Families Below Poverty Level			6.8%
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.						

The assessment area is urban and includes Omaha, the largest city in Nebraska. The population has increased 8.6 percent since the previous evaluation, while the number of businesses and farms have significantly increased by 68.4 percent and 54.7 percent, respectively.

The three largest business segments in the assessment area are services (34.2 percent); non-classifiable establishments (25.7 percent); and finance, insurance, and real estate (12.4 percent). The businesses are predominantly small operations with 92.9 percent operating from a single location and 60.7 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-Council Bluffs, 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
<i>Source: FFIEC</i>				

Competition

The Omaha MSA Assessment Area is competitive for financial services. According to 2024 FDIC Deposit Market Share data, 50 financial institutions operated 195 offices in the Omaha MSA Assessment Area. Of these institutions, Union Bank & Trust ranked 13th with a deposit market share of 1.4 percent. According to 2022 CRA aggregate data, there is high demand for small

business loans, as 103 lenders reported 13,422 small business loans in 2022. Union Bank & Trust ranked 5th with 8.1 percent of the small business loan market share by dollar volume. The assessment area also has some competition for small farm loans as evidenced by 2022 CRA aggregate data, which reflects 20 lenders originated 322 small farm loans in 2022. Union Bank & Trust ranked 1st with 50.0 percent of the small farm loan market share by dollar volume. Further, according to 2023 HMDA aggregate data significant competition for home mortgage loans exists, as 397 lenders reported 19,914 home mortgage loans in 2023. Union Bank & Trust ranked 20th with 1.5 percent market share by dollar volume.

Community Contact

Examiners reviewed a community contact interview previously conducted with a representative of a government agency active in the assessment area. The contact stated that the local economy is generally prosperous and thriving in comparison to the national level. However, higher interest rates have slowed down many projects throughout the area, specifically tax increment financing redevelopment projects. The contact indicated that housing prices and rents are high and there is a need for affordable housing in the area. Some new multifamily housing developments have provided some supply, but more is still needed. The contact stated that commercial and home mortgage lending are the primary credit needs of the area and local financial institutions are meeting those needs.

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. The assessment area provides a number of community development opportunities given the number of low- and moderate-income census tracts and areas targeted for redevelopment by federal, state, and local government. Demographic data indicates that 38.8 percent of families and 41.5 percent of households are classified as low- or moderate-income. This suggests a need for activities that benefit projects or organizations that provide affordable housing or community services targeted to low- or moderate-income individuals, including financial education. Additionally, the area has a number of organizations that provide services to low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE OMAHA MSA ASSESSMENT AREA

LENDING TEST

Union Bank & Trust demonstrated good performance under the Lending Test in the Omaha MSA Assessment Area. The good lending activity levels and relatively high level of community development lending primarily supports this conclusion, which bolstered the adequate performance under the geographic distribution and borrower profile performance.

Lending Activity

The bank's lending activity reflects good responsiveness to the credit needs of the Omaha MSA Assessment Area. As previously noted, the bank ranked 5th in market share for small business lending and 1st for small farm lending in 2022 and 20th in market share for home mortgage lending in 2023 for this assessment area. This is an improvement since the previous evaluation, when the bank ranked 14th in market share for small business loans, 1st for small farm loans, and 28th for home mortgage loans.

In 2023, the bank originated 28.2 percent of reported small business, small farm, and home mortgage loans, by dollar volume, in the assessment area, whereas according to 2024 FDIC Summary of Deposit data, 7.3 percent of the bank's deposits were in this assessment area. Union Bank & Trust Company originated 753 small business loans totaling \$152.2 million, 760 home mortgage loans totaling \$194.7 million, and 348 small farm loans totaling \$47.6 million in the assessment area from 2021 to 2023. Overall, the bank's volume of lending declined since the previous evaluation in this assessment area. The decrease in lending is attributed to the high volume of SBA PPP loans originated in 2020 during the previous evaluation period and an increase in interest rates reducing loan demand.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. This conclusion is primarily supported by adequate small business and small farm lending performance. Poor home mortgage lending was offset by the adequate small business and small farm lending performance.

Small Business Loans

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

Geographic Distribution of Small Business Loans – Omaha MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.5	3.0	2	1.2	148	0.3
Moderate	19.0	18.2	21	12.3	5,915	12.8
Middle	41.9	40.8	78	45.6	22,792	49.2
Upper	35.6	37.9	70	40.9	17,455	37.7
Totals	100.0	100.0	171	100.0	46,310	100.0
<i>Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data Due to rounding, totals may not equal 100.0%</i>						

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- or moderate-income census tracts, performance is adequate when considering performance context. As shown in the

following table, there is limited agricultural loan demand in these census tracts as demonstrated by aggregate lending data with only 2.5 percent of reported loans extended in these tracts.

