



Office of the  
Comptroller of the Currency  
Washington, DC 20219

# INTERMEDIATE SMALL BANK

## PUBLIC DISCLOSURE

September 26, 2016

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Exchange National Bank & Trust Co.  
Charter Number 182  
600 Commercial Street  
Atchison, KS 66002

Office of the Comptroller of the Currency  
7101 College Boulevard, Suite 1600  
Overland Park, KS 66210

NOTE: 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'S CRA RATING: This institution is rated satisfactory.**

**The Lending Test is rated satisfactory.**

**The Community Development Test is rated outstanding.**

The major factors supporting the institution's rating<sup>1</sup>:

- Exchange National Bank's (ENB) record of lending to consumers, small farms, and small businesses of different sizes is reasonable.
- The overall geographic dispersion of loans to consumer, small farms, and small businesses of different sizes is excellent.
- The bank's loan-to-deposit ratio reflects reasonable responsiveness.
- The bank originates a majority of loans within its combined assessment areas (AAs).
- ENB's community development activities shows excellent responsiveness in meeting the needs of the bank's AAs.

## **Scope of Examination**

Examiners used the intermediate small bank examination procedures to evaluate Exchange National Bank's (ENB) record of meeting the credit needs of its community through its lending and community development activities. The lending test review period is January 1, 2014 through June 30, 2016. The bank's primary loan products in the non-MA KS and St. Joseph AA are agricultural and consumer loans (direct auto). The bank's primary loan products in the Leavenworth AA are commercial and consumer loans (direct auto). Conclusions were based on the bank's agricultural, consumer, and commercial loan products originated or purchased during the review period in each AA and compared to the 2010 census demographics. The evaluation period for the lending test is January 1, 2012 through June 30, 2016. The evaluation period for the community development test is January 1, 2013 through September 26, 2016. We sampled 49 agricultural, 74 consumer, and 26 commercial loans for the review period.

## **Description of Institution**

ENB is a \$394 million community bank headquartered in Atchison, Kansas. ENB is a wholly owned subsidiary of Exchange Bankshares Corporation of Kansas, a one-bank holding company also headquartered in Atchison, Kansas. ENB operates twelve branch locations, four deposit-taking ATMs, and five non-deposit-taking ATMs in its AAs. The

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<sup>1</sup> The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation relating to states, and multistate metropolitan areas.

majority of branches and ATMs are located in eastern Kansas with one branch and ATM located in Missouri approximately seven miles east of Atchison, Kansas. Two bank branches are located in low-income tracts within the Leavenworth AA.

ENB offers a full range of deposit and loan products and services. The loan portfolio comprises primarily agricultural loans by dollar and consumer loans by number of loans outstanding. As of June 30, 2016, ENB reported net loans of \$270 million, or 68 percent of total assets, with \$37.6 million in tier 1 capital.

ENB has the financial capacity to assist in meeting the credit needs of its AAs. The bank was rated Satisfactory at its last CRA examination dated February 19, 2013. During the previous CRA cycle, ENB acquired during the second half of 2012, two state banks, Rushville State Bank, Rushville, MO and Troy State Bank, Troy, KS, both located in St. Joseph, MO-KS MSA. This acquisition resulted in the bank having a third AA that is included in this CRA examination.

## **Selection of Areas for Full-Scope Review**

ENB has three AAs. The AAs are non-MA KS AA, which includes all of Atchison County in Kansas, all middle-income census tracts. The Leavenworth AA, which includes all of Leavenworth County in Kansas, a portion of the Kansas City, MO-KS MSA, with one low-income, four moderate-income, eight middle-income, and four upper income census tracts. The St. Joseph AA, includes all of Doniphan County in Kansas and Buchanan County in Missouri, a portion of the St. Joseph, MO-KS MSA, with no low-income, five moderate-income, 19 middle-income and four upper-income census tracts. All the AAs were analyzed for consumer loans (direct auto). The non-MA KS AA and St. Joseph AA predominantly had agricultural loans while the Leavenworth AA had a majority of commercial loans.

## **Ratings**

The bank's overall rating is a blend of the multistate metropolitan area rating and the state rating. We weighed performance based on the number of loan originations and deposit volumes by AA. We gave more emphasis to performance in the non-MA KS AA based on the number of loan originations, 56 percent, and deposit volume, 62 percent. The next highest volume was the Leavenworth AA with 31 percent of loan originations and deposit volume of 25 percent. The St. Joseph AA had 13 percent each for loan and deposit volume. See the description of each AA in the PE for additional details.

