

PUBLIC DISCLOSURE

December 5, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Riverstone Bank
Certificate Number: 10641

600 South 4th Street
Eagle, Nebraska 68347

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.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is more than reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- The bank originated a majority of small business, small farm, and home mortgage loans in its assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue 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 factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Riverstone Bank is a community bank headquartered in Eagle, Nebraska, and is wholly owned by Tri Valley Bancshares, Inc., also located in Eagle, Nebraska. The bank and holding company are a part of the Keller and Royal chain banking organization; in which, the bank is affiliated with Dundee Bank, Omaha, Nebraska, and Brunswick State Bank, Brunswick, Nebraska. In addition to its main office in Eagle, the bank operates eight branches across Nebraska, Wyoming, and Colorado. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated January 8, 2018, based on Interagency Small Institution Examination Procedures.

Since the prior evaluation, the bank has had two separate acquisitions. The bank acquired and merged with the former Eagle State Bank, Eagle, Nebraska, on September 30, 2020, and First State Bank, Scottsbluff, Nebraska, on November 5, 2021. Following the merger with Eagle State Bank,

the bank changed its name from Tri Valley Bank to Riverstone Bank effective January 12, 2021, and relocated its main office from Talmage, Nebraska, to Eagle, Nebraska, on August 16, 2021. The First State Bank merger significantly expanded the bank's geographic footprint and increased total assets by about \$362.0 million. Due to the increase in total assets, Riverstone Bank exceeded the asset threshold for Interagency Intermediate Small Institution Examination Procedures effective January 1, 2023.

The institution offers a variety of traditional loan products, including commercial, agricultural, home mortgage, and consumer loans, as well as originating home mortgage loans for sale on the secondary market. Commercial and agriculture loans continue to represent the institution's primary business focus, followed by home mortgage lending. Further, the bank participates in various government-sponsored loan programs, including United States Department of Agriculture, Farm Service Agency, and Small Business Administration (SBA), which included Paycheck Protection Program (PPP) loans to assist farms and businesses struggling with the impact of the COVID-19 pandemic. Specifically, in 2020 and 2021, the bank originated 511 PPP loans totaling approximately \$21.8 million. Riverstone Bank also provides a variety of standard deposit services, including checking, savings, and certificates of deposit accounts. Alternative banking services include internet and mobile banking, and electronic periodic statements, and ten deposit-taking ATMs.

As of September 30, 2023, Riverstone Bank reported total assets of \$497.7 million, total loans of \$390.9 million, total securities of \$76.0 million, and total deposits of \$448.2 million. These figures have significantly increased since the prior evaluation when the institution reported total assets of \$45.4 million, total loans of \$43.3 million, total securities of \$1.2 million, and total deposits of \$40.2 million. The following table illustrates the loan portfolio.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	18,075	4.6
Secured by Farmland	38,508	9.9
Secured by 1-4 Family Residential Properties	53,416	13.7
Secured by Multifamily (5 or more) Residential Properties	13,642	3.5
Secured by Nonfarm Nonresidential Properties	143,617	36.7
Total Real Estate Loans	267,258	68.4
Commercial and Industrial Loans	69,691	17.8
Agricultural Production and Other Loans to Farmers	41,143	10.5
Consumer Loans	5,529	1.4
Obligations of State and Political Subdivisions in the U.S.	213	0.1
Other Loans	1,069	0.3
Lease Financing Receivable (net of unearned income)	5,954	1.5
Less: Unearned Income	0.0	0.0
Total Loans	390,857	100.0
<i>Source: Reports of Condition and Income</i>		
<i>Due to rounding, totals may not equal 100.0</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Riverstone Bank has designated six assessment areas, three in Nebraska, two in Wyoming, and one in Colorado. Performance ratings are assigned for each state in which the bank operates. The assessment areas include Cass County, Nebraska; Eastern Nebraska; Western Nebraska; Cheyenne, Wyoming Metropolitan Statistical Area (MSA); Nonmetropolitan Wyoming; and El Paso County, Colorado. Examiners analyzed the bank's performance in each assessment area separately. Detailed information about each rated area and assessment area, including the delineation and changes, is presented in subsequent sections.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated January 8, 2018, to the current evaluation dated December 5, 2023. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate the institution's CRA performance. These procedures include a review of the institution's performance under the Lending Test and the Community Development Test, as described in the Appendices. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activity from the affiliated entities.

Examiners used full-scope examination procedures to assess the bank's performance in all six assessment areas. Examiners reviewed each assessment area's total outstanding volume of deposits and loans, reported loan origination activity, and branching structure to determine the appropriate scope and weighting. The bank's performance in the State of Nebraska contributed significantly more weight to the overall CRA rating. The majority of deposits and core lending activities are located in the Nebraska assessment areas. The State of Wyoming received the second most weight when assessing overall performance, as the Wyoming assessment areas account for the second largest level of deposits, loans, and branches. The State of Colorado received the least weight since the institution maintains one branch within its sole assessment area in this state, and it represents the least amount of deposit and loan activity. The following table provides a breakdown of the loans, deposits, and branches by rated area and assessment area.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans*		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Cass County	82,797	20.9	40,507	9.5	1	11.1
Eastern Nebraska	63,417	16.0	58,277	13.6	2	22.2
Western Nebraska	133,814	33.8	230,704	53.8	2	22.2
Nebraska Subtotal	280,028	70.8	329,488	76.9	5	55.5
Cheyenne	72,503	18.3	61,022	14.2	2	22.2
Nonmetropolitan Wyoming	10,494	2.7	23,833	5.6	1	11.1
Wyoming Subtotal	82,997	21.0	84,855	19.8	3	33.3
El Paso County	32,705	8.3	14,243	3.3	1	11.1
Colorado Subtotal	32,705	8.3	14,243	3.3	1	11.1
Total	395,730	100.0	428,586	100.0	9	100.0

Source: Bank Data (10/23/2023); FDIC Summary of Deposits (06/30/2023)
Due to rounding, totals may not equal 100.0
(*)Does not include loans that have been paid off

Activities Reviewed

Riverstone Bank’s primary lending focus is commercial and agriculture lending, followed by home mortgage lending. This conclusion considered the bank’s business strategy, volume of loans originated during the evaluation period, data from Reports of Condition and Income, and discussions with bank management. Therefore, examiners reviewed small business, small farm, and home mortgage loans to evaluate the bank’s lending performance. Overall lending volume has significantly increased due to the two aforementioned acquisitions since the prior evaluation. Since the prior evaluation, bank records indicate a shift from an agricultural lending focus to a commercial lending focus, due to the location of the new branches in more urban areas. While the lending focus has shifted more to commercial lending because of the acquisitions, the remaining lending activity has been consistent throughout the evaluation period.

Examiners analyzed all small business loans originated, renewed, or extended in 2021 and 2022 for the Assessment Area Concentration criterion. Additionally, examiners analyzed all small farm loans originated, renewed, or extended in 2022 for the Assessment Area Concentration. Further, examiners considered all home mortgage loans reported on the bank’s 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. Riverstone Bank was not subject to HMDA reporting requirements prior to 2022.

Examiners evaluated all small business, small farm, and home mortgage loans made inside the assessment areas in 2022 to analyze the Geographic Distribution criterion. For the Borrower Profile analysis, examiners reviewed a sample of small business and small farm loans and all home mortgage loans made inside the assessment areas. Samples were selected at the assessment area level to ensure the samples were large enough to draw meaningful conclusions. However, due to lower origination numbers, examiners reviewed the full universe of small business and small farm loans originated in the Cass County, Nonmetropolitan Wyoming, Cheyenne, and El Paso County assessment areas.

Bank management indicated 2022 was not a typical year for Riverstone Bank, and as a result, would not be an accurate representation of its lending performance throughout the entire evaluation period. Specifically, the Colorado Springs branch had minimal loan volume in 2022. As such, examiners further reviewed and presented 2021 small business lending for this assessment area. Examiners analyzed all small business loans originated, extended, or renewed, located within the El Paso County Assessment Area, for the Geographic Distribution and Borrower Profile criteria in 2021.

The following table details the loan universes and samples included in the scope of evaluation.

Loan Products Reviewed						
Loan Category	Universe		Inside Universe		Sampled	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Business*						
2021	261	35,880	227	25,040	13	1,165
2022	201	28,681	162	19,709	93	12,497
Small Farm 2022*	227	32,474	201	27,766	76	11,117
Home Mortgage 2022	100	21,838	56	13,653	55	13,553
<i>Source: Bank Data; HMDA Reported Data</i>						
<i>(*)The small farm and small business universes exclude loans that the bank opted to have considered for community development.</i>						

For the Lending Test, small business, small farm, and home mortgage loan performance was reviewed in the three Nebraska assessment areas. Small farm lending was not considered outside of the State of Nebraska, as the nominal agriculture lending would not result in meaningful conclusions. As a result, examiners evaluated only small business and home mortgage lending in the Wyoming assessment areas. Further, due to nominal home mortgage lending, only small business lending was considered for the El Paso County Assessment Area in Colorado. Small business and small farm lending received greater weight when drawing overall conclusions since it is the bank’s primary lending focus. While both the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals, businesses, and farms served.