Geographic Distribution of Small Farm Loans – Omaha MSA Assessment Area						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.3	0.9	0	0.0	0	0.0
Moderate	12.9	1.6	0	0.0	0	0.0
Middle	51.1	82.5	81	93.1	13,125	87.9
Upper	33.7	15.0	6	6.9	1,803	12.1
Totals	100.0	100.0	87	100.0	14,928	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The distribution of home mortgage loans reflects poor penetration throughout the assessment area. As shown in the following table, the percentage of home mortgage loans, by number, made in low-income census tracts is below aggregate lending performance. This performance was consistent throughout the evaluation period as the bank's lending in low-income census tracts was slightly below aggregate lending performance in 2021 and 2022. The table further shows that the bank's lending, by number, in moderate-income census tracts lags aggregate lending performance by 9.1 percentage points. This performance was generally consistent throughout the evaluation period as the bank's lending in moderate-income census tracts trailed aggregate data in 2021 and 2022. Therefore, considering performance over the evaluation period, the overall geographic distribution of home mortgage loans is poor and has declined from the performance at the previous evaluation.

Geographic Distribution of Home Mortgage Loans – Omaha MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	3.9	5.2	3	1.4	271	0.5
Moderate	18.9	18.3	20	9.2	4,786	8.0
Middle	41.6	38.8	101	46.5	25,706	42.7
Upper	35.6	37.7	93	42.9	29,382	48.9
Totals	100.0	100.0	217	100.0	60,145	100.0
Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2022 HMDA Reported Data Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects adequate penetration among businesses and farms of different sizes and individuals of different income levels. Adequate small business and excellent small lending performance offset the poor home mortgage lending performance.

Small Business Loans

The distribution of borrowers reflects adequate penetration among businesses of different sizes. The percentage of small business loans, by number, made to entities with gross annual revenues of

\$1 million or less is reasonably comparable to aggregate lending performance. The following table provides details.

Distribution of Small Business Loans by Gross Annual Revenue Category – Omaha MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	86.3	49.6	78	45.6	13,209	28.5
>\$1,000,000	4.8	--	92	53.8	33,051	71.4
Revenue Not Available	8.9	--	1	0.6	50	0.1
Totals	100.0	100.0	171	100.0	46,310	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Farm Loans

The distribution of borrowers reflects excellent penetration among farms of different sizes. The percentage of small farm loans, by both number and dollar volume, 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 Farm Loans by Gross Annual Revenue Category – Omaha MSA Assessment Area						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	97.2	58.8	77	88.5	12,722	85.2
>\$1,000,000	1.6	--	7	8.0	2,116	14.2
Revenue Not Available	1.2	--	3	3.4	90	0.6
Totals	100.0	100.0	87	100.0	14,928	100.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers. As shown in the following table, in 2023, the bank's level of lending to low-income borrowers lagged aggregate data by 6.4 percentage points and the bank's level of lending to moderate-income borrowers was significantly below aggregate data by 11.4 percentage points. Overall, the bank's level of lending to low- and moderate-income borrowers throughout the evaluation period has declined. Specifically, the bank's level of lending to low-income borrowers trailed aggregate data by 1.1 percentage points in 2021 and 4.8 percentage points in 2022. Further, the bank's level of lending to moderate-income borrowers trailed aggregate data by 2.0 percentage points in 2021 and 4.0 percentage points in 2022. When considering performance over the evaluation period, overall performance is poor and has declined from the performance at the previous evaluation.

Distribution of Home Mortgage Loans by Borrower Income Level – Omaha MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	20.3	10.1	8	3.7	1,163	1.9
Moderate	18.5	22.5	24	11.1	3,479	5.8
Middle	22.1	22.3	43	19.8	9,468	15.7
Upper	39.0	29.6	97	44.7	32,098	53.4
Not Available	0.0	15.4	45	20.7	13,938	23.2
Totals	100.0	100.0	217	100.0	60,145	100.0
Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2023 HMDA Reported Data Due to rounding, totals may not equal 100.0%						

Community Development Loans

Union Bank & Trust made a relatively high level of community development loans in the Omaha MSA Assessment Area. The bank originated 21 community development loans totaling \$55.5 million. The number and dollar volume of community development loans increased since the previous evaluation when the bank made 12 loans totaling \$38.1 million in the Omaha MSA Assessment Area. The loans were responsive to affordable housing, economic development, and revitalization and stabilization needs of the assessment area. Notable community development loans in the Omaha MSA Assessment Area include:

- A \$6.0 million loan to construct a mixed-use development, using low-income housing tax credits, which will provide affordable housing units and will revitalize and stabilize low- and moderate-income geographies as part of the City of Omaha’s redevelopment plan.
- A \$1.4 million loan to redevelop a business district that will revitalize and stabilize a moderate-income geography as part of the City of Ralston’s redevelopment plan.