The multistate metropolitan area rating and state rating are based on the areas that received full-scope reviews. Refer to the "Scope of Evaluation" under each *State Rating* and *Multistate Metropolitan Area Rating* section for details regarding how the areas were weighted in arriving at the respective ratings.

## **Conclusions with Respect to Performance Criteria**

The following conclusions represent the bank's performance based on a review of reported loan and other information maintained during the evaluation period.

### **Loan-to-Deposit Ratio**

ENB's quarterly average loan-to-deposit (LTD) ratio is reasonable at 77.42 percent. We calculated the bank's quarterly average LTD ratio using information from the Consolidated Reports of Condition from December 31, 2012 to June 30, 2016. The quarterly average LTD ratio for similarly situated financial institutions for the same period is 73.27 percent. The highest peer ratio is 94.16 percent, and the lowest is 37.71 percent. By asset size, ENB ranked fourth out of five similarly situated financial institutions within the bank's AAs. These financial institutions ranged from \$306 million to \$471 million in asset size, with an average asset size of \$394 million.

### **Lending in Assessment Area**

This ratio is a bank-wide calculation and is not calculated by individual AA. Analysis is limited to bank originations and purchases and does not include any affiliate data. For the evaluation period, ENB made a majority of all loans by number, inside the bank's AAs (70.78 percent). The percentages based on number of loans made inside the AAs by loan type are as follows: consumer loans (62.34 percent), small loans to businesses (76.92 percent), and small loans to farms (80.39 percent).

### **Responses to Complaints**

ENB has not received any complaints during the evaluation period relating to its CRA performance.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively. The OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Multistate Metropolitan Area Rating

### St. Joseph AA

**CRA rating for the St. Joseph AA is satisfactory.**

**The Lending Test is rated satisfactory.**

**The Community Development Test is rated outstanding.**

- Lending to borrowers of different incomes and business of different sizes reflects reasonable penetration.
- Geographic distribution shows adequate dispersion in the AA.
- Community development lending shows an excellent level of responsiveness in meeting the needs of the AA.

### DESCRIPTION OF INSTITUTION'S OPERATIONS

The St. Joseph AA consists of Buchanan county in Missouri and Doniphan county in Kansas, a portion of the St. Joseph, MO-KS MSA. The AA consists of 28 census tracts with two branch locations: one in Rushville, MO and one in Troy, KS. The AA consists of five moderate-income (18 percent), 19 middle-income (68 percent), and four upper-income tracts (14 percent). With the acquisition of the Rushville State Bank and Troy State Bank in 2012, the bank added the St Joseph AA. Demographic data shows the 2016 MFI is \$60,100 and 2015 was \$61,500 for the AA. Households below poverty level in the AA were 13.64 percent.

Primary businesses within the AA are education, manufacturing, and animal health. Major employers in the AA are Missouri Western State College, Highland Community College, Allied Foods Midwest, Insteel Wire Products, Johnson Controls, International Paper, Purina Mills, and DuPont. The August 2016 average unemployment rate in the AA is 4.7 percent. Buchanan County has the highest unemployment rate at 4.9 percent and Doniphan County at 4.5 percent. The Kansas unemployment rate is 4.3 percent and the Missouri unemployment rate is 5.1 percent. The average AA unemployment rate is below the national unemployment rate of 4.9 percent.

The primary loan products in the St. Joseph AA are agriculture and consumer installment loans (direct auto).

This AA has 13 percent of total deposits (by dollar) as of June 30, 2015. Competition in the market area is strong. ENB ranks 13<sup>th</sup> out of 17 financial institutions with 3 percent of the market share. The bank's primary competitors are several local community banks and branches of large regional institutions including Commerce Bank, The Nodaway Valley Bank, U.S. Bank National Association, UMB Bank, and North American Savings Bank.

During the examination, we reviewed the CRA Listening Session minutes from the June 30, 2016 meeting. The community contacts identified payday lending as a continuing concern for LMI individuals because institutions do not offer small dollar loan products that meet these individuals' needs. The contacts also mentioned their concerns that institutions in the AA need to understand that low- and moderate- income individuals cannot be evaluated by the same criteria as high income people with respect to credit history and repay ability.

