



COMMUNITY REINVESTMENT ACT PUBLIC FILE

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Community Reinvestment Act

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PUBLIC DISCLOSURE

March 27, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Elkhorn Valley Bank & Trust
Certificate Number: 16553

404 South 25th Street
Norfolk, Nebraska 68701

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 areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment areas' credit needs.
- A majority of the small farm, small business, and home mortgage loans reviewed were inside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the Nebraska Assessment Area.
- The distribution by borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The bank did not receive any Community Reinvestment Act (CRA)-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating

The Community Development Test is rated Satisfactory.

- The institution demonstrates adequate responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the assessment areas.

DESCRIPTION OF INSTITUTION

Elkhorn Valley Bank & Trust is headquartered in Norfolk, Nebraska. FEO Investments, Inc., a one-bank holding company also located in Norfolk, owns the institution. The bank received a CRA rating of Satisfactory at its previous FDIC Performance Evaluation dated March 16, 2020, which was based on Interagency Intermediate Small Institution Examination Procedures.

Elkhorn Valley Bank & Trust operates seven full-service offices in Nebraska, and one full-service office in South Dakota. In addition, the bank operates a loan production office in Albion, Nebraska, that opened since the previous CRA evaluation. The institution also operates 13 interactive teller machines that accept deposits throughout the assessment areas, most of which are located at branches. The bank converted a previous loan production office in Yankton, South Dakota, to a full-service branch since the previous evaluation. Two previous full-service branches in Hoskins and Norfolk, Nebraska, were closed in May 2021, both of which were located in middle-income geographies. Lastly, the bank constructed a new office in Norfolk in June 2021, and the institution's headquarters was moved to this location following construction.

The bank offers a variety of credit products, including construction and land development, commercial, agricultural, home mortgage, and consumer loans. In addition, the bank originates and sells home mortgage loans to secondary market investors, and participates in various government-sponsored loan programs. Some of these products are targeted toward low-income individuals, such as Nebraska Investment Financing Authority home mortgage loans. The bank's primary business focus is agricultural and commercial lending, but the bank also originates a considerable volume of home mortgage loans. The secondary market home loan servicing is sold to investors, and these loans are not reflected in the Reports of Condition and Income (Call Report) data listed below. Additionally, Elkhorn Valley Bank & Trust offers a full line of traditional deposit services, including checking, savings, and certificates of deposit accounts. Alternative banking services include internet and mobile banking, ATMs, and the 13 interactive teller machines described earlier.

As of December 31, 2022, Elkhorn Valley Bank & Trust reported total assets of \$1.0 billion, total loans of \$734.7 million, and total deposits of \$891.9 million. The following table illustrates the loan portfolio distribution.

Loan Portfolio Distribution as of 12/31/22		
Loan Category	\$ (000s)	%
Construction, Land Development, and Other Land Loans	33,690	4.6
Secured by Farmland	162,853	22.2
Secured by 1-4 Family Residential Properties	83,413	11.3
Secured by Multi-family (5 or more) Residential Properties	16,945	2.3
Secured by Non-farm Non-Residential Properties	135,642	18.5
Total Real Estate Loans	432,543	58.9
Commercial and Industrial Loans	133,839	18.2
Agricultural Production and Other Loans to Farmers	133,981	18.2
Consumer	29,474	4.0
Obligations of States and Political Subdivisions in the United States	3,310	0.5
Other Loans	1,552	0.2
Lease Financing Receivables (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	734,699	100.0

Source: Reports of Condition and Income

Examiners did not identify any impediments that affect the bank's ability to meet the credit needs of the assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to define one or more assessment areas within which its performance will be evaluated. Elkhorn Valley Bank & Trust has designated three separate assessment areas, which include two in Nebraska and one in South Dakota. Although the Nebraska assessment areas are non-contiguous, they are both comprised of areas predominately in non-metropolitan Nebraska with a similar demographic composition. Since performance in each area was similar, examiners combined their performances for presentation purposes in this evaluation. This evaluation will refer to the assessment areas as the Nebraska Assessment Area and the South Dakota Assessment Area. Examiners assigned performance ratings for the states of Nebraska and South Dakota, which were used to determine the overall rating. A description of each assessment area and rated area is presented in subsequent sections.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 16, 2020, to the current evaluation dated March 27, 2023. Examiners used Interagency Intermediate Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include the Lending and Community Development Tests, which are described in detail in the Appendix. Banks must achieve at least a Satisfactory rating under each Test to obtain an overall Satisfactory rating.

Examiners used full-scope examination procedures to assess the bank's performance in each rated area. Although the bank has limited operations in the South Dakota Assessment Area, examiners must use full-scope procedures since a rating must be assigned to this rated area, which is comprised of only one assessment area. Examiners placed greater weight on the bank's performance in the State of Nebraska when arriving at conclusions since the majority of the bank's lending, deposit, and branch activity occurs in this state. The following table provides details on loan, deposit, and branch data by state.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Rated Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Nebraska	656,148	91.2	852,402	98.5	7	87.5
South Dakota	63,305	8.8	12,910	1.5	1	12.5
Total	719,453	100.0	865,312	100.0	8	100.0

Source: Bank Data; FDIC Summary of Deposits (6/31/2022). Loan totals are based on outstanding balances as of 2/14/2023.

Activities Reviewed

Examiners selected small farm, small business, and home mortgage loans to evaluate the bank's lending performance. Examiners selected these products based on the bank's business strategy, and number and dollar volume of loans originated during the evaluation period. No other loan types, such as consumer lending, represent a major product line. As a result, examiners did not review any other loan products, as they would provide no material support for conclusions or the rating. The bank's small farm and small business lending performance received equal and the most weight when deriving overall conclusions, followed by home mortgage lending. This is because agricultural and commercial loans represent a larger percentage of loans by dollar volume.

Bank management indicated that small farm and small business lending in 2022 was representative of the bank's performance during the entire evaluation period, and bank data confirmed this statement. Although the bank originated a modest volume of Paycheck Protection Program (PPP) loans in 2020 and 2021, which is considered an anomaly in lending activity, the bank elected to have these loans reviewed under the Community Development Test. In 2022, the bank made 874 small farm loans totaling \$102.0 million, and 614 small business loans totaling \$66.4 million. The 2022 D&B data provided a standard of comparison for the bank's small farm and small business lending performance.

Additionally, examiners reviewed all home mortgage loans originated in 2022, which was representative of the bank's performance during the entire evaluation period. The bank is not subject to the Home Mortgage Disclosure Act reporting requirements since there is no branch office located in a Metropolitan Statistical Area (MSA). Therefore, examiners used the loan download to identify home mortgage loans. The loan download included paid off loans, so this analysis included secondary market home lending as a result. In 2022, the bank made 328 home mortgage loans totaling \$61.8 million. The 2020 US Census data provided a standard of comparison for the bank's home mortgage lending performance.