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 Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	2	11,200	0	0	1	1,020	0	0	3	12,220
2022	0	0	0	0	7	20,421	1	1,340	8	21,761
2023	0	0	0	0	5	12,017	0	0	5	12,017
2024	0	0	0	0	5	9,518	0	0	5	9,518
Year-to-Date 2025	0	0	0	0	0	0	0	0	0	0
Total	2	11,200	0	0	18	42,976	1	1,340	21	55,516
Source: Bank Data										

INVESTMENT TEST

Union Bank & Trust demonstrated adequate performance under the Investment Test in the Omaha MSA Assessment Area. This conclusion is supported by the level of investment and grant activity,

responsiveness to credit and community development needs, and rare use of innovative or complex investments.

Investment and Grant Activity

Union Bank & Trust provided an adequate level of qualified community development investments in the Omaha MSA Assessment Area. Qualified community development activity directly benefiting the Omaha MSA Assessment Area included 67 donations totaling \$198,000 in the assessment area. The number and dollar volume of qualified investments increased since the previous evaluation when the bank made 55 donations totaling \$121,000 in the Omaha MSA Assessment Area. The qualified investment activity primarily supported affordable housing and community services benefitting low- and moderate-income individuals.

While qualified investment activity level in the Omaha MSA Assessment Area appears limited, as previously presented at the state and institution level, the bank maintained prior period investments in low-income housing tax credit funds that benefitted affordable housing projects in the broader statewide and regional area as well as projects directly benefitting the Omaha MSA Assessment Area. This activity augmented performance under this criterion for the Omaha MSA Assessment Area, particularly given that affordable housing is an identified need for the assessment area.

Responsiveness to Credit and Community Development Needs

Union Bank & Trust exhibits adequate responsiveness to credit and community development needs in the Omaha MSA Assessment Area. The Qualified Investments by Assessment Area table at the state level, shows the bank was most responsive to the community services needs by dollar volume.

Community Development Initiatives

Union Bank & Trust rarely uses innovative and complex investments to support community development initiatives in the Omaha MSA Assessment Area.

SERVICE TEST

Union Bank & Trust demonstrated adequate performance under the Service Test in the Omaha MSA Assessment Area. Performance under accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services, and community development services supports this conclusion.

Accessibility of Delivery Systems

Union Bank & Trust's delivery systems are reasonably accessible to essentially all portions of the Omaha MSA Assessment Area. As shown in the following table, the dispersion of branches and ATMs in the assessment area is comparable to the population density of moderate-income census tracts. Although the bank does not operate any branches in low-income census tracts, the alternative delivery methods provide access to bank services and are consistent with those discussed in the bank's overall performance.

Branch and ATM Distribution by Geography Income Level – Omaha MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	16	9.5	42,222	7.0	0	0.0	0	0.0
Moderate	45	26.8	150,320	24.8	1	33.3	1	16.7
Middle	61	36.3	226,662	37.4	1	33.3	3	50.0
Upper	46	27.4	187,600	30.9	1	33.3	2	33.3
Totals	168	100.0	606,804	100.0	3	100.0	6	100.0
Source: 2020 U.S. Census & Bank Data Due to rounding, totals may not equal 100.0%								

Changes in Branch Locations

The bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to individuals. During the evaluation period, the bank opened one branch in Omaha in a moderate-income census tract on November 7, 2022, and did not close any branches.

Reasonableness of Business Hours and Services

Services, including 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

Union Bank & Trust provided a limited level of community development services within the Omaha MSA Assessment Area. Employees performed 17 instances of community development services equating to 231 hours in the assessment area. The bank's level of community services in the assessment area slightly decreased from 18 instances considered at the previous evaluation. The following table illustrates the bank's community development services in the Omaha MSA Assessment Area by purpose and year.

Community Development Services by Year – Omaha MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	1	3	0	0	4
2022	1	4	0	0	5
2023	0	3	1	0	4
2024	0	4	0	0	4
Year-to-Date 2025	0	0	0	0	0
Total	2	14	1	0	17
Source: Bank Data					

NONMETROPOLITAN NEBRASKA ASSESSMENT AREA – Limited-Scope Review

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

The Nonmetropolitan Nebraska Assessment Area includes the following counties: Brown, Butler, Cherry, Custer, Dodge, Gage, Garfield, Jefferson, Johnson, Loup, Nemaha, Otoe, Pawnee, Platte, Richardson, Saline, and York. The bank added Platte County to the assessment area in February 2022 when it opened a branch in Columbus, Nebraska. The boundaries of the assessment area otherwise 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 moderate-, 46 middle-, and 9 upper-income census tracts. The bank operates 10 offices and 13 ATMs in the assessment area. 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)	61	0.0	9.8	75.4	14.8	0.0
Population by Geography	197,207	0.0	9.8	75.1	15.2	0.0
Housing Units by Geography	92,782	0.0	9.5	76.6	13.9	0.0
Owner-Occupied Units by Geography	56,735	0.0	8.4	74.8	16.8	0.0
Occupied Rental Units by Geography	24,417	0.0	11.8	78.6	9.6	0.0
Vacant Units by Geography	11,630	0.0	10.1	80.8	9.1	0.0
Businesses by Geography	23,048	0.0	7.2	75.9	16.8	0.0
Farms by Geography	3,941	0.0	3.5	74.5	22.0	0.0
Family Distribution by Income Level	52,211	18.8	19.6	21.9	39.7	0.0
Household Distribution by Income Level	81,152	22.4	17.1	19.2	41.3	0.0
Median Family Income – Nonmetropolitan Nebraska		\$71,424	Median Housing Value			\$127,476
			Median Gross Rent			\$712
			Families Below Poverty Level			7.0%
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 NONMETROPOLITAN NEBRASKA ASSESSMENT AREA