D&B data for 2021 and 2022 provided a standard of comparison for small business loans, and D&B data for 2022 was used for the comparison of small farm loans. Aggregate lending data for 2022 and 2020 U.S. Census data were used as comparisons for home mortgage performance. Examiners focused on comparisons to aggregate lending data since it is more representative of the loans originated and purchased by reporting lenders and a better indicator of market conditions.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior evaluation dated January 8, 2018. This evaluation includes community development activities from First State Bank that occurred during the evaluation period, but prior to the acquisition.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Riverstone Bank demonstrated satisfactory performance under the Lending Test. The bank’s overall performance under the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria supports this conclusion. This performance is consistent with overall conclusions in the states of Nebraska, Wyoming, and Colorado.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is more than reasonable given the institution’s size, financial condition, and credit needs of the assessment areas. As shown in the following table, the bank’s average net loan-to-deposit ratio exceeds that of its comparable institutions. Further, it ranged from a low of 75.2 percent to a high of 109.6 percent during the evaluation period. Examiners selected comparable institutions based on asset size, branching structure, geographic location, and lending focus.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2023	Average Net Loan-to-Deposit Ratio
	(\$000s)	(%)
Riverstone Bank, Eagle, Nebraska	497,668	92.8
Waypoint Bank, Cozad, Nebraska	380,461	79.1
Five Points Bank, Hastings, Nebraska	533,650	54.7

Source: Reports of Condition and Income 12/31/2017 – 9/30/2023

Assessment Area Concentration

As detailed in the following table, Riverstone Bank originated a majority of its small business, small farm, and home mortgage loans within its assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Small Business										
2021	227	87.0	34	13.0	261	25,040	69.8	10,840	30.2	35,880
2022	162	80.6	39	19.4	201	19,709	68.7	8,972	31.3	28,681
Subtotal	389	84.2	73	15.8	462	44,749	69.3	19,812	30.7	64,561
Small Farm 2022	201	88.5	26	11.5	227	27,766	85.5	4,708	14.5	32,474
Home Mortgage 2022	56	56.0	44	44.0	100	13,653	62.5	8,185	37.5	21,838

*Source: Bank Data; 2022 HMDA Reported Data
Due to rounding, totals may not equal 100.0%*

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. The bank’s reasonable lending performance in all three rated areas supports this conclusion.

Examiners focused on the percentage of loans, by number, extended in low- and moderate-income census tracts within the assessment areas, as applicable. Detailed discussion of the bank's performance under this criterion is included under each rated area and assessment area sections of this evaluation.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels. The bank's reasonable lending performance in all three rated areas supports this conclusion. Examiners focused on the percentage of loans to businesses and farms with gross annual revenues of \$1 million or less and home mortgage loans to low- and moderate-income borrowers. Detailed discussion of the bank's performance under this criterion is included in the rated area and assessment area sections of this evaluation.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrated satisfactory performance under the Community Development Test. Satisfactory performance in each rated area supports this conclusion. The bank's community development performance demonstrates adequate responsiveness to the community development needs in its assessment areas through community development loans, qualified investments, and community development services.

While the bank's community development activities dating back to its previous CRA evaluation were evaluated, examiners considered the institution's capacity, the need and availability of community development opportunities in the assessment areas, and its transition to an intermediate small bank on January 1, 2023. All activities prior to this date were considered, even those activities conducted by the acquired institutions during the evaluation period. Examiners considered community development activities benefitting the broader statewide and regional areas in the analysis since the bank was responsive to the community development needs of its assessment areas.

Examiners compared the bank's level of community development activity to three comparable institutions with similar asset sizes and areas of operation. These comparable institutions were also evaluated using Interagency Intermediate Small Institution Examination Procedures.

Community Development Loans

Riverstone Bank originated 641 community development loans totaling approximately \$52.0 million during the evaluation period. This includes 497 loans totaling \$21.2 million originated under the SBA's PPP related to the COVID-19 pandemic. As of September 30, 2023, the volume of community development loans represents 10.4 percent of total assets and 13.4 percent of net loans. When examiners excluded the SBA PPP loans from the analysis, the bank's performance represented 6.2 percent of total assets and 7.9 percent of net loans.

The bank's community development lending levels are similar to the comparable institutions. Examiners excluded the SBA PPP loans from the ratios for comparison purposes. The comparable institutions' community development loans ranged from 0.0 percent to 7.0 percent of total assets and 0.0 percent to 10.6 percent of net loans. The following tables illustrate the bank's community development lending activity by assessment area and year.

Community Development Loans by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Western Nebraska	4	332	6	189	245	13,519	18	8,878	273	22,918
Eastern Nebraska	1	50	0	0	119	3,317	0	0	120	3,367
Cass County	19	5,751	0	0	44	2,824	0	0	63	8,575
Nebraska Subtotal	24	6,133	6	189	408	19,660	18	8,878	456	34,860
Nonmetropolitan Wyoming	1	413	0	0	32	1,806	4	452	37	2,671
Cheyenne	0	0	3	1,110	56	4,339	1	232	60	5,681
Wyoming Subtotal	1	413	3	1,110	88	6,145	5	684	97	8,352
El Paso County	0	0	0	0	40	3,084	0	0	40	3,084
Colorado Subtotal	0	0	0	0	40	3,084	0	0	40	3,084
Broader Statewide or Regional Activities	19	3,775	0	0	29	1,931	0	0	48	5,706
Total	44	10,321	9	1,299	565	30,820	23	9,562	641	52,002

Source: Bank Data

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	8	2,055	0	0	8	2,055
2019	8	485	3	1,115	9	814	0	0	20	2,414
2020	15	3,991	3	64	254	16,049	0	0	272	20,104
2021	17	5,142	1	20	274	8,573	8	2,868	300	16,603
2022	2	453	1	50	0	0	2	2,800	5	3,303
Year-to-date 2023	2	250	1	50	20	3,329	13	3,894	36	7,523
Total	44	10,321	9	1,299	565	30,820	23	9,562	641	52,002

Source: Bank Data

Qualified Investments

Riverstone Bank purchased or donated 69 qualified investments and donations totaling approximately \$303,000 during the evaluation period. As of September 30, 2023, the volume of qualified investments represents less than 0.1 percent of total assets and 0.4 percent of total securities. The three comparable institutions' qualified investments ranged from 0.0 to 0.8 percent of total assets and 0.1 to 7.4 percent of total securities. The following tables illustrate the bank's qualified investment activity by assessment area and by year.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Western Nebraska	2	20	33	48	0	0	0	0	35	68
Eastern Nebraska	0	0	4	3	0	0	0	0	4	3
Cass County	0	0	0	0	0	0	0	0	0	0
Nebraska Subtotal	2	20	37	51	0	0	0	0	39	71
Nonmetropolitan Wyoming	0	0	2	1	0	0	0	0	2	1
Cheyenne	0	0	21	5	0	0	0	0	21	5
Wyoming Subtotal	0	0	23	6	0	0	0	0	23	6
El Paso County	0	0	0	0	0	0	0	0	0	0
Colorado Subtotal	0	0	0	0	0	0	0	0	0	0
Broader Statewide or Regional Activities	1	1	4	5	0	0	2	220	7	226
Total	3	21	64	62	0	0	2	220	69	303
<i>Source: Bank Data</i>										

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	2	220	2	220
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
Year-to-date 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	2	220	2	220
Qualified Grants & Donations	3	21	64	62	0	0	0	0	67	83
Total	3	21	64	62	0	0	2	220	69	303
<i>Source: Bank Data</i>										

Community Development Services

During the evaluation period, employees provided 10 instances of financial expertise or technical assistance to various community development-related organizations. All instances benefitted the Western Nebraska Assessment Area. The bank's community development service activity is below the range of the three comparable institutions. The comparable institutions received consideration for community development services ranging from 24 and 61 activities. The following table illustrates the bank's community development services by year.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	1	0	0	1
2019	0	1	0	0	1
2020	0	1	0	0	1
2021	0	2	0	0	2
2022	0	3	0	0	3
Year-to-Date 2023	0	2	0	0	2
Total	0	10	0	0	10
<i>Source: Bank Data</i>					

In addition to community development services, the bank offers alternative banking services that are readily accessible throughout all assessment areas, including to low- and moderate-income individuals. These include services such as internet and mobile banking, bill pay, and electronic statements, among others. Further, in response to the COVID-19 pandemic, the bank originated a significant number of SBA PPP loans. The SBA administered these loans as part of the Coronavirus Aid, Relief, and Economic Security Act, which was designed to help businesses retain employees during the economic hardship resulting from the pandemic.

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: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEBRASKA

Riverstone Bank maintains three assessment areas in Nebraska: Cass County, Eastern Nebraska, and Western Nebraska assessment areas. The Cass County and Eastern Nebraska assessment areas are contiguous. The bank operates five full-service offices and six ATMs in Nebraska. Approximately 70.8 percent of the bank's loans and 76.9 percent of the bank's deposits are located in its Nebraska offices. Details for the individual assessment areas are provided in subsequent sections.

SCOPE OF EVALUATION – NEBRASKA

Examiners performed full-scope reviews in the three Nebraska assessment areas. The Western Nebraska Assessment Area received the greatest weight, followed by the Eastern Nebraska and Cass County assessment areas when arriving at the State of Nebraska rating. This weighting was based on deposit and lending operations at each branch. Examiners reviewed small business, small farm, and home mortgage lending in all three Nebraska assessment areas. Small business and small farm lending received greater weight when drawing conclusions, as these loan types are the primary lending focus. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEBRASKA

LENDING TEST

Riverstone Bank demonstrated satisfactory performance under the Lending Test in Nebraska. Performance is consistent with the conclusions for all three Nebraska assessment areas.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout Nebraska. This conclusion is primarily supported by reasonable lending performance within the Western Nebraska Assessment Area, as it received the most weight when drawing overall conclusions. Performance was excellent in the Eastern Nebraska Assessment Area and reasonable in the Cass County Assessment Area.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels. Lending performance is consistent in all three Nebraska assessment areas.