**SCOPE OF EVALUATION**

For the St. Joseph AA, the rating is based on the results of our full-scope review. Refer to Appendix A for more information. The bank has two branches in the AA comprising 13 percent of the bank's deposits and 13 percent of the bank's loans. The primary products for the AA are agricultural loans by dollar and consumer loans (direct auto) by number.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

The bank's performance under the lending test in the St. Joseph AA is satisfactory.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The distribution of loans reflects a reasonable penetration among individuals of different income levels and small loans to farms in the St. Joseph AA.

The overall borrower distribution of consumer loans shows reasonable penetration. The percentage of loans to low-income borrowers is significantly lower than the overall percent of households in the AA. The percentage of households in the AA below poverty is 13.6 percent limiting the ability of these individuals to have funds available to meet their daily living needs. Moderate-income borrowers significantly exceed the overall percentage of households in the AA.

Table 2B - Borrower Distribution of Consumer Loans for St. Joseph AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	23.45%	15.00%	17.19%	20.00%	19.78%	25.00%	39.58%	40.00%

Source: Loan Sample and 2015 Geodemographic Data

The distribution of small loans to farms of different revenue sizes in the St. Joseph AA is good. The percentage of loans to farms with revenues of \$1 million is below area demographics. With revenue information unavailable for 17 percent of small loans to farms, we used proxy distribution by loan size. Using loan size as a proxy, 79 percent of the bank's loans were originated in amounts of \$250 thousand or less, while 92 percent

were originated in amounts at or below \$500 thousand. The number of loan originations of \$500 thousand or under more closely mirrors the percent of AA Farms.

Table 2A – Borrower Distribution to Farms in St. Joseph AA				
Business Revenues (or Sales)	<=\$1,000,000	>=\$1,000,000	Unavailable	Total
% of AA Farms	99.19%	0.41%	0.41%	100.00%
% of Bank Loans in AA by #	75.00%	8.33%	16.67%	100.00%
% of Bank Loans in AA by \$	77.73%	17.82%	4.44%	100.00%

Source: Loan Sample and 2015 Business Geodemographic Data

### Geographic Distribution of Loans

ENBs overall geographic distribution of loans to consumers and small loans to farms shows reasonable dispersion.

The geographic dispersion of loans in the St Joseph AA is reasonable. ENBs branches and lending activity is located near their branches in Rushville, MO and Troy, KS both located in middle-income geographies. The moderate-income census tracts are located closer to St. Joseph, MO not near the branch locations. Within the moderate-income tracts, there are only nine farms limiting the ability to make loans to small farms in these areas. The moderate tracts are located near the Missouri river and are prone to flooding which limits the number of households in these areas. An analysis of low-income census tracts is not meaningful since there are no low-income tracts in the AA.

The overall geographic distribution of loans to consumers in the St. Joseph AA shows poor dispersion. The dispersion of consumer loans within moderate-income geographies is significantly lower than area demographics. See the table below for additional information.

Table 3B - Geographic Distribution of Consumer Loans in St. Joseph AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	0.00%	0.00%	14.85%	0.00%	68.50%	100.0%	16.66%	0.00%

Source: Loan Sample and 2015 Demographic Data

The overall geographic dispersion of small loans to farms in the St. Joseph AA is reasonable. The dispersion of small loans to farms within moderate-income geographies is significantly lower than area demographics. With only nine farms in moderate-income census tracts this limits the lending ability of the bank. See table below for additional information.

Table 3A - Geographic Distribution of Agricultural Loans in St. Joseph AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
% of Total	0.00%	0.00%	2.46%	0.00%	89.20%	100.00%	8.34%	0.00%

Source: Loan Sample and 2015 Business Geodemographic Data



## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the community development test in the St. Joseph AA is outstanding.

ENB's community development performance demonstrates excellent responsiveness. Bank management has provided community development loans that benefit low- and moderate-income families and geographies.

### **Number and Amount of Community Development Loans**

ENB generated 44 community development (CD) loans in the St. Joseph AA totaling \$8.4 MM. These loans provided funding to businesses to retain low-to moderate-income employees in the AA. CD loans represent 16.9 percent of the bank's tier 1 capital.