LENDING TEST

Union Bank & Trust’s Lending Test performance in the Nonmetropolitan Nebraska Assessment Area is consistent with the overall performance in Nebraska. Examiners drew conclusions regarding the bank’s lending performance from reviewing facts and data, including performance figures, aggregate lending data comparisons, and demographic information. Union Bank & Trust Company originated 247 small business loans totaling \$24.0 million, 535 home mortgage loans totaling \$95.4 million, and 907 small farm loans totaling \$83.6 million in the assessment area from 2021 to 2023.

In 2023, the bank originated 12.7 percent of reported small business, small farm, and home mortgage loans, by dollar volume, in the assessment area, whereas according to 2024 FDIC Summary of Deposit data, 7.2 percent of the bank's deposits were in this assessment area. Tables demonstrating geographic distribution and borrower profile performance for this assessment area are in the Appendices.

Union Bank & Trust's community development lending performance in this assessment area is below the overall high level of community development lending in Nebraska, but did not impact overall conclusions. During the evaluation period, the bank originated six community development loans totaling \$19.2 million in the assessment area. This is an increase in the number and dollar volume since the previous evaluation when the bank originated one community development loan totaling \$90,000 in the assessment area.

INVESTMENT TEST

Union Bank & Trust's Investment Test performance in the Nonmetropolitan Nebraska Assessment Area is consistent with the overall performance in Nebraska. During the evaluation period, the bank made 35 qualified donations totaling \$156,000. This is an increase in the qualified investment activity by number and dollar volume since the previous evaluation when the bank made 9 qualified donations totaling \$54,000. Additionally, as previously indicated, the bank held prior period investments that directly benefitted the assessment area that are presented previously at the state and institution level. This activity augmented investment performance for the assessment area.

SERVICE TEST

Union Bank & Trust's Service Test performance in the Nonmetropolitan Nebraska Assessment Area is below the overall performance in Nebraska, but did not impact overall conclusions. Products, services, and business hours are similar to those offered within the full-scope assessment areas. Employees provided 47 instances of community development services equating to 637 hours of financial and technical services to various organizations in this assessment area. This activity has significantly increased from the 5 instances provided at the previous evaluation.

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 County, which is one of three counties that 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-, 8 middle-, and 3 upper-income census tracts. The bank operates one office and four 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)	14	0.0	21.4	57.1	21.4	0.0
Population by Geography	62,895	0.0	23.9	55.1	21.0	0.0
Housing Units by Geography	25,022	0.0	24.0	54.9	21.0	0.0
Owner-Occupied Units by Geography	14,585	0.0	19.4	57.4	23.2	0.0
Occupied Rental Units by Geography	8,911	0.0	32.2	49.2	18.6	0.0
Vacant Units by Geography	1,526	0.0	21.2	64.1	14.7	0.0
Businesses by Geography	6,440	0.0	20.9	53.7	25.4	0.0
Farms by Geography	468	0.0	9.0	73.5	17.5	0.0
Family Distribution by Income Level	15,947	19.3	19.2	22.7	38.8	0.0
Household Distribution by Income Level	23,496	21.8	17.5	19.8	40.9	0.0
Median Family Income – Grand Island, Nebraska MSA		\$70,828	Median Housing Value			\$156,652
			Median Gross Rent			\$757
			Families Below Poverty Level			8.6%
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.						

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE GRAND ISLAND MSA ASSESSMENT AREA

LENDING TEST

Union Bank & Trust'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. Union Bank & Trust Company originated 26 small business loans totaling \$2.9 million, 96 home mortgage loans totaling \$13.2 million, and 20 small farm loans totaling \$1.2 million from 2021 to 2023. In 2023, the bank originated 1.0 percent of reported small business, small farm, and home mortgage loans, by dollar volume, in the assessment area, whereas according to 2024 FDIC Summary of Deposit data, 1.3 percent of the bank's deposits were in this assessment area. Tables demonstrating geographic distribution and borrower profile performance for this assessment area are in the Appendices.

Union Bank & Trust's community development lending performance in this assessment area is consistent with the overall performance in Nebraska. During the evaluation period, the bank originated two community development loans totaling \$65 million in the Grand Island MSA Assessment Area. This is an increase in the number and dollar volume since the previous evaluation when the bank did not originate any community development loans in the assessment area.

