

PUBLIC DISCLOSURE

March 27, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Core Bank
Certificate Number: 34363

12100 West Center Road
Omaha, Nebraska 68144

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.

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

Core Bank's satisfactory performance under the Lending and Community Development Tests supports the overall rating. Examiners did not identify any evidence of discriminatory or other illegal credit practices. The following points summarize the bank's performance.

The Lending Test is rated Satisfactory.

- Core Bank's loan-to-deposit (LTD) ratio is excellent given the institution's size, financial condition, and the AA's credit needs.
- A majority of the small business and home mortgage loans reviewed was located inside the AA, reflecting reasonable performance.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA. However, while the geographic distribution of small business loans is reasonable, the geographic distribution of home mortgage loans is poor.
- The distribution of borrowers reflects adequate penetration among businesses of different sizes and individuals of different income levels (including low- and moderate-income).
- Core Bank did not receive any 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 bank demonstrated adequate responsiveness to the community development needs in its AA through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the AA.

- In 2016, the bank originated a \$872,000 loan to an organization that provides health care to people in poverty. This organization is outside the bank’s AA in an adjacent county; however, it benefits the greater state wide area.

Core Bank’s community development lending performance was compared to three similarly situated Intermediate Small Banks (ISBs). These institutions all operate in eastern Nebraska, similar to Core Bank. Table 14 compares the bank to the similarly situated ISBs in the area.

	# CD Loans	CD Loans \$ (000s)	CD Loans / Net loans	CD Loans / Total Assets
Core Bank	10	\$31,480	7.3%	6.8%
Comparable #1	73	\$8,572	3.7%	2.7%
Comparable #2	63	\$30,211	11.5%	7.8%
Comparable #3	7	\$8,809	1.7%	1.3%

Core Bank’s number of community development loans is lower than two of the similarly situated ISBs, but higher than the third. In addition, the bank’s percentage of CD loans to total assets was 6.8 percent, which is comparable to the other ISBs. Overall, the bank’s volume of community development loans is adequate based on the bank’s size and resources and the opportunities within the AA.

Qualified Investments

Core Bank has an excellent level of qualified investments given the bank’s resources and business strategies, area competition, and available opportunities within the AA. Table 15 shows 39 qualified investments totaling approximately \$1.3 million. This total includes qualified equity investments of approximately \$1.3 million and donations of \$39,000. **The majority of the investments were to a Senior Housing Crime Prevention organization.** The majority of the donations were to non-profit organizations to provide food, shelter, and health services targeted to LMI individuals. There were no donations for the purpose of “Neighborhood Stabilization” as there are no designated neighborhood stabilization areas in the AA. Table 15 illustrates the bank’s qualified investments by year and purpose.

Table 15- Qualified Investments by Activity Year

Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2012	1	\$200	0	\$0	0	\$0	0	\$0	0	\$0	1	\$200
2013	1	\$200	0	\$0	0	\$0	0	\$0	0	\$0	1	\$200
2014	1	\$200	0	\$0	0	\$0	0	\$0	0	\$0	1	\$200
2015	2	\$325	0	\$0	0	\$0	0	\$0	0	\$0	2	\$325
2016	2	\$325	0	\$0	0	\$0	0	\$0	0	\$0	2	\$325
Subtotal	7	\$1,250	0	\$0	0	\$0	0	\$0	0	\$0	7	\$1,250
Qualified Grants & Donations	6	\$7	26	\$32	0	\$0	0	\$0	0	\$0	32	\$39
Total	13	\$1,257	26	\$32	0	\$0	0	\$0	0	\$0	39	\$1,289

Source: Bank Records

Examples of notable qualified investments are as follows:

- The bank purchased a \$200,000 investment in 2012, 2013, 2014, 2015, and 2016 in a Senior Housing Crime Prevention organization benefiting low-income veteran housing in the AA.
- The bank invested \$125,000 in 2015 and 2016 in an organization that is dedicated to eliminating substandard housing and homelessness and making adequate, affordable shelter a matter of conscience and action.
- The bank made various donations totaling approximately \$32,000 to community organizations such as Boys and Girls Club of the Midlands, Catholic Charities, Completely Kids, CUES, Food Bank, Habitat for Humanity, Hope Center, Lydia House, Omaha Good News Bears, Omaha Home for Boys, Open Door Mission, Partnership for Kids, and Youth Emergency Services.
- The bank made a \$5,000 donation to a school which is located on an Indian Reservation. More than 50 percent of the students receive free or reduced lunches. The school is not in the bank's AA but benefits the greater state-wide area.

Core Bank's qualified investments were compared to three similarly situated ISBs. These institutions all operate in eastern Nebraska, similar to Core Bank. Table 16 compares Core Bank to the similarly situated ISBs in the area.