### **Number and Amount of Qualified Investments**

ENB made no investments in the St. Joseph AA during the review period.

### **Extent to Which the Bank Provides Community Development Services**

The bank provided two CD services during the review period that promoted community services to small farm owners.

### **Responsiveness to Community Development Needs**

ENB provided excellent responsiveness to CD needs of the AA through CD lending, investments and services.

## State Rating

### State of Kansas

**CRA rating for Kansas is satisfactory.**

**The Lending Test is rated satisfactory.**

**The Community Development Test is rated outstanding.**

- Lending to borrowers of different incomes and business of different sizes reflects reasonable penetration.
- Geographic distribution shows excellent dispersion.
- Community development lending shows an excellent level.

### DESCRIPTION OF INSTITUTION'S OPERATIONS

**Non- MA KS AA:** The non-MA KS AA consists of four census tracts and encompasses all of Atchison County. ENB operates its main office and three additional branch locations in this AA. The AA is not located in a MSA and consists of four middle-income designated tracts. Demographic data shows the 2016 median family income (MFI) is \$57,300 while the 2015 MFI was \$57,700. The AA has 13.76 percent of households are below the poverty level.

Primary businesses within the AA are education, government, manufacturing, and healthcare. Major employers are Benedictine College, Fargo Assembly, Northwest Pipe, and Golden Star manufacturing plants. The August 2016 unemployment rate in the AA was 7.4 percent, compared to the state of Kansas unemployment rate of 4.3 percent and the national unemployment rate of 4.9 percent.

Based on loan originations during the evaluation period, the primary products for the Atchison AA are agriculture and consumer installment loans. Within the consumer loan category, the primary product reviewed was direct auto loans.

This AA has 62 percent of the bank's deposits, as of June 30, 2015. Competition with four other institutions in the market area is moderate. ENB ranks first in deposit market share at 52 percent. The primary competitors in the AA are several community banks and branches of large regional institutions including The Union State Bank of Everest, Morill and Janes Bank and Trust Company, UMB Bank, and Wells Fargo Bank.

During the examination, we performed one community contact with a non-profit agency that focuses on self-sufficiency, fighting poverty, feeding the hungry, and improving social services in the AA. Our contact stated that the agency sees a strong need for banks to play a role in financial education. The contact stated one bank in the AA at one point did provide these services but no longer offers them. The contact would like to see bank's playing a role in home improvement and smaller loans to avoid payday lending organizations in LMI areas.

**Leavenworth AA:** The Leavenworth AA consists of 16 census tracts and encompasses all of Leavenworth County. ENB operates four branches in this AA. Leavenworth County is part of the Kansas City, MO-KS MSA, and consists of one low-income (6 percent), four moderate-income (25 percent), eight middle-income (50 percent), and three upper-income (19 percent) census tracts. Demographic data shows the 2016 MFI is \$72,500 while the 2015 MFI was \$74,700. Households below poverty level totaled 8.77 percent. The primary products for the Leavenworth AA are commercial and consumer loans. Within the consumer loan category, the primary product is direct auto loans.

Primary businesses within the AA are education, government, military, and healthcare. Major employers in the AA are Fort Leavenworth, Leavenworth Federal Penitentiary, Lansing Correctional Facility, Leavenworth Public Schools, Lansing Public Schools, Dwight D Eisenhower VA Medical Center, and St. Johns Hospital. The August 2016 unemployment rate in the AA was 4.6 percent, compared to the state of Kansas unemployment rate of 4.3 percent and national unemployment rate of 4.9 percent.

This AA has 25 percent of total deposits (by dollar) as of June 30, 2015. ENB ranks 7<sup>th</sup> out of 9 financial institutions in the AA with 8 percent of the market. Competition is moderate with eight other institutions. The bank's primary competitors are several local community banks and branches of large regional institutions including Armed Forces Bank, First State Bank and Trust, Citizens Savings and Loan Association, Mutual Savings Association, and Commerce Bank. Two bank branches are located in low-income tracts within the Leavenworth AA.

During the examination, we performed one community contact with a non-profit agency that focuses on self-sufficiency, fighting poverty, feeding the hungry, and improving social services in the AA. Our contact stated that the agency sees a strong need for banks to play a role in financial education and home improvement lending to LMI homeowners, since housing stock is older.