For the Lending Test, examiners reviewed the entire loan universe to evaluate the Assessment Area Concentration criterion. Additionally, examiners reviewed all small farm, small business, and home mortgage loans located inside the Nebraska Assessment Area to evaluate the Geographic Distribution criterion. The South Dakota Assessment Area does not include any low- or moderate-

income geographies; therefore, examiners did not perform a Geographic Distribution analysis for this assessment area. Lastly, examiners reviewed samples of small farm, small business, and home mortgage loans inside the Nebraska Assessment Area to evaluate the Borrower Profile criterion. The samples included 68 small farm loans totaling \$6.1 million, 65 small business loans totaling \$6.4 million, and 60 home mortgage loans totaling \$10.4 million. Due to limited volume, examiners reviewed all small farm and small business loans originated inside the South Dakota Assessment Area to evaluate the Borrower Profile criterion. Home mortgage loans inside the South Dakota Assessment Area were not reviewed for Borrower Profile due to limited volume.

Examiners used the Federal Financial Institutions Examination Council's (FFIEC's) estimated 2022 median family income figures for nonmetropolitan Nebraska, and the Sioux City Iowa-Nebraska-South Dakota (IA-NE-SD) MSA to analyze home mortgage loans under the Borrower Profile criterion. The following MSA median family income was used for all home mortgage loans located in Dixon County, Nebraska, whereas the non-metropolitan Nebraska median family income was used for all other loans located in other counties in the Nebraska Assessment Area.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Sioux City, IA-NE-SD MSA Median Family Income (43580)				
2022 (\$86,100)	<\$43,050	\$43,050 to <\$68,880	\$68,880 to <\$103,320	≥\$103,320
NE NA Median Family Income (99999)				
2022 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080

Source: FFIEC

While examiners reviewed both the number and dollar volume of loans and presented both figures throughout the evaluation, they emphasized performance by number of loans when conducting the Geographic Distribution and Borrower Profile analyses. This is because the number of loans is a better indicator of geographies and borrowers served.

For the Community Development Test, bank management provided examiners with data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated March 16, 2020. Examiners also considered prior period qualified investments that were still outstanding at the start of this evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Elkhorn Valley Bank & Trust demonstrated satisfactory performance under the Lending Test. The bank's performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria provides support for this conclusion.

Loan-to-Deposit Ratio

Elkhorn Valley Bank & Trust's loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the assessment areas' credit needs. The bank's net loan-to-deposit ratio, calculated from Call Report data, averaged 72.2 percent over the past 12 quarters from March 31,

2020, to December 31, 2022. Examiners compared Elkhorn Valley Bank & Trust's average net loan-to-deposit ratio to four comparable institutions. These comparable institutions were selected based on their asset size, geographic location, and lending focus.

As shown in the following table, Elkhorn Valley Bank & Trust's average net loan-to-deposit ratio is the lowest of the comparable institutions. However, the bank originates a modest volume of secondary market home mortgage loans, which are sold to investors and not reflected in these figures. During 2022, the bank originated and sold 112 secondary market home mortgage loans totaling \$22.7 million. Furthermore, the loan-to-deposit ratio has been trending upward since March 31, 2021, and was 81.4 percent as of December 31, 2022. After considering all of these factors, the loan-to-deposit ratio is considered reasonable.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/2022 \$(000s)	Average Net Loan-to-Deposit Ratio (%)
Elkhorn Valley Bank & Trust, Norfolk, Nebraska	1,019,684	72.2
Madison County Bank, Madison, Nebraska	596,220	91.7
BankFirst, Norfolk, Nebraska	987,221	94.8
Frontier Bank, Omaha, Nebraska	1,196,346	108.7
Midwest Bank, Pierce, Nebraska	989,298	77.4

Source: Reports of Condition and Income 3/31/2020 to 12/31/2022

Assessment Area Concentration

A majority of small farm, small business, and home mortgage loans reviewed, by number and dollar volume, were located inside the assessment areas. The following table provides details.

Lending Inside and Outside of the Assessment Area												
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)		
	Inside		Outside			Inside		Outside				
	#	%	#	%		\$	%	\$	%			
Small Farm	687	78.6	187	21.4	874	77,414	75.9	24,619	24.1	102,033		
Small Business	493	80.3	121	19.7	614	45,411	68.4	20,974	31.6	66,385		
Home Mortgage	280	85.4	48	14.6	328	45,663	73.8	16,173	26.2	61,836		
Total	1,460	80.4	356	19.6	1,816	168,488	73.2	61,766	26.8	230,254		

Source: Bank Data

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Nebraska Assessment Area. The South Dakota Assessment Area is comprised of only middle- and upper-income geographies; therefore, the bank's performance was not evaluated under this criterion in this rated area. Examiners focused on the percentage of loans in the two moderate-income census tracts in the Nebraska Assessment Area, as this area includes no low-income census tracts. Refer to the Conclusions on Performance Criteria in Nebraska section for the specific analysis.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels. The bank's reasonable performance in both Nebraska and South Dakota is consistent with this conclusion. Examiners focused on the percentage of small farm and small business loans to operations with gross annual revenues of \$1 million or less, and home mortgage loans to low- and moderate-income borrowers. Refer to the Conclusions on Performance Criteria in Nebraska and South Dakota sections for the specific analysis.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

Elkhorn Valley Bank & Trust's community development performance demonstrated an overall adequate responsiveness to its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the bank's capacity and the need and availability of such opportunities when drawing this conclusion. The bank's adequate performance in both Nebraska and South Dakota is consistent with this conclusion. Since the institution was responsive to the community development needs of its assessment areas, examiners also considered community development activities benefiting the broader statewide and regional areas in the analysis.

Community Development Loans

Elkhorn Valley Bank & Trust originated 1,684 community development loans totaling \$61.0 million during the evaluation period. This figure include 1,667 PPP loans totaling \$49.6 million. The PPP, established by the Coronavirus Aid, Relief, and Economic Security Act, and implemented by the Small Business Administration, helped small businesses and farms maintain their payroll, hire back employees, and cover applicable expenses during the Coronavirus Disease 2019 (COVID-19) pandemic. The bank's PPP loans primarily financed businesses, and resulted in permanent job creation, retention, and/or improvement for low- and moderate-income individuals.

The volume of community development loans represented 6.0 percent of total assets, and 8.4 percent of net loans as of December 31, 2022. These ratios increased significantly since the previous evaluation when community development loans represented 0.4 percent of total assets, and 0.6 percent of net loans. However, a significant amount of this increased volume is attributed to the PPP loans discussed above. Examiners compared the bank's level of community development lending to two similarly-situated institutions. The bank's performance was comparable to the similarly-situated institutions' performances, with community development loans to total assets of 5.7 percent and 6.5 percent, and community development loans to net loans of 7.7 percent and 8.0 percent. However, one of the two similarly-situated institution's performance was evaluated in the fourth quarter of 2020, in which this institution would have had less opportunity to originate PPP loans, which was considered.

The analysis also includes community development loans extended to businesses outside of the bank's assessment areas in the broader regional area. The regional activities were loans extended under the PPP in an effort to promote economic development of the broader regional area.