INVESTMENT TEST

Union Bank & Trust's Investment Test performance in the Grand Island MSA Assessment Area is consistent with the overall performance in Nebraska. During the evaluation period, the bank made seven qualified donations totaling \$14,000. This is an increase in the qualified investment activity by number and dollar volume since the previous evaluation when the bank made one donation totaling \$5,000. Additionally, while qualified investment activity level in the Grand Island MSA Assessment Area appears limited, the bank held prior period investments in low-income housing tax credit funds that directly benefitted the assessment area that are presented at the state and overall institution level. This activity augmented investment performance for the Grand Island MSA Assessment Area.

SERVICE TEST

Union Bank & Trust's Service Test performance in the Grand Island MSA Assessment Area is below the overall performance in Nebraska, but did not impact overall conclusions. Products, services, and business hours are similar to those offered within the full-scope assessment areas. Employees provided 7 instances of community development services, equating to 34 hours of financial and technical services to various organizations in this assessment area. This activity slightly decreased from the 9 instances provided at the previous evaluation.

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: Low Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KANSAS

Union Bank & Trust has delineated one assessment area in Kansas that includes three of the five Kansas counties in the Kansas City, Missouri-Kansas, MSA. Specifically, the assessment area includes Johnson, Leavenworth, and Wyandotte 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 19 low-, 41 moderate-, 75 middle-, 89 upper-income, and 13 census tracts without an income classification. The bank operates two offices and three ATMs in the Kansas City MSA Assessment Area.

Economic and Demographic Data

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)	237	8.0	17.3	31.6	37.6	5.5
Population by Geography	860,989	6.7	14.2	35.0	44.0	0.1
Housing Units by Geography	343,027	7.0	14.8	36.6	41.5	0.2
Owner-Occupied Units by Geography	215,240	4.0	11.0	35.1	49.8	0.1
Occupied Rental Units by Geography	106,404	11.6	20.4	40.4	27.4	0.3
Vacant Units by Geography	21,383	13.2	25.1	32.8	28.5	0.5
Businesses by Geography	93,143	4.5	9.2	28.8	53.9	3.5
Farms by Geography	2,400	3.6	9.0	34.1	52.3	0.9
Family Distribution by Income Level	217,071	16.5	15.4	20.7	47.4	0.0
Household Distribution by Income Level	321,644	19.2	14.6	17.6	48.6	0.0
Median Family Income – Kansas City, Missouri-Kansas MSA		\$86,562	Median Housing Value			\$246,608
			Median Gross Rent			\$1,084
			Families Below Poverty Level			5.5%
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 in nature. The population has increased 6.8 percent since the previous evaluation, while the number of businesses has significantly increased by 55.4 percent.

The three largest business segments in the assessment area are services (38.6 percent); non-classifiable establishments (19.9 percent); and finance, insurance, and real estate (12.4 percent). The businesses are predominantly small operations with 91.2 percent operating from a single location and 63.8 percent employing less than five employees, according to 2023 D&B data.

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

Median Family Income Ranges - Kansas City, Missouri-Kansas				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
2022 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
2023 (\$104,400)	<\$52,200	\$52,200 to <\$83,520	\$83,520 to <\$125,280	≥\$125,280
2024 (\$103,000)	<\$51,500	\$51,500 to <\$82,400	\$82,400 to <\$123,600	≥\$123,600
<i>Source: FFIEC</i>				

Competition

The Kansas City MSA Assessment Area is competitive for financial services. According to 2024 FDIC Deposit Market Share data, 69 financial institutions operated 297 offices in the assessment area. Of these institutions, Union Bank & Trust ranked 29th with a deposit market share of 0.8 percent. According to 2022 CRA aggregate data, there is high demand for small business loans, as 143 lenders reported 21,098 small business loans in 2022. Union Bank & Trust ranked 19th with 1.4 percent of the market share by dollar volume. Further, according to 2023 HMDA aggregate data significant competition for home mortgage loans exists, as 519 lenders reported 28,135 home mortgage loans in 2023. Union Bank & Trust ranked 162nd with 0.1 percent market share by dollar volume.

Community Contact

Examiners reviewed a community contact interview previously conducted with a representative of a government agency active in the assessment area. The contact stated that the local economy has remained stable in recent years. However, a lack of services such as public transportation and childcare creates an obstacle, especially for low- and moderate-income individuals. Additionally, there is a lack of affordable housing in the area. The contact indicated that there are opportunities for subsidized housing assistance available, but not enough houses in the area. According to the contact, the primary credit needs in the area are home mortgage and small business loans.

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 need is affordable housing. Demographic data indicates that 31.9 percent of families and 33.8 percent of households are classified as low- or moderate-income. This suggests a need for activities that benefit projects or organizations that provide affordable housing or community services targeted to low- or moderate-income individuals, including financial education. The assessment

area provides revitalization and stabilization opportunities given the number of low- and moderate-income census tracts. Additionally, the number of small businesses as well as the presence of areas targeted for redevelopment by the federal, state, and local government, supports a need for and opportunities for banks to promote economic development. Considering these factors, the assessment area provides opportunities for the bank to engage in community development activities.