## **SCOPE OF EVALUATION**

Both AAs received full-scope reviews with the greatest weight given to the non-MA KS AA with 62 percent of bank deposits and 56 percent of bank loans. Leavenworth had 25 percent of bank deposits and 31 percent of bank loans. The Leavenworth AA received the second greatest weight based on number of branches and volume of deposits and loans.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

The bank's performance under the lending test in Kansas is rated satisfactory.

Lending to borrowers of different incomes and businesses of different sizes is reasonable. The geographic dispersion of loans is excellent.

**Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

For the state of Kansas, ENB’s performance in lending to consumers and small farms demonstrates reasonable penetration. The analysis includes a review of consumer, agricultural and commercial loans. The bank’s agricultural and commercial lending activity received the most weight based on higher dollar volumes during the evaluation period.

**Non-MA KS AA**

The overall borrower distribution of consumer loans and small loans to farms demonstrates poor penetration in the AA. Greater weight was placed on consumer loans by number in the AA followed by small loans to farms.

*Consumer Loans*

Overall borrower distribution of consumer loans in the AA reflects poor penetration. ENB’s consumer loans reflects poor penetration to low-income borrowers. Consumer loans to moderate-income borrowers reflects very poor penetration. Refer to table 2B for details. With 14 percent of households below the poverty level and over 5,000 civilians out of the workforce ability to lend to these individuals is limited.

Table 2B - Borrower Distribution of Consumer Loans for Non-MA KS AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	23.91%	12.50%	16.21%	6.25%	17.27%	18.75%	42.62%	62.50%

Source: Loan Sample and 2015 Demographic Data

*Small Loans to Farms*

The distribution of small loans to farms reflects poor penetration among borrowers of different income levels. The percentage of loans to farms with revenues of \$1 million and less were significantly below area demographics. With 18 percent of revenues unavailable, we used proxy distribution by loan size. Loans by proxy showed 76 percent of the loan originations were less than \$50 thousand and 94 percent of loan originations were \$500 thousand or less which more closely equates to the percent of farms in the AA. Refer to table 2A for details.

Table 2A - Borrower Distribution to Farms in Non-MA KS AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Farms	98.59%	0.00%	1.41%	100.00%
% of Bank Loans in AA by #	70.59%	11.76%	17.65%	100.00%
% of Bank Loans in AA by \$	36.70%	60.61%	2.69%	100.00%

Source: Loan Sample and 2015 Business Geodemographic Data

## Leavenworth AA

The overall borrower distribution of consumer loans and small loans to businesses of different sizes demonstrates reasonable penetration in the AA. Commercial lending received greater weight since the dollar volume is significantly higher than consumer loans.

### *Consumer Loans*

ENB's consumer lending reflects reasonable penetration. Lending to low-income borrowers significantly exceeds demographics and is excellent. Lending to moderate-income borrowers is poor as it is slightly below demographics. See the table below for additional information.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	3.87%	25.00%	26.70%	25.00%	42.94%	41.67%	26.50%	8.33%

Source: Loan Sample and 2015 Demographic Data

### *Small Loans to Businesses*

The overall distribution of small loans to businesses of different sizes shows reasonable penetration. ENB's percentage of loans to businesses with revenues of \$1 million or less is below demographics. In addition, 75 percent of small loans to businesses by proxy were in amounts of \$250 thousand or less. Refer to table 2A for additional details.

Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	80.89%	3.63%	15.48%	100.00%
% of Bank Loans in AA by #	60.00%	35.00%	5.00%	100.00%
% of Bank Loans in AA by \$	31.77%	68.15%	0.09%	100.00%

Source: Loan Sample and 2015 Business Geodemographic Data

## **Geographic Distribution of Loans**

For the state of Kansas, ENB's lending to consumers, and businesses of different revenue levels and sizes demonstrates excellent dispersion. The analysis includes a review of consumer and commercial loans. Primary weight is in the Leavenworth AA with excellent dispersion in both consumer and commercial. The non-MA KS AA has no low- or moderate-income census tracts therefore an analysis is not meaningful.

Non-MA Kansas AA

Geographical analysis in the non-MA KS AA is not meaningful since no low- or moderate-income census tracts are in the AA.

Leavenworth AA

The geographic distribution of consumer loans and small loans to businesses in the AA shows excellent dispersion.