The following tables illustrate the bank's community development loans by rated area, purpose, and year. Details on the bank's community development lending activities are located in the rated area sections of the evaluation.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Nebraska	1	400	0	0	1,204	39,260	212	16,033	1,417	55,693
State of South Dakota	0	0	0	0	10	134	1	21	11	155
Regional	0	0	0	0	149	3,485	107	1,697	256	5,182
Total	1	400	0	0	1,363	42,879	320	17,751	1,684	61,030

Source: Bank Records

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	0	0	440	17,963	118	10,497	558	28,460
2021	0	0	0	0	916	18,821	199	6,069	1,115	24,890
2022 (YTD)	1	400	0	0	7	6,095	3	1,185	11	7,680
Total	1	400	0	0	1,363	42,879	320	17,751	1,684	61,030

Source: Bank Records

Qualified Investments

Elkhorn Valley Bank & Trust purchased, retained, or donated 356 qualified investments totaling \$9.0 million during the evaluation period. The volume of qualified investments represented 0.9 percent of total assets, and 4.3 percent of total securities as of December 31, 2022. The volume of investments represents a modest decline since the previous evaluation, where the ratio was 1.9 percent of total assets and 6.5 percent of total securities. Examiners also compared the bank's level of qualified investments to two similarly-situated institutions. The bank's performance was comparable to the similarly-situated institutions' performances with qualified investments to total assets of 0.1 percent and 0.7 percent, and qualified investment to total securities of 0.6 percent and 7.0 percent. The following tables illustrate the bank's qualified investments by rated area, purpose, and year. Details on the bank's qualified investment activities are located in the rated area sections of the evaluation.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Nebraska	4	30	181	537	19	184	100	3,894	304	4,645
State of South Dakota	0	0	2	1	1	5	0	0	3	6
Regional	0	0	1	1	0	0	48	4,321	49	4,322
Total	4	30	184	539	20	189	148	8,215	356	8,973

Source: Bank Records

Qualified Investments by Year										
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	31	1,682	31	1,682
2020 (Partial)	0	0	0	0	0	0	1	230	1	230
2021	0	0	2	395	0	0	18	5,720	20	6,115
2022 (YTD)	1	20	0	0	0	0	0	0	1	20
Subtotal	1	20	2	395	0	0	50	7,632	53	8,047
Qualified Grants & Donations	3	10	182	143	20	189	98	584	303	926
Total	4	30	184	538	20	189	148	8,216	356	8,973

Source: Bank Records

Community Development Services

Elkhorn Valley Bank & Trust provided 48 instances of financial expertise or technical assistance to various community development organizations during the evaluation period. The bank's performance was similar to the previous evaluation, which reflected 50 community development services. Furthermore, the bank's level of services is comparable to one similarly-situated institution who had 50 services, and was below the other similarly-situated institution who had 94 services. The following tables illustrate the bank's community development services by rated area, purpose, and year. Details on the bank's community development services are located in the rated area sections of the evaluation.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
State of Nebraska	10	17	10	9	46
State of South Dakota	0	1	0	1	2
Total	10	18	10	10	48

Source: Bank Records

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020 (Partial)	1	4	2	2	9
2021	4	7	3	3	17
2022 (YTD)	5	7	5	5	22
Total	10	18	10	10	48

Source: Bank Records

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

STATE OF NEBRASKA – Full-Scope Review

CRA RATING FOR NEBRASKA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEBRASKA

The bank designated two assessment areas in the state of Nebraska. The largest assessment area includes all of Cedar, Knox, Madison, Pierce, and Wayne counties. In addition, it also includes census tract 9778 in Dixon County, and census tract 9622 in Stanton County. Dixon County is part of the Sioux City, IA-NE-SD MSA, whereas all other counties are located in non-metropolitan Nebraska. The bank does not have any branch offices or deposit taking facilities in Dixon County, but this county is contiguous to Wayne County where the bank operates a full-service branch in Wayne. In addition, the bank has designated a secondary and smaller non-contiguous assessment area that includes census tract 9602 in Boone County. This census tract encompasses the city of Albion, where the bank maintains a loan production office and corresponding interactive teller machine that accepts deposits. As described earlier, since these assessment areas are both similar in demographic composition and lending performance was similar in each area, examiners combined the areas for analysis and presentation purposes in this evaluation.

The 2020 US Census income designations for the Nebraska Assessment Area include 2 moderate-income, 16 middle-income, and 3 upper-income census tracts. In addition, all 5 middle-income census tracts located in Cedar and Knox counties are currently considered underserved middle-income geographies.

Elkhorn Valley Bank & Trust operates 7 full-service offices, and 1 loan production office inside this assessment area. The full-service offices are located in Norfolk (5 offices), Pierce, and Wayne. The bank operates 1 office in a moderate-income geography, 4 offices in middle-income geographies, and 2 offices in upper-income geographies. Lastly, the bank operates 11 interactive teller machines, and 9 cash-dispensing ATMs in this assessment area.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Nebraska Assessment Area.

Demographic Information of the Assessment Area						
Assessment Area: Nebraska						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	21	0.0	9.5	76.2	14.3	0.0
Population by Geography	78,914	0.0	7.8	78.9	13.3	0.0
Housing Units by Geography	36,036	0.0	8.5	79.4	12.0	0.0
Owner-Occupied Units by Geography	22,816	0.0	5.3	81.5	13.2	0.0
Occupied Rental Units by Geography	9,134	0.0	16.1	72.4	11.5	0.0
Vacant Units by Geography	4,086	0.0	10.0	83.5	6.6	0.0
Businesses by Geography	7,618	0.0	10.0	76.7	13.2	0.0
Farms by Geography	1,369	0.0	1.8	91.3	6.9	0.0
Family Distribution by Income Level	19,986	16.8	19.1	24.4	39.7	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income MSA - 43580 Sioux City, IA-NE-SD MSA		\$74,387	Median Housing Value			\$135,688
Median Family Income Non-MSAs - NE		\$71,424	Median Gross Rent			\$672
			Families Below Poverty Level			6.8%

Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%.

The 2020 US Census data reveals the assessment area population remains stable. Since the 2015 American Community Survey data, population and housing has remained substantially similar. For instance, the population only grew by 299 residents, or approximately 0.4 percent throughout this period. Similarly, the total number of housing units only grew by 783 units, or approximately 2.2 percent. Of the 36,036 housing units in the assessment area, 63.3 percent are owner-occupied, 25.3 percent are occupied rental units, and 11.3 percent are vacant.

Based on 2022 D&B data, the Nebraska Assessment Area is dependent on agriculture with 15.2 percent of the assessment area businesses operating in agriculture. The number of farms in the assessment area continues to decline based on 2017 Agricultural Census data. For instance, the number of farms operating in counties included in the assessment area decreased by 631, or 10.9 percent, between the 2012 Agricultural Census and 2017 Agricultural Census. Further, 1,716 of the total 5,171 farming operations, or 33.2 percent, farm more than 500 acres each, confirming the presence of a significant number of larger farming operations.