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrated satisfactory performance under the Community Development Test in Nebraska through community development loans, qualified investments, and community services. This conclusion is supported by excellent performance in the Western Nebraska Assessment Area, which was given the most weight. However, the performance was balanced by adequate performance in the Eastern Nebraska and Cass County assessment areas. Performance in these assessment areas were consistent with adequate performance; however, the level of community development investments was low and there were no services.

Community Development Loans

The institution originated 504 community development loans totaling \$40.6 million in the Nebraska assessment areas and broader statewide area, which accounts for the majority of the bank's community development lending at 78.0 percent by dollar volume. This includes 379 SBA PPP loans totaling \$14.6 million. Further, this includes several affordable housing loans, as well as 26 SBA PPP loans, that benefited the broader statewide area.

Qualified Investments

The bank made 46 qualified investments totaling \$297,000 in Nebraska, which represents 98 percent, by dollar, of all qualified investments. This includes 2 qualified investments totaling \$220,000, which promoted revitalization and stabilization of a distressed county and 4 qualified donations totaling \$5,450, to the broader statewide/regional area.

Community Development Services

Bank representatives provided 10 instances of financial expertise or technical assistance to community development organizations in the Nebraska assessment areas, which is 100.0 percent of the bank's community development services. Further, the bank participates with the Nebraska Council on Economic Education to sponsor a local school on a school-wide savings program. The program allows students the unique opportunity to operate and manage individual savings accounts, with funds partially matched by the bank.

CASS COUNTY ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CASS COUNTY ASSESSMENT AREA

The Cass County Assessment Area is comprised solely of Cass County in southeastern Nebraska, which is one of the five Nebraska counties in the Omaha-Council Bluffs, Nebraska-Iowa MSA. The assessment area is located just south of the major population center of Omaha, with the largest town being Plattsmouth.

Management established this assessment area upon the acquisition of Eagle State Bank on September 30, 2020, when it acquired the full-service office in Eagle. As previously mentioned, management subsequently moved its main office to the Eagle office on August 16, 2021. According to 2020 U.S. Census data, the Eagle office is located in a middle-income census tract in the southwest corner of Cass County. The southwest corner of Cass County, although located

within the Omaha-Council Bluffs, Nebraska-Iowa MSA, is located approximately 10 miles from Lincoln, Nebraska. Prior to the acquisition, the bank did not have a physical presence in the Omaha-Council Bluffs, Nebraska-Iowa MSA.

Economic and Demographic Data

The assessment area contains one moderate-, four middle-, and one upper-income census tracts based on 2020 U.S. Census data. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Cass County Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	16.7	66.7	16.7	0.0
Population by Geography	26,598	0.0	17.1	62.0	20.9	0.0
Housing Units by Geography	11,628	0.0	16.7	63.3	20.0	0.0
Owner-Occupied Units by Geography	8,212	0.0	14.7	64.4	20.8	0.0
Occupied Rental Units by Geography	1,861	0.0	31.6	51.6	16.7	0.0
Vacant Units by Geography	1,555	0.0	9.1	71.5	19.4	0.0
Businesses by Geography	2,216	0.0	10.6	68.3	21.1	0.0
Farms by Geography	313	0.0	5.4	71.6	23.0	0.0
Family Distribution by Income Level	7,142	16.4	20.6	23.6	39.5	0.0
Household Distribution by Income Level	10,073	18.6	18.2	19.4	43.8	0.0
Median Family Income – Omaha-Council Bluffs NE-IA MSA		\$87,733	Median Housing Value			\$198,973
Families Below Poverty Level		3.8%	Median Gross Rent			\$885
<i>Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the most recent U.S. Census, the area has seen some slight growth since the prior evaluation. Unemployment spiked during the COVID-19 pandemic to 8.0 percent, slightly lower than the Omaha-Council Bluffs, Nebraska-Iowa MSA as a whole, but has returned to pre-pandemic levels between 2.0 and 2.5 percent. The number of businesses in the assessment area are significantly less than the city of Omaha; however, demographic data indicates over 93.0 percent of businesses are small businesses with less than 10 employees, and over 88.0 percent have gross revenues of \$1 million or less.

The following table presents the FFIEC-estimated median family income levels for the Omaha-Council Bluffs, Nebraska-Iowa MSA, which examiners utilized to analyze home mortgage lending performance under the Borrower Profile criterion and qualify community development activities.

Omaha-Council Bluffs, NE-IA MSA Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$81,300)	<\$40,650	\$40,650 to <\$65,040	\$65,040 to <\$97,560	≥\$97,560
2019 (\$86,100)	<\$43,050	\$43,050 to <\$68,880	\$68,880 to <\$103,320	≥\$103,320
2020 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
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

Source: FFIEC

Competition

This area is moderately competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 10 insured financial institutions operate 17 offices within Cass County. Of these institutions, Riverstone Bank ranked 3rd with 14.1 percent of the deposit market share. In addition to competition in Cass County, the nearby city of Omaha contains 35 insured institutions operating 156 offices.

There is also a high level of competition for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022, 145 lenders reported 1,574 residential mortgage originations and purchases in Cass County alone. Riverstone Bank ranked 52nd with a 0.5 percent market share. Further, the bank is not required to collect or report its small business and small farm loan data, and it has not elected to do so; therefore, the analysis of small business and small farm loans does not include comparisons against aggregate data. However, this data reflects a level of demand. Aggregate data for 2021 shows that 42 lenders reported 540 small business loans in the assessment area and 10 institutions reported 132 small farm loans. Similar to Riverstone Bank, many smaller institutions would not be required to report the above information. This demonstrates moderate competition for these product types throughout the entire assessment area.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs of the area. This information helps determine what opportunities are available and whether local financial institutions are responsive to the needs. For this evaluation, examiners reviewed a recent community contact interview that was conducted with an individual from an economic development organization serving Omaha and surrounding areas.

The contact noted that the local economy was relatively strong and had returned to the low unemployment levels experienced prior to the pandemic. The contact believed the area is currently experiencing both economic and population growth. Business and home mortgage lending represent the area's greatest credit needs. The contact indicated that financial institutions have been responsive to meeting these needs. Lastly, the contact noted there are many financial institutions that are active in the community.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, demographics, and economic data, commercial and home mortgage lending represent the primary credit needs of the assessment area. Community development opportunities are also available. Specifically, there are economic development opportunities to support the number of small businesses in the area, as well as opportunities to provide affordable housing since the population in Omaha continues to grow. Many community development activities exist in the Omaha-Council Bluffs, Nebraska-Iowa MSA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CASS COUNTY ASSESSMENT AREA

LENDING TEST

Riverstone Bank demonstrated reasonable performance under the Lending Test in the Cass County Assessment Area. The bank’s reasonable geographic distribution and borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank’s reasonable small business, small farm, and home mortgage lending performance support this conclusion.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Despite lending in moderate-income census tracts lagging demographic data, the assessment area only contains one moderate-income census tract, which is located 30 plus miles from the bank’s sole office in Eagle. This information, paired with the level of competition in the area coming from Omaha, result in a reasonable dispersion.

Geographic Distribution of Small Business Loans					
Cass County					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	10.6	0	0.0	0	0.0
Middle	68.3	13	100.0	1,344	100.0
Upper	21.1	0	0.0	0	0.0
Total	100.0	13	100.0	1,344	100.0
<i>Source: 2022 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. Riverstone Bank did not make any small farm loans in the moderate-income census tract within the assessment area; however, there is a low level of farms in the area. According to 2022 D&B data, only 17 farms operate within this tract and is just south of the City of Omaha.

Geographic Distribution of Small Farm Loans					
Cass County					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	5.4	0	0.0	0	0.0
Middle	71.6	15	78.9	2,052	69.3
Upper	23.0	4	21.1	909	30.7
Total	100.0	19	100.0	2,961	100.0

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

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank did not originate any loans in the moderate-income census tract. As mentioned before, the bank is located 30 plus miles from this census tract, and business is primarily centered in the upper-income tract immediately surrounding the physical branch. Additionally, there is a high level of competition for home mortgage loans amongst financial institutions in the assessment area coming from Omaha. Given this information, the banks performance is deemed reasonable.

Geographic Distribution of Home Mortgage Loans						
Cass County						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	14.7	17.4	0	0.0	0	0.0
Middle	64.4	62.1	1	25.0	14	3.9
Upper	20.8	20.5	3	75.0	345	96.1
Total	100.0	100.0	4	100.0	359	100.0

Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data
Due to rounding, totals may not equal 100.0%

Borrower Profile

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

Small Business

The distribution of borrowers reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. As displayed in the following table, the bank's small business lending to borrowers with gross revenues of \$1 million or less significantly lags the D&B data. However, management indicated the recent acquisitions and growth of the bank allowed them to increase their lending capacity, and many of the bank's larger borrowers brought additional business to the bank in 2022. Specifically, the eight loans made to borrowers with gross annual revenues greater than \$1 million were made to the same three borrowers. When considering the

borrowers served, as opposed to loans originated, the bank more closely aligns with the demographic data with 62.5 percent of its small business loans to businesses with gross revenues under \$1 million. As such, the bank’s loan distribution is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Cass County					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	88.1	5	38.5	414	30.8
>\$1,000,000	2.9	8	61.5	930	69.2
Revenue Not Available	8.9	0	0.0	0	0.0
Total	100.0	13	100.0	1,344	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Farm

The distribution of borrowers reflects reasonable penetration among farms with gross annual revenues of \$1 million or less. The bank’s lending lags demographic data; however, 2017 Agricultural Census data indicates nearly 58.0 percent of agricultural operators in the area do so without any interest expense. Further, 2017 Census of Agriculture data reveals that 55.0 percent of agricultural producers in assessment area report a primary occupation other than farming. As such, the bank’s performance is considered reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Cass County					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	99.7	14	73.7	1,899	64.1
>\$1,000,000	0.0	5	26.3	1,062	35.9
Revenue Not Available	0.3	0	0.0	0	0.0
Total	100.0	19	100.0	2,961	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

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, the bank did not make any home mortgage loans to low- or moderate-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level						
Cass County						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	16.4	9.0	0	0.0	0	0.0
Moderate	20.6	21.0	0	0.0	0	0.0
Middle	23.6	22.8	3	75.0	345	96.1
Upper	39.5	30.9	1	25.0	14	3.9
Not Available	0.0	16.4	0	0.0	0	0.0
Total	100.0	100.0	4	100.0	359	100.0
<i>Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>						

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrates adequate responsiveness to the community development needs of the Cass County Assessment Area through community development loans. The bank did not have any qualified investments or provide any community development services in this assessment area. However, the bank met the needs of the community, and examiners considered the fact this is Riverstone Bank’s first evaluation as an intermediate small bank.