SCOPE OF EVALUATION – KANSAS

Examiners reviewed small business and home mortgage lending in the Kansas City MSA Assessment Area. Agricultural lending is not a primary product for the bank in Kansas. Equal weight was given to small business and home mortgage lending. Refer to the overall Scope of Evaluation section for more information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN KANSAS

LENDING TEST

Union Bank & Trust demonstrated low satisfactory performance under the Lending Test in Kansas, which is supported by the bank's adequate performance in the Kansas City MSA Assessment Area. The adequate lending levels, adequate geographic distribution, and adequate borrower profile performance, and use innovative and flexible lending products primarily support this conclusion. The relatively high level of community development loans did not bolster the overall lending performance in Kansas.

Lending Activity

The bank's lending activity reflects adequate responsiveness to the credit needs of the Kansas City MSA Assessment Area. As previously noted, the bank ranked 19th in market share for small business lending in 2022 and 162nd in market share for home mortgage lending in 2023 for this assessment area. This is an improvement for small business lending and a decline for home mortgage lending since the previous evaluation, when the bank ranked 41st in market share for small business loans and 135th for home mortgage loans.

In 2023, the bank originated 3.5 percent of its reported small business, small farm, and home mortgage loans, by dollar volume, in the assessment area, whereas according to 2024 FDIC Summary of Deposit data, 3.8 percent of the bank's deposits were in this assessment area. Union Bank & Trust Company originated 190 small business loans totaling \$42.1 million, 96 home mortgage loans totaling \$18.0 million, and 10 small farm loans totaling \$1.4 million in the Kansas City MSA Assessment Area from 2021 to 2023. Overall, the bank's lending volume has declined since the previous evaluation in this assessment area. The decrease in lending is attributed to the high volume of SBA PPP loans originated in 2020 during the previous evaluation and an increase in interest rates resulting in lower loan demand.

Geographic Distribution

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

Small Business Loans

The distribution of small business loans reflects adequate penetration throughout the assessment area. The percentage of small business loans made in both low- and moderate-income census tracts compares closely to aggregate lending performance and the demographic composition of the assessment area. The following table provides details.

Geographic Distribution of Small Business Loans – Kansas City MSA Assessment Area						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.6	4.6	2	5.0	132	1.0
Moderate	9.2	9.3	4	10.0	302	2.3
Middle	29.4	27.6	8	20.0	2,596	19.8
Upper	53.1	54.5	24	60.0	9,261	70.8
Not Available	3.8	4.0	2	5.0	788	6.0
Totals	100.0	100.0	40	100.0	13,079	100.0
<i>Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data Due to rounding, totals may not equal 100.0%</i>						

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Although the bank did not make any home mortgage loans in low-income census tracts, the performance is adequate when considering performance context. Lower loan demand is evidenced by aggregate lending performance. The percentage of home mortgage loans, by number, made in moderate-income census tracts slightly lags aggregate lending performance in 2023 but is still reasonably comparable. Additionally, the bank's home mortgage loan volume in 2023 was considerably less than the volume in 2021 and 2022 when the percentage of home mortgage loans made in moderate-income census tracts exceeded aggregate lending performance. In 2021, 12.0 percent of home mortgage loans were made in moderate-income census tracts compared to 7.7 percent of loans made by aggregate reporters. In 2022, 13.2 percent of home mortgage loans were made in moderate-income census tracts compared to 10.6 percent of loans made by aggregate reporters. Therefore, the bank's performance over the evaluation period is adequate. The following table provides details.

Geographic Distribution of Home Mortgage Loans – Kansas City MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.0	3.8	0	0.0	0	0.0
Moderate	11.0	10.7	1	5.6	310	7.8
Middle	35.1	35.4	7	38.9	1,457	36.8
Upper	49.8	49.9	10	55.6	2,191	55.3
Not Available	0.1	0.1	0	0.0	0	0.0
Totals	100.0	100.0	18	100.0	3,958	100.0
<i>Source: 2020 U.S. Census; 2023 HMDA Aggregate Data 2023 HMDA Reported 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 small business and home mortgage lending performance supports this conclusion.

Small Business Loans

The distribution of borrowers reflects adequate penetration among businesses of different sizes. As shown in the following table, the percentage of small business loans made to borrowers with gross annual revenues of \$1 million or less in 2022 trails aggregate lending performance by 10.6 percentage points. However, in 2021, the bank's small business lending exceeded aggregate lending performance by 13.6 percentage points. Specifically, the bank made 61.0 percent of its loans to businesses with gross annual revenues of \$1 million or less in 2021 compared to aggregate performance of 47.4 percent. Considering performance over the evaluation period, the bank's performance is adequate.