The assessment area also has a large number of businesses in the service industry. These service businesses represent 29.5 percent of the area's businesses. According to 2022 D&B data, 88.2 percent of the farms and businesses operate from a single location, and 65.1 percent employ less than five employees.

Employment opportunities remain prevalent within or near the assessment area, accounting for the historically low unemployment levels during the vast majority of the evaluation period. The unemployment rates for counties included in the assessment area ranged from 1.6 to 2.2 percent as of January 2023, which is comparable to the State of Nebraska unemployment rate of 2.2 percent as

of this same time. The unemployment rates were higher throughout part of the evaluation period due to the COVID-19 pandemic, particularly during early 2020. However, labor statistic data confirms that rates have generally trended downward since the beginning of the COVID-19 pandemic and remain low.

Competition

The assessment area is moderately competitive for financial products and services. According to June 30, 2022 FDIC Deposit Market Share data, 30 different financial institutions operated 64 branches in the assessment area. Of these institutions, Elkhorn Valley Bank & Trust ranked first in deposit market share with 20.3 percent of the deposits. Agricultural financing competition also comes from non-bank entities with options for operating, machinery, and land loans. In addition, online lenders compete for home mortgage and consumer loans.

Community Contact

Examiners reviewed an existing community contact conducted with a member of an economic development organization serving Wayne County. The contact indicated the area remains stable, but has been adversely affected by the COVID-19 pandemic similar to other regions. The business sector has been the most adversely affected with certain industries, such as restaurants, experiencing staffing challenges and shortages. However, some businesses have actually prospered from the pandemic through the receipt of PPP loans. In addition, the area remains dependent on agriculture, which has not been favorable in 2020 and 2021. The agricultural sector has been recently adversely affected by drought and lower commodity prices. This has resulted in some smaller operations being sold and purchased by larger producers, which has been a recent trend. The housing remains a challenge in Wayne County, with a shortage of both rental and owner-occupied housing units.

Credit and Community Development Needs and Opportunities

Considering information from bank management, the community contact, and demographic and economic data, examiners determined that agricultural, commercial, and home mortgage loans are the primary credit needs in the assessment area. The primary community development needs include affordable housing, revitalization/stabilization efforts, community services, and activities that promote economic development.

SCOPE OF EVALUATION – NEBRASKA

For the Nebraska Assessment Area, examiners reviewed small farm, small business, and home mortgage loans for the Lending Test. Additionally, examiners reviewed community development activities for the Community Development Test. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEBRASKA

LENDING TEST

Elkhorn Valley Bank & Trust demonstrated reasonable performance under the Lending Test in the Nebraska Assessment Area. The bank's reasonable performance under the Geographic Distribution and Borrower Profile criteria support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects a reasonable dispersion throughout the Nebraska Assessment Area. The bank's reasonable small farm, small business, and home mortgage lending performance supports this conclusion.

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion. As shown in the following table, the bank's performance in the two moderate-income census tracts slightly lags demographic data. However, the two moderate-income census tracts are included in the city of Norfolk and offer limited farm lending opportunities. The 2022 D&B data confirms that only 24 total farms are located in these two census tracts, presenting extremely limited agricultural lending opportunities. Many of the 24 farms in these geographies are likely hobby farmers that require limited financing needs. Given this information, the bank's small farm loan dispersion is reasonable.

Geographic Distribution of Small Farm Loans					
Assessment Area: Nebraska					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	1.8	3	0.5	463	0.7
Middle	91.3	593	93.5	64,854	94.1
Upper	6.9	38	6.0	3,599	5.2
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	634	100.0	68,916	100.0

Source: 2022 D&B Data; Bank Data.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion. As shown in the following table, the bank's level of small business lending in the two moderate-income geographies is similar to D&B data, reflecting reasonable performance.

Geographic Distribution of Small Business Loans					
Assessment Area: Nebraska					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	10.0	42	9.4	4,242	10.9
Middle	76.7	358	79.7	28,506	72.9
Upper	13.2	49	10.9	6,334	16.2
Not Available	0.0	0	0.0	0	0.0
Totals	100.0	449	100.0	39,082	100.0

Source: 2022 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion. As shown in the following table, the bank's lending performance in the moderate-income census tracts slightly exceeds demographic data.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Nebraska					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate	5.3	19	7.1	1,877	4.3
Middle	81.5	187	70.0	28,048	64.3
Upper	13.2	61	22.8	13,670	31.4
Not Available	0.0	0	0.0	0	0.0
Total	100.0	267	100.0	43,595	100.0

Source: 2020 U.S. Census, Bank Data. Due to rounding, totals may not equal 100.0%.

Borrower Profile

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

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different sizes. As shown in the following table, the bank's record of lending to farms with revenues of \$1 million or less is comparable to demographic data in this revenue category.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Nebraska					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.7	62	91.2	5,057	83.5
>\$1,000,000	0.8	6	8.8	1,000	16.5
Revenue Not Available	0.5	0	0.0	0	0.0
Total	100.0	68	100.0	6,057	100.0

Source: 2022 D&B Data, Bank Data.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. As shown in the following table, the bank's percentage of small business lending to operations with revenues of \$1 million or less slightly exceeds demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Nebraska					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	81.4	55	84.6	4,313	67.4
>\$1,000,000	5.0	10	15.4	2,086	32.6
Revenue Not Available	13.6	0	0.0	0	0.0
Total	100.0	65	100.0	6,399	100.0

Source: 2022 D&B Data, Bank Data.

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. As shown in the following table, the bank's lending performance to low-income borrowers is lower than the percentage of low-income families located in the assessment area. However, the median home value in the assessment area is \$135,688, and low-income borrowers are currently considered those with gross annual incomes of less than \$40,450 in all counties inside the assessment area besides Dixon County, where this threshold is \$43,050. These borrowers often have difficulty obtaining home mortgage financing due to income restraints. The 2020 US Census data also confirms 6.8 percent of families live below the poverty level, making qualifying for financing extremely difficult. In addition, the bank offers various secondary market home mortgage products such as Nebraska Investment Financing Authority loans to try to qualify such borrowers for home mortgage loans. Moreover, the bank's lending performance to moderate-income individuals slightly exceeds demographic data. After considering all of these factors, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Nebraska					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	16.8	3	5.0	237	2.3
Moderate	19.1	13	21.7	1,920	18.4
Middle	24.4	6	10.0	951	9.1
Upper	39.7	15	25.0	3,579	34.3
Not Available	0.0	23	38.3	3,736	35.8
Total	100.0	60	100.0	10,423	100.0

Source: 2020 U.S. Census; Bank Data. Due to rounding, totals may not equal 100.0%.

COMMUNITY DEVELOPMENT TEST

Elkhorn Valley Bank & Trust's community development performance demonstrates adequate responsiveness to the community development needs of its Nebraska Assessment Area through community development loans, qualified investments, and community services.