Riverstone Bank originated 63 community development loans totaling \$8.6 million in the Cass County Assessment Area, which represents 16.5 percent of the bank’s community development lending by dollar volume. This lending activity included 33 SBA PPP loans totaling approximately \$863,000 that promoted economic development. The remaining 30 loans totaling approximately \$7.5 million provided affordable housing and promoted economic development.

EASTERN NEBRASKA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE EASTERN NEBRASKA ASSESSMENT AREA

The Eastern Nebraska Assessment Area is comprised of Johnson, Lancaster, Nemaha, and Otoe counties in eastern Nebraska. Johnson, Nemaha, and Otoe counties are in nonmetropolitan Nebraska, while Lancaster County is one of the two counties comprising the Lincoln, Nebraska MSA. Examiners analyzed all the census tracts as one assessment area since it is contiguous and all of the institution’s operations in the assessment area are located within the nonmetropolitan portion of Nebraska.

As previously mentioned, the bank moved its main office from Talmage to Eagle, which is in the Cass County Assessment Area, and converted the Talmage office into a full-service branch. Additionally, management converted its Syracuse loan production office into a full-service branch. According to 2020 U.S. Census data, both branches are located in upper-income census tracts in Otoe County.

Economic and Demographic Data

The assessment area includes a number of small rural communities, and a portion of the City of Lincoln, Nebraska. According to 2020 U.S. Census data, the assessment area contains 6 low-, 18 moderate-, 31 middle-, and 30 upper-income census tracts, and 5 census tracts without an income designation. All low-income census tracts and 17 of the moderate-income census tracts are located within the city limits of Lincoln. Further, 4 census tracts in Johnson and Nemaha counties have been designated as underserved since the previous evaluation. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Eastern Nebraska Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	90	6.7	20.0	34.4	33.3	5.6
Population by Geography	350,884	5.7	20.0	37.7	33.6	3.0
Housing Units by Geography	145,962	7.7	22.0	38.5	31.0	0.9
Owner-Occupied Units by Geography	83,064	2.1	14.8	42.9	40.1	0.1
Occupied Rental Units by Geography	54,870	15.5	32.6	31.2	19.0	1.8
Vacant Units by Geography	8,028	12.7	23.8	42.5	18.8	2.3
Businesses by Geography	29,431	4.3	16.5	34.8	41.9	2.5
Farms by Geography	1,574	1.4	9.2	34.7	54.2	0.5
Family Distribution by Income Level	83,583	19.3	18.6	22.1	40.0	0.0
Household Distribution by Income Level	137,934	22.8	17.1	19.4	40.7	0.0
Median Family Income – Lincoln, NE MSA		\$82,381	Median Housing Value			\$186,484
Median Family Income Nonmetropolitan NE		\$71,424	Median Gross Rent			\$869
			Families Below Poverty Level			6.9%
<i>Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2020 U.S. Census data, the service industry, followed by finance, insurance, and real estate, are the largest employment sectors in the assessment area. Most of these area businesses are classified as small businesses with over 93.0 percent employing less than 10 individuals, and over 84.0 percent earning gross revenues of under \$1 million. The inclusion of the City of Lincoln significantly influences the largest employment sectors. When only considering the rural counties where the bank is physically located, agriculture, forestry, and fishing make up a much larger percentage of the workforce at 14.5 percent.

The following table presents the FFIEC-updated median family incomes used to analyze performance under the Lending and Community Development Tests. Specifically, examiners used the Lincoln, Nebraska MSA to analyze performance in Lancaster County, and the nonmetropolitan portion of Nebraska to analyze performance in Johnson, Nemaha, and Otoe counties.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Lincoln, Nebraska MSA Median Family Income				
2018 (\$78,600)	<\$39,300	\$39,300 to <\$62,880	\$62,880 to <\$94,320	≥\$94,320
2019 (\$81,300)	<\$40,650	\$40,650 to <\$65,040	\$65,040 to <\$97,560	≥\$97,560
2020 (\$82,700)	<\$41,350	\$41,350 to <\$66,160	\$66,160 to <\$99,240	≥\$99,240
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)	<\$54,600	\$50,750 to <\$81,200	\$81,200 to <\$121,800	≥\$121,800
Nonmetropolitan Nebraska Median Family Income				
2018 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
2019 (\$66,500)	<\$33,250	\$33,250 to <\$53,200	\$53,200 to <\$79,800	≥\$79,800
2020 (\$68,800)	<\$34,400	\$34,400 to <\$55,040	\$55,040 to <\$82,560	≥\$82,560
2021 (\$70,000)	<\$35,000	\$35,000 to <\$56,000	\$56,000 to <\$84,000	≥\$84,000
2022 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080
2023 (\$88,400)	<\$44,200	\$44,200 to <\$70,720	\$70,720 to <\$106,080	≥\$106,080

Source: FFIEC

Competition

This area is highly competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 39 insured financial institutions operate 145 offices within the assessment area. Of these institutions, Riverstone Bank ranked 36th with 0.1 percent deposit market share. These numbers are significantly skewed by the City of Lincoln, located in Lancaster County. When removing Lancaster County, where the bank does not have a physical presence, the assessment area contains 17 financial institutions operating 26 offices.

The assessment area is also highly competitive for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders. In 2022, 277 lenders reported 14,518 residential mortgage originations and purchases in the assessment area, most of which were located in Lancaster County. Further, the bank is not required to collect or report its small business and small farm loan data, and it has not elected to do so; therefore, the analysis of small business and small farm loans does not include comparisons against aggregate data. However, this data reflects a level of demand. Aggregate data for 2021 shows that 83 lenders reported 6,960 small business loans in the assessment area and 17 institutions reported 686 small farm loans. Similar to Riverstone Bank, many smaller institutions would not be required to report the above information. This demonstrates a high level of competition for these product types throughout the entire assessment area. As mentioned above, much of this competition is located in Lincoln.

Credit and Community Development Needs and Opportunities

Considering information from bank management, demographics, and economic data, commercial and agricultural lending represent the primary credit needs in the assessment area. Community development needs and opportunities include economic development to support the number of small businesses in the area, as well as revitalization and stabilization efforts. The assessment area

provides opportunities for revitalization and stabilization efforts, given the presence of low- and moderate-income census tracts and underserved census tracts in the rural communities.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE EASTERN NEBRASKA ASSESSMENT AREA

LENDING TEST

Riverstone Bank demonstrated reasonable performance under the Lending Test in the Eastern Nebraska Assessment Area. The bank’s outstanding geographic distribution and reasonable borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Excellent small business and home mortgage lending performance and reasonable small farm lending performance supports this conclusion.

Small Business

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area, specifically in the moderate-income tracts within the assessment area. As shown in the following table, Riverstone Bank did not make any small business loans within the low-income census tracts; these tracts are located in the highly competitive Lincoln market, and the data suggests there are relatively few businesses in these areas. However, small business lending in the moderate-income census tracts significantly exceeds the percentage of businesses within these tracts.

Geographic Distribution of Small Business Loans					
Eastern Nebraska					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	4.3	0	0.0	0	0.0
Moderate	16.5	21	33.3	2,012	30.2
Middle	34.8	16	25.4	1,399	21.0
Upper	41.9	26	41.3	3,246	48.8
Not Available	2.5	0	0.0	0	0.0
Total	100.0	63	100.0	6,657	100.0

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

Small Farm

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, Riverstone Bank did not make any small farm loans within the low-income census tracts; however, all of the low-income tracts are within the city limits of Lincoln, and only 22 farms operate in these tracts according to 2022 D&B Data. Small farm lending in moderate-income census tracts is less than the percentage of farms; however, 17 of the 18 moderate-income census tracts are within the city limits of Lincoln, limiting small farm

lending opportunities located in Lincoln. As such, the bank’s small farm lending performance is reasonable.

Geographic Distribution of Small Farm Loans					
Eastern Nebraska					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	1.4	0	0.0	0	0.0
Moderate	9.2	3	2.2	176	1.0
Middle	34.7	46	34.1	5,583	33.1
Upper	54.2	86	63.7	11,083	65.8
Not Available	0.5	0	0.0	0	0.0
Total	100.0	135	100.0	16,842	100.0

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

Home Mortgage

The geographic distribution of home mortgage lending reflects excellent dispersion throughout the assessment area, specifically in the moderate-income tracts within the assessment area. As shown in the following table, the bank did not originate any loans in the low-income tracts. However, the low number of owner-occupied housing units indicates there is minimal need for home mortgage lending in these tracts, and there is a high level of competition in the Lincoln market. On the contrary, the bank’s home mortgage lending performance in moderate-income census tracts exceeds aggregate performance and demographic data in moderate-income tracts. Given this information, the banks performance is deemed excellent.