Distribution of Small Business Loans by Gross Annual Revenue Category – Kansas City MSA Assessment Area						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000	85.3	50.6	16	40.0	4,175	31.9
>\$1,000,000	4.9	--	22	55.0	8,742	66.8
Revenue Not Available	9.8	--	2	5.0	162	1.2
Totals	100.0	100.0	40	100.0	13,079	100.0
<i>Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported 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. Although the bank did not make any home mortgage loans to low-income borrowers, the performance is adequate when considering performance context. Low loan demand is evidenced by aggregate lending performance. Further, the community contact cited there is a lack of affordable housing in the area, especially for low-income individuals and when considering the percent of families below the poverty level that are unlikely to qualify for a home mortgage loan. On the contrary, the percentage of home mortgage loans, by number, made to moderate-income borrowers is commensurate with aggregate lending performance. The following table provides details.

Distribution of Home Mortgage Loans by Borrower Income Level – Kansas City MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	16.5	6.1	0	0.0	0	0.0
Moderate	15.4	16.1	3	16.7	538	13.6
Middle	20.7	19.9	3	16.7	538	13.6
Upper	47.4	42.1	11	61.1	2,572	65.0
Not Available	0.0	15.7	1	5.6	310	7.8
Totals	100.0	100.0	18	100.0	3,958	100.0
<i>Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2023 HMDA Reported Data</i> <i>Due to rounding, totals may not equal 100.0%</i>						

Community Development Loans

Union Bank & Trust originated a relatively high level of community development loans in Kansas. The bank made three loans totaling \$23.8 million that directly benefitted the Kansas City MSA Assessment Area. The loans were responsive to affordable housing, economic development, and revitalization and stabilization needs. The bank's community development lending decreased since the previous evaluation when the bank made 10 community development loans totaling \$39.9 million benefitting Kansas.

An example of notable community development lending in the Kansas City MSA Assessment Area included a \$20.0 million loan to construct a commercial office complex in a low -income census tract, which is also designated for redevelopment by Kansas City. The completed complex is projected to attract approximately 1,500 jobs to this low-income census tract, revitalizing this area.

INVESTMENT TEST

Union Bank & Trust demonstrated low satisfactory performance under the Investment Test in Kansas, as supported by adequate performance in the Kansas City MSA Assessment Area. This conclusion is supported by the level of investment and grant activity, responsiveness to credit and community development needs, and the occasional use innovative and complex investments.

Investment and Grant Activity

Union Bank & Trust has an adequate level of qualified community development investments and grants in Kansas, although rarely in a leadership position, particularly those not routinely provided by private investors.

Union Bank & Trust made 15 qualified investments and donations totaling \$525,000 benefitting Kansas. Qualified investments and donations directly benefitting the Kansas City MSA Assessment Area consisted of four prior period investments totaling approximately \$438,000 and nine donations totaling approximately \$18,000. The prior period investments financed affordable housing projects using low-income housing tax credits. The following table illustrates the bank's qualified investments activity in Kansas by area and purpose.

Qualified Investments by Assessment Area – Kansas										
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Kansas City MSA	5	439	8	17	0	0	0	0	13	456
Statewide Activities	2	69	0	0	0	0	0	0	2	69
Total	7	508	8	17	0	0	0	0	15	525
<i>Source: Bank Data</i>										

As shown in the table above, Union Bank & Trust also maintained two prior period investments totaling \$69,000 that benefitted the broader statewide area, but that did not directly benefit its Kansas City MSA Assessment Area. These were included since the bank was responsive to the community development needs of its assessment area.

Responsiveness to Credit and Community Development Needs

Union Bank & Trust exhibits adequate responsiveness to credit and community development needs in the Kansas City MSA Assessment Area based on the investments that support affordable housing and donations that benefit community services. As shown in the Qualified Investments by Assessment Area table above, the bank was most responsive to affordable housing needs, by dollar volume.

Community Development Initiatives

Union Bank & Trust occasionally uses innovative and complex investments to support community development initiatives in the Kansas City MSA Assessment Area through investments in low-income housing tax credits.

SERVICE TEST

Union Bank & Trust demonstrated low satisfactory performance under the Service Test in Kansas, which is supported by adequate performance in the Kansas City MSA Assessment Area. This conclusion is primarily supported by reasonably accessible delivery systems and the level of community development services.

Accessibility of Delivery Systems

Union Bank & Trust's delivery systems are reasonably accessible to essentially all portions of the Kansas City MSA Assessment Area. The branch and ATM distribution in moderate-income census tracts exceeds the population density in moderate-income census tracts. The bank's presence in moderate-income census tracts helps make banking services more readily available to low- and moderate-income individuals living in these areas. The bank does not presently have any locations in low-income census tracts, limiting accessibility to individuals living in these areas. Additionally, the alternative delivery methods provide access to bank services and are consistent with those discussed in the bank's overall performance. The following table shows the overall distribution of branches and ATMs by tract income level and population for the assessment area.