Community Development Loans

The bank originated 1,417 community development loans totaling \$55.7 million in the assessment area. Overall, the volume of community development lending activities in the Nebraska Assessment Area significantly increased from the prior evaluation, when the institution made two community development loans totaling \$3.0 million. Although a significant portion of this increased community development loan volume is attributed to PPP loans, the bank still considerably increased its volume of non-PPP community development lending in this assessment area. More specifically, the bank originated 16 community development loans totaling \$11.3 million outside of the PPP in the Nebraska Assessment Area.

The majority of community development loans originated in the Nebraska Assessment Area promoted economic development or helped to revitalize and stabilize certain geographies. Several loans were particularly responsive to community development needs, including a \$2.4 million loan to a local economic development organization. This loan was used to purchase an existing strip

mall and discount store to redevelop the property into future mixed-use development. In addition, the bank originated several loans to new businesses or financed loans to existing businesses to expand operations, which created permanent jobs for low- and moderate-income individuals.

Qualified Investments

The bank made 304 qualified investments totaling \$4.6 million in the assessment area, including 298 donations totaling \$920 thousand. The bank's dollar volume of qualified investments decreased in comparison to the level at the prior evaluation, where qualified investments totaled \$15.4 million. However, a significant portion of investments at the previous evaluation were prior period bonds that remained outstanding.

All of the qualified investments at this evaluation were made to help revitalize or stabilize underserved middle-income census tracts or moderate-income census tracts. Two investments totaling \$3.0 million were particularly responsive to the area's needs by funding construction and improvement expenditures for a behavioral health facility serving residents of Norfolk and surrounding areas. Further, the bank donated \$250,000 to a local school that is located in a moderate-income census tract inside the Nebraska Assessment Area.

Community Development Services

Bank personnel provided 46 instances of financial expertise or technical assistance to community development organizations in the assessment area. These services assisted with promoting economic development, providing community services to low- or moderate-income individuals, and revitalization/stabilization efforts of certain geographies. The bank's number of community development services remained similar to the previous evaluation when it had 50 qualified services.

Elkhorn Valley Bank & Trust also operates one branch and one interactive teller machine in a moderate-income census tract in Madison County. Further, the bank operates three additional ATMs in moderate-income census tracts in this same county. These branches and ATMs improve the availability of banking services in moderate-income areas. Additionally, the bank offers retail services that enhance the availability of products and services to customers, which include a free personal checking account and free internet and mobile banking.

STATE OF SOUTH DAKOTA – Full-Scope Review

CRA RATING FOR SOUTH DAKOTA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SOUTH DAKOTA

The bank maintains one assessment area in South Dakota. The South Dakota Assessment Area includes ten census tracts, and encompasses all of Bon Homme, Clay, and Yankton counties, which are all located in non-metropolitan South Dakota. According to 2020 US Census data, the assessment area includes one upper-income census tract, and nine middle-income census tracts. In addition, both census tracts located in Bon Homme County are currently classified as underserved middle-income geographies.

Elkhorn Valley Bank & Trust operates one full-service office in the South Dakota Assessment Area, which is located in a middle-income geography in Yankton. The bank also operates two interactive teller machines located at the same branch, including one in the drive-through and one in the branch lobby.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the South Dakota Assessment Area.

Demographic Information of the Assessment Area						
Assessment Area: South Dakota						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	0.0	90.0	10.0	0.0
Population by Geography	45,280	0.0	0.0	86.1	13.9	0.0
Housing Units by Geography	19,320	0.0	0.0	86.8	13.2	0.0
Owner-Occupied Units by Geography	11,320	0.0	0.0	88.6	11.4	0.0
Occupied Rental Units by Geography	6,053	0.0	0.0	85.8	14.2	0.0
Vacant Units by Geography	1,947	0.0	0.0	78.8	21.2	0.0
Businesses by Geography	4,511	0.0	0.0	88.0	12.0	0.0
Farms by Geography	556	0.0	0.0	93.3	6.7	0.0
Family Distribution by Income Level	10,039	16.6	16.1	25.4	41.9	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income Non-MSAs - SD	\$73,083	Median Housing Value			\$150,995	
		Median Gross Rent			\$673	
		Families Below Poverty Level			5.9%	
Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%.						

The 2020 US Census data reveals the assessment area population remains stable, with slight increases in population and housing growth. Since the 2015 American Community Survey, the population grew by 1,620 residents, or approximately 3.7 percent. Similarly, the total number of housing units grew by 884 units, or approximately 4.8 percent. Of the 19,320 housing units in the assessment area, 58.6 percent are owner-occupied, 31.3 percent are occupied rental units, and 10.1 percent are vacant.

Based on 2022 D&B data, the South Dakota Assessment Area is somewhat dependent on agriculture with 11.0 percent of the assessment area businesses operating in this industry. The number of farms in the assessment area continues to decline based on 2017 Agricultural Census data. Specifically, the number of farms operating in counties included in the assessment area decreased by 159, or 8.7 percent, between the 2012 Agricultural Census and 2017 Agricultural Census. Further, 560 of the total 1,665 farms, or 33.6 percent, farm more than 500 acres each, confirming the presence of a significant volume of larger farming operations.

The assessment area also has a significant number of businesses in the service industry. These service businesses represent 31.0 percent of the area's businesses. According to 2022 D&B data, 90.8 percent of the farms and businesses operate from a single location, and 63.3 percent employ less than five employees.

Employment opportunities remain prevalent within or near the assessment area, and account for the historically low unemployment levels during the vast majority of the evaluation period. The unemployment rates for counties included in the assessment ranged from 1.6 to 2.2 percent as of January 2023, which is comparable to the State of South Dakota unemployment rate of 2.1 percent as of this same time. The unemployment rates were higher throughout part of the evaluation period due to the COVID-19 pandemic, particular during early 2020. However, labor statistic data confirms that rates have generally trended downward since the beginning of the COVID-19 pandemic and remain low.

Competition

The assessment area is moderately competitive for financial products and services. According to June 30, 2022 FDIC Deposit Market Share data, 17 financial institutions operated 24 branches in the assessment area. Of these institutions, Elkhorn Valley Bank & Trust ranked 16th with 0.7 percent of the deposits.

Credit and Community Development Needs and Opportunities

Considering information from bank management and demographic and economic data, examiners determined that small farm, small business, and home mortgage loans represent the primary credit needs for the South Dakota Assessment Area. The primary community development needs include affordable housing, community services, and activities that promote economic development.

SCOPE OF EVALUATION – SOUTH DAKOTA

For the South Dakota Assessment Area, examiners reviewed small farm and small business loans for the Lending Test. As previously mentioned, examiners did not review home mortgage loans for this area due to the limited volume. Additionally, examiners reviewed community development activities for the Community Development Test. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SOUTH DAKOTA

LENDING TEST

Elkhorn Valley Bank & Trust demonstrated reasonable performance under the Lending Test in the South Dakota Assessment Area. Reasonable performance under the Borrower Profile criterion supports this conclusion.

Geographic Distribution

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

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes. The bank's reasonable small farm and small business lending performance supports this conclusion.