Geographic Distribution of Home Mortgage Loans						
Eastern Nebraska						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	2.1	3.2	0	0.0	0	0.0
Moderate	14.8	15.0	4	26.7	142	5.7
Middle	42.9	40.2	3	20.0	562	22.7
Upper	40.1	41.4	8	53.3	1,773	71.6
Not Available	0.1	0.2	0	0.0	0	0.0
Total	100.0	100.0	15	100.0	2,477	100.0

*Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data
Due to rounding, totals may not equal 100.0%*

Borrower Profile

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

Small Business

The distribution of borrowers reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. As shown in the following table, small business lending to borrowers with gross revenues of \$1 million or less significantly lags the D&B data. However, 9 of the 11 loans made to business with gross annual revenues exceeding \$1 million were made to the same 2 borrowers, which skews the data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Eastern Nebraska					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.1	11	50.0	258	13.2
>\$1,000,000	4.3	11	50.0	1,700	86.8
Revenue Not Available	10.6	0	0.0	0	0.0
Total	100.0	22	100.0	1,958	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Small Farm

As reflected in the following table, the distribution of borrowers reflects excellent penetration among farms with gross annual revenues of \$1 million or less.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Eastern Nebraska					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.4	29	100.0	3,626	100.0
>\$1,000,000	0.9	0	0.0	0	0.0
Revenue Not Available	0.7	0	0.0	0	0.0
Total	100.0	29	100.0	3,626	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, specifically to low-income borrowers. As shown in the following table, the bank did not make any loans to moderate-income borrowers; however, the level of lending to the low-income borrowers in the assessment area significantly exceeds aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Eastern Nebraska						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.3	7.8	4	26.7	109	4.4
Moderate	18.6	19.9	0	0.0	0	0.0
Middle	22.1	22.8	0	0.0	0	0.0
Upper	40.0	30.2	7	46.7	561	22.6
Not Available	0.0	19.2	4	26.7	1,807	73.0
Total	100.0	100.0	15	100.0	2,477	100.0
<i>Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>						

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrates adequate responsiveness to the community development needs of the Eastern Nebraska Assessment Area through community development loans and qualified donations. The bank did not provide any community development services in this assessment area.

Community Development Loans

Riverstone Bank originated 120 community development loans totaling \$3.4 million in the Eastern Nebraska Assessment Area, which accounts for 6.5 percent of the bank's community development lending by dollar volume. This lending included 110 SBA PPP loans totaling approximately \$2.2 million that promoted economic development. The remaining 10 loans totaling approximately \$1.1 million provided affordable housing and promoted economic development.

Qualified Investments

The bank made no qualified investments and four donations, totaling \$3,442 in the Eastern Nebraska assessment area. All of these donations were for community services to assist low- and moderate-income individuals in the area.

WESTERN NEBRASKA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE WESTERN NEBRASKA ASSESSMENT AREA

The Western Nebraska Assessment Area is comprised of Banner, Morrill, Scotts Bluff, and Sioux counties in nonmetropolitan Nebraska. The assessment area contains a number of smaller towns in the panhandle of Nebraska, with Scotts Bluff being the largest town. This assessment area is new since the prior evaluation and was established upon the merger and acquisition of First State Bank in November 2021. The bank operates two offices in Scottsbluff and Gering, both in Scotts Bluff County. According to 2020 U.S. Census data, both branches are located in middle-income census tracts.

The Western Nebraska Assessment Area accounts for the largest portion of the bank’s deposits and loans at 53.8 and 33.8 percent, respectively. Thus, Riverstone Bank’s State of Nebraska rating was heavily influenced by the bank’s CRA performance in this assessment area.

Economic and Demographic Data

The assessment area contains three moderate- and ten middle-income census tracts and one upper-income census tract according to 2020 U.S. Census data. Of the three moderate-income census tracts, two are in Scotts Bluff County and one is in Sioux County. Banner County has been classified as a distressed county, and Morrill County has been an underserved county since the prior evaluation. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Western Nebraska Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	21.4	71.4	7.1	0.0
Population by Geography	42,448	0.0	19.7	72.9	7.5	0.0
Housing Units by Geography	20,018	0.0	20.0	73.4	6.6	0.0
Owner-Occupied Units by Geography	11,743	0.0	15.4	76.4	8.2	0.0
Occupied Rental Units by Geography	5,647	0.0	28.6	66.1	5.2	0.0
Vacant Units by Geography	2,628	0.0	21.8	75.8	2.5	0.0
Businesses by Geography	3,985	0.0	21.0	66.8	12.2	0.0
Farms by Geography	592	0.0	15.2	77.7	7.1	0.0
Family Distribution by Income Level	11,110	21.7	20.6	22.3	35.4	0.0
Household Distribution by Income Level	17,390	26.0	17.0	19.6	37.5	0.0
Median Family Income Nonmetropolitan NE		\$71,424	Median Housing Value			\$127,231
Families Below Poverty Level		8.7%	Median Gross Rent			\$768
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2020 U.S. Census data, the service industry; followed by finance, insurance, and real Estate; and agriculture, forestry, and fishing are the largest employment sectors in the assessment area. Most area businesses are classified as small businesses with over 91.0 percent employing less than 10 individuals, and over 83.0 percent earning gross revenues of under \$1 million.

The following table presents the FFIEC-updated median family income levels for the nonmetropolitan portion of Nebraska, which was used to evaluate performance under the Lending and Community Development Tests.

Nonmetropolitan Nebraska Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
2019 (\$66,500)	<\$33,250	\$33,250 to <\$53,200	\$53,200 to <\$79,800	≥\$79,800
2020 (\$68,800)	<\$34,400	\$34,400 to <\$55,040	\$55,040 to <\$82,560	≥\$82,560
2021 (\$70,000)	<\$35,000	\$35,000 to <\$56,000	\$56,000 to <\$84,000	≥\$84,000
2022 (\$80,900)	<\$40,450	\$40,450 to <\$64,720	\$64,720 to <\$97,080	≥\$97,080
2023 (\$88,400)	<\$44,200	\$44,200 to <\$70,720	\$70,720 to <\$106,080	≥\$106,080

Source: FFIEC

Competition

The assessment area is moderately competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 12 insured financial institutions operate 21 offices within the assessment area. Of these institutions, Riverstone Bank ranked second with 15.3 percent deposit market share.

There is a high level of competition for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022, 109 lenders reported 1,061 residential mortgage loans originations or purchases in the assessment area. Since this area is in the nonmetropolitan portion of the state, some local institutions are not required to report home mortgage lending data. Further, the bank is not required to collect or report its small business and small farm loan data, and it has not elected to do so; therefore, the analysis of small business and small farm loans does not include comparisons against aggregate lending data. However, aggregate lending data provides an indicator of demand. Aggregate data for 2021 shows that 42 lenders reported 732 small business loans and 14 institutions reported 273 small farm loans in the assessment area. Similar to Riverstone Bank, many smaller institutions are not required to report the above information. This demonstrates moderate competition for these product types throughout the entire assessment area.

Credit and Community Development Needs and Opportunities

Considering information from bank management, demographic data, and economic data, commercial and agricultural lending represent the primary credit needs of the assessment area. Community development opportunities are also available including, economic development opportunities to support the number of small businesses and farms and revitalization or stabilization efforts in the distressed communities in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE WESTERN NEBRASKA ASSESSMENT AREA

LENDING TEST

Riverstone Bank demonstrated reasonable performance in the Western Nebraska Assessment Area. The bank’s reasonable geographic distribution and borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, which is supported by the lending performance in each loan category.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Although small business lending in moderate-income census tracts lags demographic data, examiners also considered the lending performances for three comparable institutions operating in the Western Nebraska Assessment Area. The percentage of small business lending to businesses located in moderate-income census tracts ranged from 0.6 percent to 15.6 percent for these comparable institutions. Riverstone Bank’s small businesses lending is similar to these comparable banks; and as a result, lending performance is reasonable.

Geographic Distribution of Small Business Loans					
Western Nebraska					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	21.0	7	13.2	432	8.8
Middle	66.8	36	67.9	3,416	69.6
Upper	12.2	10	18.9	1,059	21.6
Total	100.0	53	100.0	4,907	100.0
<i>Source: 2022 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank’s small farm lending in moderate-income census tracts is comparable to the percentage of farms in these census tracts.

Geographic Distribution of Small Farm Loans					
Western Nebraska					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	15.2	5	11.1	805	10.7
Middle	77.7	35	77.8	5,694	75.6
Upper	7.1	5	11.1	1,036	13.7
Total	100.0	45	100.0	7,535	100.0
<i>Source: 2022 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank’s home mortgage lending in moderate-income census tracts is comparable to aggregate performance.