Branch and ATM Distribution by Geography Income Level – Kansas City MSA Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	19	8.0	57,407	6.7	0	0.0	0	0.0
Moderate	41	17.3	121,951	14.2	1	50.0	1	33.3
Middle	75	31.6	301,200	35.0	0	0.0	0	0.0
Upper	89	37.6	379,146	44.0	1	50.0	2	66.7
Not Available	13	5.5	1,285	0.1	0	0.0	0	0.0
Totals	237	100.0	860,989	100.0	2	100.0	3	100.0
Source: 2020 U.S. Census & Bank Data Due to rounding, totals may not equal 100.0%								

Changes in Branch Locations

There were no changes to the bank’s branches in the Kansas City MSA Assessment Area during the evaluation period. Therefore, this criterion did not impact ratings.

Reasonableness of Business Hours and Services

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

Community Development Services

Union Bank & Trust provided an adequate level of community development services in Kansas. During the evaluation period, employees performed 18 instances of community services equating to 194 hours in the Kansas City MSA Assessment Area. The bank’s level of community development services in the assessment area increased since the previous evaluation when employees provided 11 instances. The following table illustrates the bank’s community development services in the Kansas City MSA Assessment area by purpose and year.

Community Development Services by Year – Kansas City MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (Partial)	0	3	1	0	4
2022	0	4	1	0	5
2023	0	3	1	0	4
2024	0	5	0	0	5
Year-to-Date 2025	0	0	0	0	0
Total	0	15	3	0	18
Source: Bank Data					

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 11/1/2021 – 1/27/2025
Time Period Reviewed:		
Products Reviewed		
Product Category	Source	Time Period
Lending Test:		
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	11/1/2021 – 1/27/2025
Community Development Loans	Bank Data	11/1/2021 – 1/27/2025
Investment Test:		
Qualified Investments and Donations*	Bank Data	11/1/2021 – 1/27/2025
Service Test:		
Community Development Services	Bank Data	11/1/2021 – 1/27/2025
Branches and ATMs	Bank Data	11/1/2021 – 1/27/2025
(*) Includes qualified investments made prior to the current evaluation period that remained outstanding as of 1/27/2025		

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

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Nebraska	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
Kansas	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

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

Small Business Loans

Distribution of Loans to Small Businesses by Income Category of the Geography																	2022		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Nonmetropolitan Nebraska	57	8,117	100.0	3,429	0.0	0.0	0.0	7.3	3.5	6.1	76.1	77.2	76.8	16.5	19.3	17.1	0.0	0.0	0.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data Due to rounding, totals may not equal 100.0%																			

Distribution of Loans to Small Businesses by Gross Annual Revenues										2022	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Nonmetropolitan Nebraska	57	8,117	100.0	3,429	82.2	75.4	56.5	4.2	19.3	13.7	5.3
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data; "--" data not available. Due to rounding, totals may not equal 100.0%											

Small Farm Loans

Distribution of Loans to Farms by Income Category of the Geography																	2022		
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Nonmetropolitan Nebraska	194	24,123	100.0	2,226	0.0	0.0	0.0	3.5	4.1	2.0	74.4	74.7	74.0	22.0	21.1	24.0	0.0	0.0	0.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data Due to rounding, totals may not equal 100.0%																			

Distribution of Loans to Farms by Gross Annual Revenues										2022	
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Nonmetropolitan Nebraska	194	24,123	100.0	2,226	98.0	88.1	62.9	1.1	10.8	0.9	1.0
Source: 2022 D&B Data; 2022 CRA Aggregate Data; 2022 CRA Reported Data; "--" data not available. Due to rounding, totals may not equal 100.0%											

Home Mortgage Loans

Distribution of Home Mortgage Loans by Income Category of the Geography																	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	16	1,583	10.5	1,318	0.0	0.0	0.0	19.4	12.5	21.5	57.4	62.5	56.0	23.2	25.0	22.5	0.0	0.0	0.0
Nonmetropolitan Nebraska	137	19,325	89.5	3,756	0.0	0.0	0.0	8.4	7.3	8.5	74.8	69.3	74.9	16.8	23.4	16.6	0.0	0.0	0.0
Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2023 HMDA Reported Data Due to rounding, totals may not equal 100.0%																			

Distribution of Home Mortgage Loans by Income Category of the Borrower																	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	16	1,583	10.5	1,318	19.3	6.3	5.8	19.2	6.3	26.4	22.7	37.5	24.2	38.8	43.8	25.1	0.0	6.3	18.4
Nonmetropolitan Nebraska	137	19,325	89.5	3,756	18.8	12.4	10.3	19.6	21.2	22.9	21.9	24.8	25.7	39.7	33.6	25.5	0.0	8.0	15.6
Source: 2020 U.S. Census; 2023 HMDA Aggregate Data; 2023 HMDA Reported 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.