Small Farm Loans

The distribution of borrowers reflects reasonable penetration among farms of different sizes. As shown in the following table, the bank's record of lending to farms with revenues of \$1 million or less is comparable 2022 D&B data in this revenue category.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: South Dakota					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.4	48	90.6	6,598	77.6
>\$1,000,000	0.7	5	9.4	1,900	22.4
Revenue Not Available	0.9	0	0.0	0	0.0
Total	100.0	53	100.0	8,498	100.0

Source: 2022 D&B Data, Bank Data.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. The percentage of small business loans to operations with revenues of \$1 million or less lags demographic data in this revenue category; however, the bank is taking steps to improve its performance. For instance, the bank recently hired an additional lender in this assessment area who should generate additional loan volume to smaller businesses. Alternatively, when the Yankton office was established, the bank hired tenured staff from other financial institutions who serviced larger commercial loans at these banks, which likely contributed to the current lending performance noted in the following table.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: South Dakota					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	86.0	29	65.9	4,275	67.5
>\$1,000,000	3.6	15	34.1	2,054	32.5
Revenue Not Available	10.4	0	0.0	0	0.0
Total	100.0	44	100.0	6,329	100.0

Source: 2022 D&B Data, Bank Data.

COMMUNITY DEVELOPMENT TEST

Elkhorn Valley Bank & Trust's community development performance demonstrates adequate responsiveness to the community development needs of its South Dakota Assessment Area through community development loans, qualified investments, and community services. The overall adequate performance is primarily supported by community development loans, as investment and service activity is limited. Further contributing to conclusions drawn during this evaluation, the bank opened its sole full-service office in Yankton in May 2021. As such, this office has only been in existence for less than two years, which has limited the bank's ability to generate sufficient community development loan, investment, and service activity.

Community Development Loans

The bank originated 11 community development loans totaling \$155,000 in the assessment area since May 2021. All of the community development loans were originated under the PPP and helped to promote economic development.

Qualified Investments

The bank made 3 qualified investments totaling \$6,000 in the assessment area, all of which were donations. The donations promoted economic development or assisted with providing community services to qualified individuals.

Community Development Services

Bank personnel provided two instances of financial expertise or technical assistance to community development organizations in the assessment area. These services were designed to provide essential community services or help revitalize and stabilize certain geographies. Additionally, the bank offers retail services that enhance the availability of products and services to customers, which include a free personal checking account and free internet and mobile banking.

APPENDICES

INTERMEDIATE SMALL 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) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
Institution	Satisfactory	Satisfactory	Satisfactory
State of Nebraska	Satisfactory	Satisfactory	Satisfactory
State of South Dakota	Satisfactory	Satisfactory	Satisfactory

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 (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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 (e.g., 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.

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.

Elkhorn Valley Bank Branch Locations

Benjamin Branch 800 West Benjamin Avenue Norfolk, NE 68701 Phone: 402-371-8700	Lobby: Monday - Friday 8:00 am to 5:00 pm Saturday 8:00 am to 12:00 pm Drive Thru: Monday - Friday 7:30 am to 6:00 pm Saturday 7:30 am to 12:00 pm TOD: Monday-Friday 7:00 am to 7:00 pm Saturday 8:00 am to 5:00 pm ATM: 24 Hours	Census Tract: 9607 MSA: N/A State: Nebraska County: Madison
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[Map This Location](#)

Services: Full-service location	Lobby: Monday-Friday 7:00 am to 7:00 pm Saturday 8:00 am to 5:00 pm ATM: 24 Hours	
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Omaha Avenue Branch

1010 Omaha Avenue Norfolk, NE 68701 Phone: 402-371-8928	Lobby: Monday - Friday 8:00 am to 5:00 pm Saturday Closed Drive Thru: Monday - Friday 7:30 am to 6:00 pm Saturday Closed TOD: Monday-Friday 7:00 am to 7:00 pm Saturday 8:00 am to 5:00 pm ATM: 24 Hours	Census Tract: 9611 MSA: N/A State: Nebraska County: Madison
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[Map This Location](#)

Services: Full-service location Trust Department	Lobby: Monday-Friday 7:00 am to 7:00 pm Saturday 8:00 am to 5:00 pm ATM: 24 Hours	
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Hy-Vee East Branch

120 East Norfolk Avenue Norfolk, NE 68701 Phone: 402-371-8300	Extended Hours: Monday - Friday 8:30 am to 7:00 pm Saturday 8:30 am to 5:00 pm ATM: During store hours (5:30 am to 11:00 pm)	Census Tract: 9606 MSA: N/A State: Nebraska County: Madison
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[Map This Location](#)

Hy-Vee West Branch 2107 Taylor Avenue Norfolk, NE 68701 Phone: 402-379-2002	Extended Hours: Monday - Friday 9:00 am to 7:00 pm Saturday 9:00 am to 5:00 pm ATM: During store hours (5:30 am to 11:00 pm)	Census Tract: 9608.01 MSA: N/A State: Nebraska County: Madison
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[Map This Location](#)

Pierce Branch 105 S. 2nd Street Pierce, NE 68767 Phone: 402-329-6953	Lobby: Monday - Friday 8:00 am to 5:00 pm Saturday Closed Drive Thru: Monday - Friday 7:30 am to 5:00 pm Saturday 7:30 am to 12:00 pm TOD: Monday-Friday 7:00 am to 7:00 pm Saturday 8:00 am to 5:00 pm ATM: 24 Hours	Census Tract: 9791 MSA: N/A State: Nebraska County: Pierce
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[Map This Location](#)

Services: Full-service location	Lobby: Monday-Friday 7:00 am to 7:00 pm Saturday 8:00 am to 5:00 pm ATM: 24 Hours	
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Elkhorn Valley Bank Branch Locations

Wayne Branch
411 E. 7th Street
Wayne, NE 68787
Phone: 402-375-2525

[Map This Location](#)

Services:
Full-service location
Elkhorn Valley Investments

Lobby:
Monday - Friday 8:00 am to 5:00 pm
Saturday Closed
Drive Thru:
Monday - Friday 7:30 am to 6:00 pm
Saturday 7:30 am to 12:00 pm
TOD:
Monday-Friday 7:00 am to 7:00 pm
Saturday 8:00 am to 5:00 pm
ATM:
24 Hours

Census Tract: 9787
MSA: N/A
State: Nebraska
County: Wayne

Yankton Branch
114 Douglas Avenue, Suite 5
Yankton, SD 57078
Phone: 605-665-2265

[Map This Location](#)

Services:
Full-service location

Lobby:
Monday - Friday 8:00 am to 5:00 pm
Saturday Closed
TOD:
Monday-Friday 7:00 am to 7:00 pm
Saturday 8:00 am to 5:00 pm
ATM:
24 Hours

Census Tract: 9661
MSA: N/A
State: South Dakota
County: Yankton

25th Street Branch
404 S. 25th Street
Norfolk, NE 68701
Phone: 402-371-0722
Toll Free: 833-856-BANK (2265)

[Map This Location](#)

Services:
Full-service location
Elkhorn Valley Investments
Business Banking Specialists