Geographic Distribution of Home Mortgage Loans						
Western Nebraska						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	15.4	17.0	3	15.0	290	6.5
Middle	76.4	71.7	14	70.0	3,096	69.6
Upper	8.2	11.3	3	15.0	1,060	23.8
Total	100.0	100.0	20	100.0	4,446	100.0

*Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data
Due to rounding, totals may not equal 100.0%*

Borrower Profile

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

Small Business

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. As reflected in the following table, lending performance to businesses with gross revenues of \$1 million or less lags demographic data. However, examiners also considered the lending performance for three comparable institutions operating in the Western Nebraska Assessment Area. The percentage of lending to businesses with gross revenues of \$1 million or less ranged from 63.3 percent to 85.7 percent for these comparable institutions. Riverstone Bank's small business lending is similar to the comparable banks; and as a result, lending performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Western Nebraska					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	80.6	17	68.0	1,051	43.9
>\$1,000,000	4.7	8	32.0	1,343	56.1
Revenue Not Available	14.7	0	0.0	0	0.0
Total	100.0	25	100.0	2,394	100.0

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

Small Farm

The distribution of borrowers reflects reasonable penetration among farms of different sizes. The bank's performance is generally consistent with demographic data. See the following table for details.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Western Nebraska					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.8	27	96.4	4,430	97.8
>\$1,000,000	1.0	1	3.6	100	2.2
Revenue Not Available	1.2	0	0.0	0	0.0
Total	100.0	28	100.0	4,530	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

As shown in the table below, the distribution of borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank's lending to low-income borrowers is comparable to the aggregate data, and lending to moderate-income borrowers exceeds aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Western Nebraska						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.7	8.7	2	10.0	249	5.6
Moderate	20.6	19.0	6	30.0	146	3.3
Middle	22.3	18.2	0	0.0	0	0.0
Upper	35.4	24.4	5	25.0	1,535	34.5
Not Available	0.0	29.7	7	35.0	2,516	56.6
Total	100.0	100.0	20	100.0	4,446	100.0
<i>Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>						

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrates excellent responsiveness to the community development needs of the Western Nebraska Assessment Area through community development loans, qualified investments, and community development services.

Community Development Loans

Riverstone Bank originated 273 community development loans totaling approximately \$22.9 million in the assessment area, which accounts for 44.1 percent of the bank's community development lending by dollar volume. This lending included 210 SBA PPP loans totaling \$9.9 million that promoted economic development to the area. The remaining 63 loans totaling \$13.0 million supported affordable housing, community services, economic development, or revitalization/stabilization efforts. The following points summarize notable examples of community development lending within the Western Nebraska Assessment Area.

Community Services – The bank originated six loans totaling \$189,000 to a non-profit organization that provides social services to low- and moderate-income youth in Scotts Bluff and Gering.

Affordable Housing – The bank originated two loans totaling \$80,000 to a non-profit organization that provides affordable housing to low-income individuals that are in need of health, rehabilitation, and vocational services in Scotts Bluff County.

Qualified Investments

The bank made 35 qualified donations totaling approximately \$67,850 in the Western Nebraska Assessment Area. The bank’s qualified donations were to organizations that provided affordable housing and community services to low- and moderate-income individuals.

Community Development Services

Bank representatives provided 10 instances of financial expertise or technical assistance to community development organizations in the Western Nebraska Assessment Area. All of these services were with organizations that provide social services or affordable housing to low- and moderate-income individuals.

WYOMING

CRA RATING FOR WYOMING: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WYOMING

Riverstone Bank maintains two contiguous assessment areas in Wyoming: Cheyenne and Nonmetropolitan Wyoming. The bank operates three full-service offices and three ATMs in Wyoming. Approximately 21.0 percent of the bank's loans and 19.8 percent of the bank's deposits are located in its Wyoming offices. Details for the individual assessment areas are provided in subsequent sections.

SCOPE OF EVALUATION – WYOMING

Examiners performed full-scope reviews of both assessment areas. The Cheyenne Assessment Area received a greater weight than the Nonmetropolitan Wyoming Assessment Area when arriving at the overall state rating. This weighting was based on loan and deposit activity and the number of physical branches within each assessment area. Examiners reviewed small business and home mortgage lending in both assessment areas. Small business loans received greater weight than home mortgage loans when drawing conclusions in both assessment areas due to a larger volume of loans. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WYOMING

LENDING TEST

Riverstone Bank demonstrated satisfactory performance under the Lending Test in Wyoming. Performance is consistent with the conclusions for both Wyoming assessment areas.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout Wyoming. Consistent performance in both assessment areas support this conclusion.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels throughout Wyoming. Consistent performance in both assessment areas support this conclusion.

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrated satisfactory performance under the Community Development Test in Wyoming through community development loans and qualified donations. Performance in the Wyoming assessment areas were consistent with adequate performance. Bank representatives did

not provide any instances of financial expertise or technical assistance to community development organizations in the Wyoming assessment areas.

Community Development Loans

The institution originated 71 community development loans totaling \$8.4 million in the Wyoming assessment areas and broader statewide area, which accounts for 16.0 percent of the bank's community development lending by dollar volume. This lending includes 53 SBA PPP loans totaling \$3.1 million.

Competition has played a significant role in the bank's ability to generate community development loans in this state. For example, the bank approved several potential community development loans; however, the applicants ultimately chose to obtain financing elsewhere.

Qualified Investments

The bank made 23 qualified donations totaling \$6,281 in Wyoming, which represents 2.1 percent, by dollar volume, of all qualified investments and donations.

CHEYENNE ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CHEYENNE ASSESSMENT AREA

The Cheyenne Assessment Area is comprised of Laramie County, which is the sole county in the Cheyenne, Wyoming MSA. This assessment area is new since the prior CRA evaluation and was added upon the acquisition of First State Bank in November 2021. The bank operates two offices in downtown Cheyenne, one of which is located in a moderate-income census tract.

Economic and Demographic Data

Based on 2020 U.S. Census data, the assessment area is comprised of 27 census tracts with the following income designations: 6 moderate-, 14 middle-, and 6 upper-income, and 1 census tract without an income designation. The moderate-income census tracts in the assessment area are mainly located within the city limits of Cheyenne, except for one moderate-income census tract that is within the boundaries of the Francis E. Warren Air Force Base. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Cheyenne Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	0.0	22.2	51.9	22.2	3.7
Population by Geography	100,512	0.0	17.7	54.2	28.1	0.0
Housing Units by Geography	43,841	0.0	18.6	55.2	26.2	0.0
Owner-Occupied Units by Geography	29,169	0.0	11.3	57.1	31.7	0.0
Occupied Rental Units by Geography	11,033	0.0	36.5	49.2	14.4	0.0
Vacant Units by Geography	3,639	0.0	22.6	58.7	18.7	0.0
Businesses by Geography	12,268	0.0	51.1	31.3	17.2	0.4
Farms by Geography	366	0.0	9.0	46.7	44.3	0.0
Family Distribution by Income Level	26,128	17.3	17.9	25.0	39.7	0.0
Household Distribution by Income Level	40,202	22.9	16.0	20.1	40.9	0.0
Median Family Income – Cheyenne, WY MSA		\$82,325	Median Housing Value		\$227,023	
Families Below Poverty Level		5.8%	Median Gross Rent		\$954	
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the 2020 U.S. Census, the Cheyenne, Wyoming MSA has experienced a large and steady growth in recent years. The service industry composes the largest employment sector, followed by finance, insurance, and real estate. Most of these businesses are classified as small, as over 95.0 percent employ less than 10 people, and over 93.0 percent have annual revenues of under \$1 million.

The following table presents the FFIEC-updated median family income levels for the Cheyenne, Wyoming MSA.

Cheyenne, Wyoming MSA Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$79,900)	<\$39,950	\$39,950 to <\$63,920	\$63,920 to <\$95,880	≥\$95,880
2019 (\$76,700)	<\$38,350	\$38,350 to <\$61,360	\$61,360 to <\$92,040	≥\$92,040
2020 (\$78,100)	<\$39,050	\$39,050 to <\$62,480	\$62,480 to <\$93,720	≥\$93,720
2021 (\$86,400)	<\$43,200	\$43,200 to <\$69,120	\$69,120 to <\$103,680	≥\$103,680
2022 (\$96,500)	<\$48,250	\$48,250 to <\$77,200	\$77,200 to <\$115,800	≥\$115,800
2023 (\$91,600)	<\$45,800	\$45,800 to <\$73,280	\$73,280 to <\$109,920	≥\$109,920
<i>Source: FFIEC</i>				

Competition

The assessment area is highly competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 19 insured financial institutions operate 32 offices within Laramie County. Of these institutions, Riverstone Bank ranked 13th with 2.3 percent of the deposit market share.

The assessment area is also highly competitive for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders. In 2022, 218 lenders reported 6,384 residential mortgage originations or purchases in Laramie County alone. Further, the bank is not required to collect or report its small business data, and it has not elected to do so; therefore, the analysis of small business loans does not include comparisons against aggregate data. However, this data reflects a level of demand and competition. Aggregate data for 2021, the most recent year available, shows that 100 lenders reported 3,187 small business loans in the assessment area. The top five lenders included three large nationally chartered banks and two large credit card banks. These five lenders accounted for 67.3 percent of reported small business originations and purchases in the assessment area. Similar to Riverstone Bank, many smaller institutions would not be required to report the above information. The volume of small business loans demonstrates a highly competitive market for small business loans throughout the assessment area.

Credit and Community Development Needs and Opportunities

Considering information from bank management, and demographic and economic data, commercial and home mortgage lending represent the primary credit needs of the assessment area. Community development opportunities are also available. Specifically, economic development opportunities to support the number of small businesses in the area and revitalization and stabilization efforts in the moderate-income census tracts.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHEYENNE ASSESSMENT AREA

LENDING TEST

Riverstone Bank demonstrated reasonable lending performance in the Cheyenne Assessment Area. The bank's reasonable geographic distribution and borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable small business lending performance outweighed excellent home mortgage lending performance.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area, given the level of competition in the assessment area. As indicated in the following table, small business lending in moderate-income census tracts is 12.2 percent below demographic data. As previously mentioned, there is significant competition for small business loans in the assessment area. Given this information, the bank's performance is reasonable.