*Consumer Loans*

The geographic dispersion of consumer loans within the Leavenworth AA reflects excellent dispersion. The percentage of loans made to both low- and moderate-income tracts significantly exceeds demographics. See the table below for additional information.

<b>Table 3B - Geographic Distribution of Consumer Loans in Leavenworth AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	3.87%	8.33%	26.70%	50.00%	42.94%	8.33%	26.50%	33.33%

Source: Loan Sample and 2015 Demographic Data

*Small Loans to Businesses*

The geographic distribution of small loans to businesses in the Leavenworth AA reflects excellent dispersion. The dispersion of small loans to businesses in low-income tracts is near the percent of AA businesses (11.5 percent) at 10.0 percent. The dispersion of small loans to businesses within moderate-income geographies of 65 percent significantly exceeds area demographics of 19.7 percent. See the table below for additional details.

<b>Table 3A - Geographic Distribution of Commercial Loans in Leavenworth AA</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	11.49%	10.00%	19.67%	65.00%	43.56%	10.00%	25.27%	15.00%

Source: Loan Sample and 2015 Business Geodemographic Data

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the community development test in State of Kansas demonstrates excellent responsiveness and is rated outstanding.

### Non-MA KS AA

The bank's performance under the community development test in the non-MA KS AA demonstrates excellent responsiveness and is rated outstanding.

ENB's community development performance is excellent. Bank management has provided community development loans, investments, and services that benefit low- and moderate-income families and geographies.

### **Number and Amount of Community Development Loans**

ENB generated 51 loans in the non-MA KS AA equaling \$32.3 million. All of these loans were provided for economic development within the AA. These loans were primarily provided to businesses as operating lines of credit or to purchase equipment in order to retain low- and moderate- income full- and part- time employees. CD loans in the AA represent 140 percent of tier 1 capital.

### **Number and Amount of Qualified Investments**

ENB provided investments and donations totaling \$698 thousand during the evaluation period. These investments and donations were for community services to low- and moderate- individuals within the AA. CD investments are three percent of tier 1 capital.

### **Extent to Which the Bank Provides Community Development Services**

During the evaluation period, ENB employees provided nine community development services to various organizations. These services were primarily for community services that promoted financial education, personal wellness, and preparing for job interviews.

### **Responsiveness to Community Development Needs**

ENB provided excellent responsiveness to CD needs of the AA through CD lending, investments, and services.

### Leavenworth AA

The bank's performance under the community development test in the Leavenworth AA demonstrates excellent responsiveness and is rated outstanding.

ENB's community development performance is excellent. Bank management has provided community development loans that benefit low- and moderate-income families and geographies.

### **Number and Amount of Community Development Loans**

ENB generated 44 CD loans in the Leavenworth AA totaling \$1.8 million. These loans provided funding to businesses to retain low-to moderate-income employees and affordable housing to low- and moderate-income borrowers in the AA. CD loans represent 20.1 percent of the bank's tier 1 capital in the AA.

### **Number and Amount of Qualified Investments**

ENB made three investments in the Leavenworth AA during the review period totaling \$12 thousand towards community services. CD investments represent less than 1 percent of the bank's tier 1 capital.

### **Extent to Which the Bank Provides Community Development Services**

ENB made no qualified CD services in the Leavenworth AA during the review period.

### **Responsiveness to Community Development Needs**

ENB provided excellent responsiveness to CD needs of the AA through CD lending.



## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test: January 1, 2012 to June 30, 2016 Community Development Test: January 1, 2013 to September 26, 2016	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Exchange National Bank and Trust Company (ENB) Atchison, Kansas	Agricultural Loans, Commercial Loans and Consumer Loans	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
St. Joseph, MO/KS AA	Full Scope	Agricultural and Consumer Loans
State of Kansas Leavenworth AA #28140 Non-MA KS AA	Full Scope Full Scope	Commercial and Consumer Loans Agricultural and Consumer Loans

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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<b>Overall Bank:</b>	<b>Lending Test Rating</b>	<b>Community Development Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
Exchange National Bank and Trust Co	Satisfactory	Outstanding	Satisfactory
St. Joseph AA (MSA)	Satisfactory	Outstanding	Satisfactory
Leavenworth AA	Satisfactory	Outstanding	Satisfactory
Non-MA KS AA	Satisfactory	Outstanding	Satisfactory