Lobby:
Monday - Friday 8:00 am to 5:00 pm
Saturday Closed
TOD:
Monday-Friday 7:00 am to 7:00 pm
Saturday 8:00 am to 5:00 pm
ATM:
24 Hours

Census Tract: 9608.02
MSA: N/A
State: Nebraska
County: Madison

Elkhorn Valley Bank Branch Locations

[Map This Location](#)

<u>Location</u>	<u>Address</u>	<u>Census Tract</u>	<u>County/State</u>
○ Albion (ITM)	** 315 West Church Street - Albion, NE	9602	Boone/NE
○ Center Drive - Norfolk (ITM)	** 1303 Center Drive - Norfolk, NE	9611	Madison/NE
○ District Events Center TOD (ITM)	** 218 West Norfolk Avenue - Norfolk, NE	9610	Madison/NE
○ Faith Regional Hospital West	* 2700 W. Norfolk Avenue - Norfolk, NE	9608.02	Madison/NE
○ Fast Mart	* 315 Omaha Avenue - Norfolk, NE	9611	Madison/NE
○ Hoskins (ITM)	** 112 Main Street - Hoskins, NE	9786	Wayne/NE
○ Norfolk Senior High School	* 801 Riverside Boulevard - Norfolk, NE	9607	Madison/NE
○ Quality Foods	* 517 Dearborn Street - Wayne, NE	9787	Wayne/NE
○ Slumberland (ITM)	** 2401 Broadway Avenue - Yankton, SD	9663.02	Yankton/SD
○ Woodland Park Store	* 99 Woodland Drive - Norfolk, NE	9622	Stanton/NE
○ 25th Street (ITM)	** + 404 South 25th Street - Norfolk, NE	9608.02	Madison/NE
○ Benjamin Avenue Branch (ITM)	** + 800 West Benjamin Avenue - Norfolk, NE	9607	Madison/NE
○ HyVee East Branch	* + 120 E. Norfolk Avenue - Norfolk, NE	9606	Madison/NE
○ HyVee West Branch	* + 2107 Taylor Avenue - Norfolk, NE	9608.01	Madison/NE
○ Omaha Avenue Branch (ITM)	** + 1010 Omaha Avenue - Norfolk, NE	9611	Madison/NE
○ Pierce Branch (ITM)	** + 105 S. 2nd Street - Pierce, NE	9791	Pierce/NE
○ Wayne Branch (ITM)	** + 411 E. 7th Street - Wayne, NE	9787	Wayne/NE
○ Yankton Branch (ITM)	** + 114 Douglas Avenue - Yankton, SD	9661	Yankton/SD

ITM Teller on Demand

* Cash Only ATM

** Cash & Deposit ATM

+ Night Drop Available at Branch

Elkhorn Valley Bank Branch Openings/Closings

Branches Opened

Date Opened

Albion - Loan Production Office 315 W. Church Street Albion, NE 68620 Phone: 402-395-6000 Fax: 402-395-6001	June 8, 2020	Census Tract: 9602 MSA: N/A State: Nebraska County: Boone
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[Map This Location](#)

Yankton - Loan Production Office 114 Douglas Avenue, Suite 5 Yankton, SD 57078 Phone: 605-665-2265 Fax: 605-857-4010	April 1, 2021	Census Tract: 9661 MSA: N/A State: South Dakota County: Yankton
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[Map This Location](#)

Yankton Branch 114 Douglas Avenue, Suite 5 Yankton, SD 57078 Phone: 605-665-2265 Fax: 605-857-4010	May 14, 2021	Census Tract: 9661 MSA: N/A State: South Dakota County: Yankton
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[Map This Location](#)

25th Street Branch 404 S. 25th Street Norfolk, NE 68701 Phone: 402-371-0722 Fax: 402-379-2874 Toll Free: 833-856-BANK (2265)	May 17, 2021	Census Tract: 9608.02 MSA: N/A State: Nebraska County: Madison
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[Map This Location](#)

Branches Closed

Date Closed

Hoskins Branch 112 Main Street Hoskins, NE 68740-0070 Phone: 402-565-4226 Fax: 402-565-4229	May 7, 2021	Census Tract: 9786 MSA: N/A State: Nebraska County: Wayne
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[Map This Location](#)

West Branch 2401 Taylor Avenue Norfolk, NE 68701 Phone: 402-371-7670 Fax: 402-379-2874	May 14, 2021	Census Tract: 9608.01 MSA: N/A State: Nebraska County: Madison
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[Map This Location](#)



Products and Services

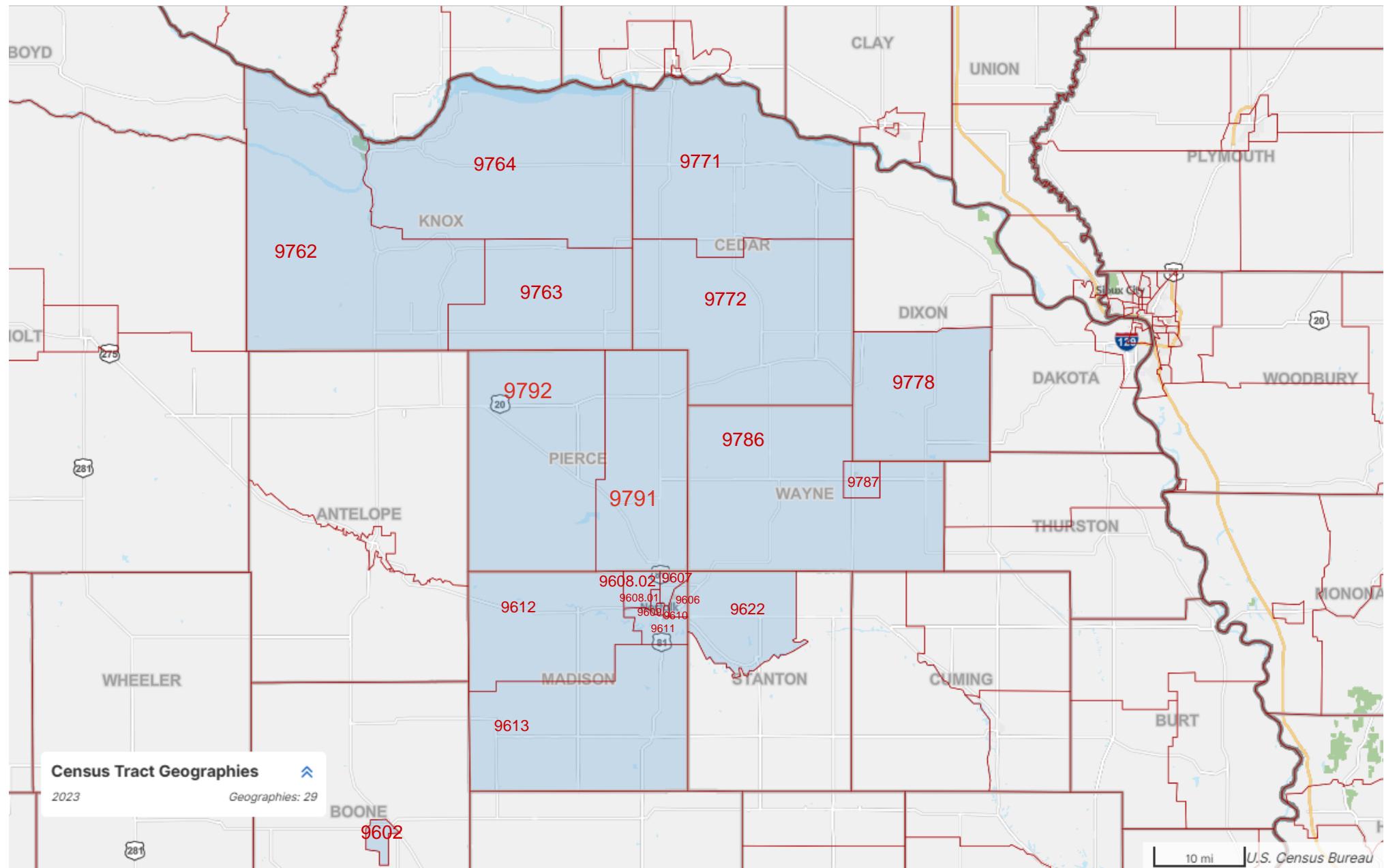
Deposit Products	
Eagle Checking	Individual Retirement Accounts (IRA)
Freedom Checking	Visa Debit Cards
Premier Checking	Visa Gift Cards
Passbook Savings	Teller on Demand (TOD)
Money Market	Business Checking
Little Eagle Savings	Commercial Interest Checking
Certificate of Deposit (CD)	Business Money Market
Health Savings Account (HSA)	