Geographic Distribution of Small Business Loans					
Cheyenne					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	51.1	7	38.9	1,309	42.1
Middle	31.3	8	44.4	1,184	38.1
Upper	17.2	3	16.7	614	19.8
Not Available	0.4	0	0.0	0	0.0
Total	100.0	18	100.0	3,107	100.0
<i>Source: 2022 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. As shown in the following table, home mortgage lending in moderate-income census tracts exceeds aggregate performance.

Geographic Distribution of Home Mortgage Loans						
Cheyenne						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	11.3	11.8	2	22.2	2,576	62.3
Middle	57.1	58.2	7	77.8	1,560	37.7
Upper	31.7	29.9	0	0.0	0	0.0
Not Available	0.0	0.0	0	0.0	0	0.0
Total	100.0	100.0	9	100.0	4,136	100.0
<i>Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes. This conclusion is supported by reasonable performance in each loan category.

Small Business

The distribution of borrowers reflects reasonable penetration among businesses with gross annual revenues of \$1 million or less. As shown in the following table, the bank's performance is generally comparable to demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Cheyenne					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.5	14	77.8	2,157	69.4
>\$1,000,000	3.2	4	22.2	950	30.6
Revenue Not Available	11.3	0	0.0	0	0.0
Total	100.0	18	100.0	3,107	100.0
<i>Source: 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, specifically moderate-income borrowers. As shown in the following table, the bank did not make any home mortgage loans to low-income borrowers. Given the generally low volume of home mortgage lending, one or two loans would significantly alter the data. However, the bank's lending performance to moderate-income borrowers is comparable to aggregate data. Most of the bank's home mortgage lending in this assessment area are to borrowers that do not report income; these loans are typically made to fund non-owner occupied housing. Given this information, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Cheyenne						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	17.3	8.2	0	0.0	0	0.0
Moderate	17.9	23.2	2	22.2	463	11.2
Middle	25.0	24.2	0	0.0	0	0.0
Upper	39.7	26.6	0	0.0	0	0.0
Not Available	0.0	17.8	7	77.8	3,673	88.8
Total	100.0	100.0	9	100.0	4,136	100.0
<i>Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data Due to rounding, totals may not equal 100.0%</i>						

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrates adequate responsiveness to the community development needs of the Cheyenne Assessment Area through community development loans and qualified donations. The bank did not have any qualified community development services in this assessment area.

Community Development Loans

Riverstone Bank originated 60 community development loans totaling \$5.7 million in the Cheyenne Assessment Area, which accounts for 10.9 percent of the bank's community development lending by dollar volume. This figure includes 53 SBA PPP loans totaling \$3.1 million originated in response to the COVID-19 pandemic. The remaining loans provided community services to low-

and moderate-income individuals; supported economic development activities; or revitalized and stabilized a moderate-income area.

Qualified Investments

The bank made 21 qualified donations totaling \$5,181 in the Cheyenne Assessment Area. All of these donations were made to organizations that provide community services to low- and moderate-income individuals in the assessment area. These qualified donations represent 1.7 percent, by dollar volume, of all qualified investments and donations made by the bank.

NONMETROPOLITAN WYOMING ASSESSMENT AREA – Full-Scope Review

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE
NONMETROPOLITAN WYOMING ASSESSMENT AREA**

The Nonmetropolitan Wyoming Assessment Area is comprised of Albany County in southeastern Wyoming. This assessment area abuts the Cheyenne, Wyoming MSA and is just north of the Colorado state line. The assessment area is new since the prior CRA evaluation and was established upon the acquisition of First State Bank in November 2021. The bank operates one office in the City of Laramie.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area includes 11 census tracts with the following income designations: 2 moderate-, 7 middle-, and 1 upper-income, and 1 census tract with no income designation. Additionally, Congress has designated several of the census tracts located within the assessment area as Opportunity Zones that are economically distressed. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Nonmetropolitan Wyoming Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	18.2	63.6	9.1	9.1
Population by Geography	37,066	0.0	11.4	72.9	9.7	6.0
Housing Units by Geography	19,414	0.0	7.6	78.8	6.7	6.8
Owner-Occupied Units by Geography	8,387	0.0	9.0	73.8	13.0	4.1
Occupied Rental Units by Geography	7,750	0.0	7.1	81.5	2.2	9.2
Vacant Units by Geography	3,277	0.0	5.3	85.2	1.4	8.1
Businesses by Geography	2,870	0.0	10.0	76.2	6.4	7.4
Farms by Geography	110	0.0	3.6	85.5	4.5	6.4
Family Distribution by Income Level	7,858	19.0	17.6	20.9	42.5	0.0
Household Distribution by Income Level	16,137	33.2	16.9	15.8	34.1	0.0
Median Family Income Nonmetropolitan WY		\$81,346	Median Housing Value			\$243,293
Families Below Poverty Level		6.8%	Median Gross Rent			\$841
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the 2020 U.S. Census, the area has seen some growth in recent years at roughly the same rate as the nearby Cheyenne, Wyoming MSA. The largest employment sectors include the service industry; followed by finance, insurance, and real estate; and retail trade.

The following table presents the FFIEC-estimated median family income levels for the nonmetropolitan portions of Wyoming, which examiners utilized to analyze home mortgage lending performance under the Borrower Profile criterion and qualify community development activities.

Nonmetropolitan Wyoming Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$80,400)	<\$40,200	\$40,200 to <\$64,320	\$64,320 to <\$96,480	≥\$96,480
2019 (\$79,700)	<\$39,850	\$39,850 to <\$63,760	\$63,760 to <\$95,640	≥\$95,640
2020 (\$79,700)	<\$39,850	\$39,850 to <\$63,760	\$63,760 to <\$95,640	≥\$95,640
2021 (\$81,000)	<\$40,500	\$40,500 to <\$64,800	\$64,800 to <\$97,200	≥\$97,200
2022 (\$87,600)	<\$43,800	\$43,800 to <\$70,080	\$70,080 to <\$105,120	≥\$105,120
2023 (\$94,600)	<\$47,730	\$47,730 to <\$75,680	\$75,680 to <\$113,520	≥\$113,520
<i>Source: FFIEC</i>				

Competition

The assessment area is moderately competitive for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, seven insured financial institutions within Albany County. Of these institutions, Riverstone Bank ranked last with 3.0 percent deposit market share. In

addition to competition in Albany County, the nearby Cheyenne, Wyoming MSA has a large number of financial institutions.

There is a high level of competition for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022, 139 lenders reported 1,408 residential mortgage originations and purchases in Albany County alone. Further, the bank is not required to collect or report its small business loan data, and it has not elected to do so; therefore, the analysis of small business loans does not include comparisons against aggregate data. However, this data reflects a level of demand and competition. Aggregate data for 2021 shows that 50 lenders reported 664 small business loans in the assessment area. Similar to Riverstone Bank, many smaller institutions are not required to report the above information. This demonstrates moderate competition for small business loans throughout the entire assessment area.

Credit and Community Development Needs and Opportunities

Considering information from bank management, and demographic and economic data, small business lending represents the primary credit need in the assessment area. Community development opportunities are also available. Specifically, there are economic development opportunities to support the number of small businesses in the area and opportunities to revitalize or stabilize the designated Opportunity Zones.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN WYOMING ASSESSMENT AREA

LENDING TEST

Riverstone Bank demonstrated reasonable lending performance in the Nonmetropolitan Wyoming Assessment Area. Reasonable geographic distribution and borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable small business lending performance outweighs poor home mortgage lending performance.

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, small business lending in moderate-income census tracts is comparable to the percentage of businesses in these tracts.

Geographic Distribution of Small Business Loans					
Nonmetropolitan Wyoming					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	10.0	1	7.7	70	2.8
Middle	76.2	11	84.6	1,496	59.5
Upper	6.4	1	7.7	948	37.7
Not Available	7.4	0	0.0	0	0.0
Total	100.0	13	100.0	2,514	100.0
<i>Source: 2022 D&B Data; Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Home Mortgage

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. As shown in the following table, the bank did not make any home mortgage loans in the two moderate-income census tracts in 2022.

Geographic Distribution of Home Mortgage Loans						
Nonmetropolitan Wyoming						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	9.1	4.5	0	0.0	0	0.0
Middle	73.8	75.6	6	85.7	1,915	89.7
Upper	13.0	14.5	0	0.0	0	0.0
Not Available	4.1	5.4	1	14.3	220	10.3
Total	100.0	100.0	7	100.0	2,135	100.0
<i>Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes. Excellent small business lending performance and poor home mortgage lending performance resulted in reasonable performance.

Small Business

The distribution of borrowers reflects excellent penetration to businesses with gross annual revenues of \$1 million or less. As shown in the following table, the number of loans to businesses with gross annual revenues of a \$1 million or less exceeds demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Nonmetropolitan Wyoming					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	83.0	12	92.3	2,364	94.0
>\$1,000,000	4.0	1	7.7	150	6.0
Revenue Not Available	13.0	0	0.0	0	0.0
Total	100.0	13	100.0	2,514	100.0

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

Home Mortgage

The distribution of borrowers reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers. The bank did not make any home mortgage loans to low- or moderate-income borrowers in 2022.

Distribution of Home Mortgage Loans by Borrower Income Level						
Nonmetropolitan Wyoming						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.0	5.0	0	0.0	0	0.0
Moderate	17.6	20.3	0	0.0	0	0.0
Middle	20.9	22.1	0	0.0	0	0.0
Upper	42.5	35.9	2	28.6	1,072	50.2
Not Available	0.0	16.7	5	71.4	1,063	49.8
Total	100.0	100.0	7	100.0	2,135	100.0

*Source: 2020 U.S. Census; 2022 HMDA Aggregate Data; 2022 HMDA Reported Data
Due to rounding, totals may not equal 100.0%*

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrates adequate responsiveness to the community development needs of the Nonmetropolitan Wyoming Assessment Area through community development loans and qualified donations. The bank did not have any qualified community development services in this assessment area.

Community Development Loans

Riverstone Bank originated 37 community development loans totaling \$2.7 million in the Nonmetropolitan Wyoming Assessment Area, which accounts for 5.1 percent of the bank's community development lending by dollar. This includes 28 PPP loans totaling \$1.2 million originated in response to the COVID-19 pandemic.

Qualified Investments

The bank made two qualified donations totaling \$1,110 in the Nonmetropolitan Wyoming Assessment Area. The bank's qualified donations were made to organizations that provide social and health services to low- and moderate-income individuals in the community.

COLORADO

CRA RATING FOR COLORADO: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN COLORADO

The rated area of Colorado consists of the El Paso County Assessment Area, the sole assessment area in the state. The El Paso County Assessment Area is comprised of El Paso County in central Colorado and is one of two counties within the Colorado Springs, Colorado MSA. This assessment area is new since the prior CRA evaluation and was established upon the acquisition of First State Bank in November 2021. The bank operates one full-service branch in downtown Colorado Springs. According to 2020 U.S. Census data, the branch is located in a middle-income census tract.

Economic and Demographic Data

El Paso County includes a number of suburban and rural towns; however, the majority of the area population is located in the City of Colorado Springs. According to 2020 U.S. Census data, the assessment area includes 167 census tracts with the following income designations: 4 low-, 46 moderate-, 66 middle-, and 49 upper-census tracts, and 2 census tracts with no income designation. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the El Paso County Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	2.4	27.5	39.5	29.3	1.2
Population by Geography	730,395	1.9	25.2	39.1	33.2	0.6
Housing Units by Geography	276,538	2.1	27.6	40.2	29.8	0.3
Owner-Occupied Units by Geography	171,408	1.3	19.7	41.8	37.0	0.3
Occupied Rental Units by Geography	91,372	3.7	41.7	37.9	16.2	0.5
Vacant Units by Geography	13,758	1.8	32.6	34.0	31.3	0.4
Businesses by Geography	124,059	1.4	25.7	36.2	36.2	0.7
Farms by Geography	2,722	0.8	24.7	42.2	31.6	0.7
Family Distribution by Income Level	178,757	18.9	18.6	21.9	40.6	0.0
Household Distribution by Income Level	262,780	22.7	16.5	19.2	41.5	0.0
Median Family Income Colorado Springs, CO MSA		\$83,751	Median Housing Value			\$301,087
Families Below Poverty Level		6.6%	Median Gross Rent			\$1,244
<i>Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to the 2020 U.S. Census, El Paso County is the most populous county in the State of Colorado, as Colorado Springs has experienced steady growth. D&B data for 2023 indicates there are a significant number of businesses operating within the area. The majority of which are classified as small businesses, as 96.0 percent operate with less than 10 employees and 98.0 percent have gross revenues of \$1 million or less. The service industry, retail trade, and construction make up the largest employment sectors in the area.

The following table presents the FFIEC-estimated median family income levels for the Colorado Springs, Colorado MSA, which includes El Paso County.

Colorado Springs, Colorado MSA Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$77,900)	<\$38,950	\$38,950 to <\$62,320	\$62,320 to <\$93,480	≥\$93,480
2019 (\$80,800)	<\$40,400	\$40,400 to <\$64,640	\$64,640 to <\$96,960	≥\$96,960
2020 (\$81,700)	<\$40,850	\$40,850 to <\$65,360	\$65,360 to <\$98,040	≥\$98,040
2021 (\$81,900)	<\$40,950	\$40,950 to <\$65,520	\$65,520 to <\$98,280	≥\$98,280
2022 (\$96,200)	<\$48,100	\$48,100 to <\$76,960	\$76,960 to <\$115,440	≥\$115,440
2023 (\$105,000)	<\$52,500	\$52,500 to <\$84,000	\$84,000 to <\$126,000	≥\$126,000

Source: FFIEC

Competition

This area is highly competitive for financial services, and the bank faces competition from large national banks, credit unions, regional banks, and community banks. According to June 30, 2023 FDIC Deposit Market Share data, 40 insured financial institutions operate 128 offices within the El Paso County. Of these institutions, Riverstone Bank ranked 39th with a 0.1 percent deposit market share.

There is also a high level of competition for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2022, 657 lenders reported 55,881 residential mortgage originations and purchases in El Paso County. Further, the bank is not required to collect or report its small business loan data, and it has not elected to do so; therefore, the analysis of small business loans does not include comparisons against aggregate data. However, this data reflects a level of demand. Aggregate data for 2021 shows that 148 lenders reported 17,708 small business loans in the assessment area. Similar to Riverstone Bank, many smaller institutions would not be required to report the above information. This demonstrates a high level of competition for these product types throughout the assessment area.

Community Contact

Examiners conducted an interview with an individual from a local economic development entity. The contact indicated that the local economy is growing and is currently doing well. Some of the major industries in Colorado Springs, including cybersecurity, aerospace and defense, and manufacturing, seem to be flourishing as many of these businesses are attracted to the area. Hospitality also makes up a large portion of the workforce. The population continues to grow steadily, attracting many young working professionals to the area. The housing market has not kept

pace with the population growth, as there does not appear to be enough supply to meet the demand. However, Colorado Springs has expanded its downtown by adding new multifamily units, with additional developments on the horizon. Revisions to zoning laws have also permitted the construction of multi-unit homes, such as duplexes and triplexes.

Lastly, the contact indicated many financial institutions are active in the community; however, there is a continued need for commercial lending. The contact noted that commercial lending is sometimes seen as riskier in nature; as such, some financial institutions are not as quick to provide financing.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that commercial lending represents the primary credit need in the assessment area, followed by home mortgage lending. Community development opportunities are also available. Specifically, there are economic development opportunities to support the number of small businesses in the area. Additionally, there are opportunities to provide affordable housing to low- and moderate-income borrowers due to the growing population in Colorado Springs and need for additional multifamily units.

SCOPE OF EVALUATION – COLORADO

Examiners conducted a full-scope review of the El Paso County Assessment Area, as it is the bank's sole assessment area in the State of Colorado. For the Lending Test, examiners reviewed the bank's small business lending performance in the El Paso County Assessment Area. According to bank management, this branch reduced its overall lending because of the 2021 bank acquisition and internal loan-to-deposit ratio goals. However, historically, small business lending is a focus in this assessment area. As a result, examiners reviewed 2022 and 2021 small business loans. Due to low volume of lending in 2022, small business lending in 2021 was analyzed and presented. Refer to the overall Scope of Evaluation section for additional information.

CONCLUSIONS ON PERFORMANCE CRITERIA IN COLORADO

LENDING TEST

Riverstone Bank demonstrated satisfactory performance under the Lending Test in El Paso County. Reasonable geographic distribution and borrower profile performance support this conclusion.

Geographic Distribution

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. In 2022, the bank originated two small business loans totaling \$1.2 million within the assessment area. Both of these loans were located in moderate-income census tracts. Demographic data for 2022 indicates 1.4 percent and 25.7 percent of area businesses were located in low- and moderate-income census tracts, respectively. In 2021, as shown in the following table, the lending performance in low-income census tracts is comparable to the percentage of businesses. Small business lending performance in moderate-income census tracts lags the percentage of businesses in these tracts. However, given the relatively small volume of loans, the bank's lending

percentages are materially influenced by one or two loans. Although not weighed as heavily as loan totals, the dollar amount of loans originated closely aligns with the demographic data. Further, there is a significant level of competition in the assessment area.

Geographic Distribution of Small Business Loans					
El Paso County					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	6.9	1	7.7	59	5.1
Moderate	23.2	1	7.7	300	25.8
Middle	34.1	4	30.8	490	42.1
Upper	35.7	7	53.8	316	27.1
Not Available	0.1	0	0.0	0	0.0
Total	100.0	13	100.0	1,165	100.0
<i>Source: 2021 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes. In 2022, the bank originated two small business loans in this assessment area. One of these loans was to an entity with gross revenues over \$1 million, and one was to an entity with gross revenues of \$1 million or less. As shown in the following table, small business lending in 2021 lags demographic data. However, given the relatively small volume of loans, the bank’s lending percentages are materially influenced by one or two loans.

Distribution of Small Business Loans by Gross Annual Revenue Category					
El Paso County					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	92.6	9	69.2	749	64.3
>\$1,000,000	1.9	4	30.8	416	35.7
Revenue Not Available	5.5	0	0.0	0	0.0
Total	100.0	13	100.0	1,165	100.0
<i>Source: 2021 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

Riverstone Bank demonstrated adequate responsiveness to the community development needs in the El Paso County Assessment Area through community development loans. The bank did not have any qualified investments or community development services in Colorado.

The institution originated 40 community development loans totaling \$3.1 million in the El Paso County Assessment Area, which accounts for 5.9 percent of the bank's community development lending by dollar volume. This lending includes 37 SBA PPP loans totaling \$2.2 million. The bank’s community development loans helped to promote economic development by creating low- and moderate-income jobs in the area.

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
Nebraska	Satisfactory	Satisfactory	Satisfactory
Wyoming	Satisfactory	Satisfactory	Satisfactory
Colorado	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.