Loan Products	
Residential Mortgages	Agricultural Real Estate Loans
Construction Loans	Agricultural Term Financing
Home Equity Line of Credit (HELOC)	USDA FSA Loans
Auto Loans	Business Line of Credit
Personal Loans	Business Operating Loans
Personal Credit Cards	Business Term Financing
Agricultural Line of Credit	Business Real Estate
Agricultural Operating Loans	Business Credit Cards

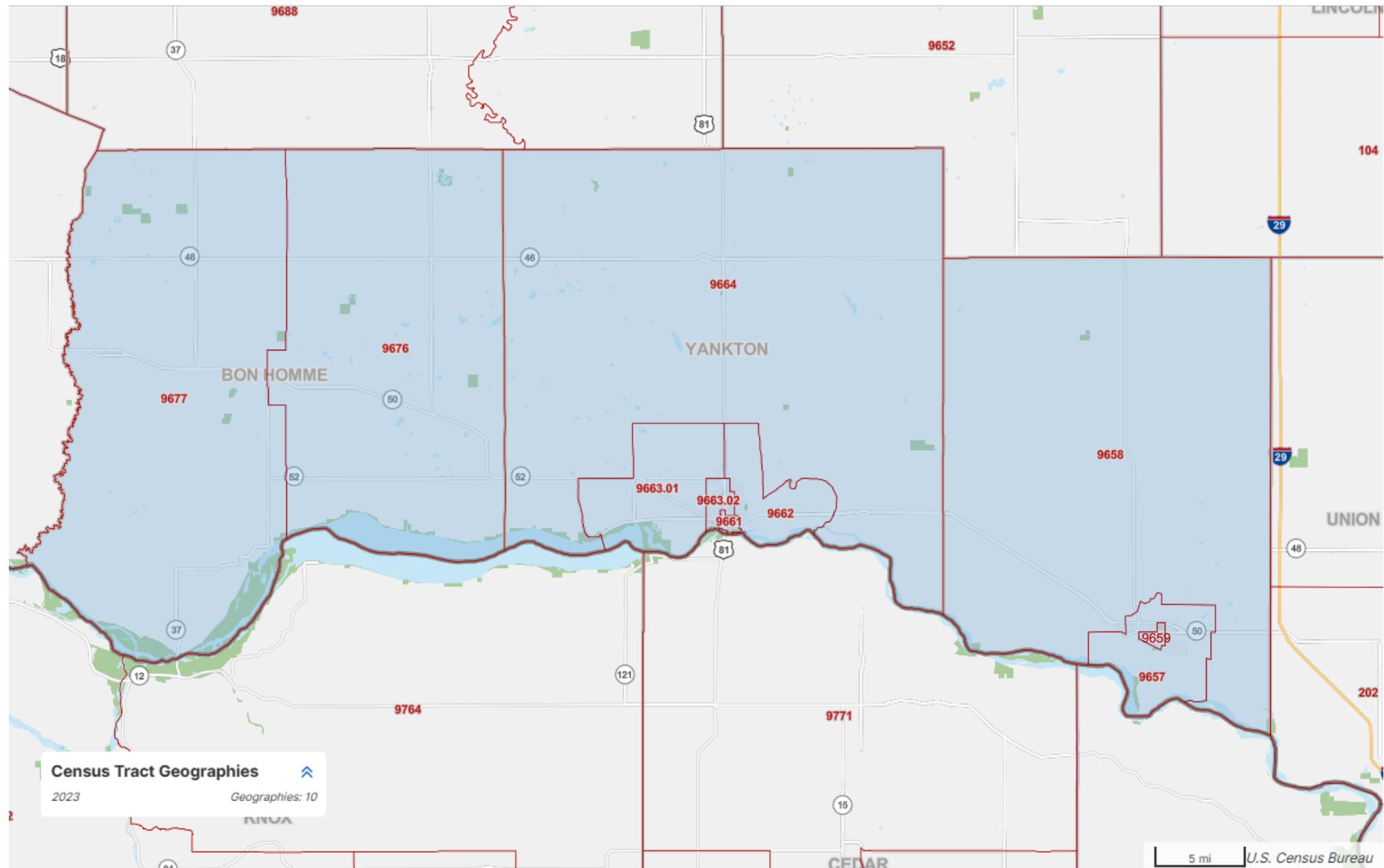
Services	
Digitil Banking	Merchant Card Services
Mobile Deposits	Online Payments
Business Banking	Positive Pay
Mobile Business Banking	Remote Deposit Capture
ACH Processing	Text Banking
Bill Pay	Security Tools
Wire Transfer	Safe Deposit Boxes
Elkhorn Valley Investments	Trust Services

Questions regarding fees of the services and transacations should be directed to your branch loacations.

Census Tract Geographies



Elkhorn Valley Bank Assessment Area SD
Census Tract Geographies





Date	Loan to Deposit Ratio
3/31/2025	89.32%
6/30/2025	90.79%
9/30/2025	88.92%
12/31/2025	90.57%



Below are the written comments received from the public for the current year and each of the prior two calendar years that specifically relate to the Elkhorn Valley Bank & Trust's performance in helping to meet the community credit needs, and any response to the comments by the Bank.

Written Comments 2023:

Elkhorn Valley Bank & Trust did not receive any written comments from the public.

Written Comments 2024:

Elkhorn Valley Bank & Trust did not receive any written comments from the public.

Written Comments 2025:

Elkhorn Valley Bank & Trust did not receive any written comments from the public.

