



PUBLIC DISCLOSURE

February 18, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community National Bank
Charter Number 18394

210 Main Street
Seneca, Kansas 66538

Office of the Comptroller of the Currency

7101 College Boulevard, Suite 1600
Overland Park, Kansas 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, and should not 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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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is satisfactory and based on an overall assessment of Community National Bank's (CNB) performance in its two full-scope assessment areas (AAs) located in the State of Kansas. The performance in the Nemaha non-MSA AA received the greatest weight with 66.2 percent and 83 percent of CNB's loans and deposits, respectively.
 - The overall penetration of lending to small farms and small businesses is reasonable.
 - The loan-to-deposit (LTD) ratio is reasonable.
 - The majority of CNB's lending is within its AAs.
- The Community Development (CD) Test indicates CNB demonstrated adequate responsiveness and is based on an aggregate assessment of CNB's CD activities for lending, investments/donations, and services in the bank's AAs.

Loan-to-Deposit Ratio

CNB's LTD ratio is reasonable, given the bank's size, financial condition, and the credit needs of the AAs.

CNB's quarterly average LTD ratio is reasonable at 38.6 percent. CNB generates more than half of its deposits through custodial funds held in the retirement division that are not deposits available for lending.

The Office of the Comptroller of the Currency (OCC) calculated the bank's quarterly average LTD ratio using information from the Consolidated Reports of Condition filed from March 31, 2017 through December 31, 2019. The quarterly average LTD ratio for similarly situated financial institutions for the same period is 78.6 percent. The highest average peer ratio is 108.9 percent, and the lowest is 45.3 percent. By asset size, CNB ranked second out of seven similarly situated financial institutions. These financial institutions ranged from \$329 million to \$609 million in asset size with an average asset size of \$442 million.

Lending in Assessment Area

CNB originated or purchased a majority of its loans inside the AAs.

The bank originated and purchased 73.9 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	34	56.7	26	43.3	60	3,538	30.4	8,102	69.6	11,640
Small Farm	51	92.7	4	7.3	55	4,506	98.3	77	1.7	4,583
Total	85	73.9	30	26.1	115	8,044	49.6	8,179	50.4	16,223

Description of Institution

CNB is a \$480 million community bank headquartered in Seneca, Kansas. CNB is a wholly owned subsidiary of Community Bancshares, Inc., a one-bank holding company also headquartered in Seneca, Kansas. CNB operates four branch locations and four ATMs in its AAs. CNB's branches and ATMs are located in northeastern Kansas in the cities of Seneca and Sabetha, and in the Kansas City MSA that includes Tonganoxie and Basehor, Kansas.

CNB offers a full range of deposit and loan products and services. As of December 31, 2019, the bank's total loans of \$174.5 million represent 36.4 percent of total assets. The loan portfolio by dollar volume consists of 43.9 percent commercial loans, 26 percent agricultural loans, 16.2 percent 1-4 family residential real estate loans, 8.1 percent construction loans, 4.7 percent political subdivision loans, and 1.1 percent consumer loans. CNB has developed a significant retirement plan division specializing in custodial self-directed IRA (SDIRA) accounts. Pursuant to its relationship with the retirement division, CNB has acquired approximately 38,000 savings accounts from outside its AAs. Management and the board cannot use the SDIRA deposits for lending purposes. As of December 31, 2019, these deposits total \$212 million and comprise 53.5 percent of CNB's \$396 million in total deposits. Local deposits comprise \$184 million, or 46.5 percent of CNB's total deposits. Total deposits represent 82.5 percent of total assets with non-custody deposits representing 38.3 percent of total assets. CNB has \$41.9 million in tier 1 capital.

CNB has the financial capacity to assist in meeting the credit needs of its AAs. The bank was rated satisfactory as an intermediate small bank at its last Community Reinvestment Act (CRA) examination, dated January 30, 2017. Since the last CRA examination, CNB has not added, moved, or closed any branches.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The OCC used the intermediate small bank examination procedures to evaluate CNB's record of meeting the credit needs of its community through its lending and CD activities. The lending test review period is January 1, 2017 through December 31, 2019. The bank has two AAs: the non-metropolitan statistical area (MSA) Nemaha AA and the Leavenworth AA (a part of the Kansas City MO-KS MSA). Conclusions were based on the bank's agricultural lending as the primary product by dollar and by number in the Nemaha AA and commercial loans by dollar and by number in the Leavenworth AA. The evaluation period for the CD test is January 30, 2017 through December 31, 2019. We sampled 55 agricultural and 60 commercial loans originated or purchased in CNB's AAs during the review period to assess the bank's performance under the Lending Test.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, the OCC selected one or more of its AAs within that state for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

The OCC placed the greatest weight on CNB’s performance in the Nemaha non-MSA AA where it originates or purchases the majority of its loans. CNB’s loans in the Nemaha non-MSA AA represent 66.2 percent of the bank’s loans by number and 54 percent of the bank’s loans by dollar. CNB’s deposits in this AA represent 83 percent of the bank’s total deposits. The bank’s headquarters is also located in this AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution’s lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

State Rating

State of Kansas

CRA rating for the State of Kansas¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- Lending to small farms with revenues of \$1 million or less reflects reasonable penetration.
- Lending to small businesses with revenues of \$1 million or less reflects excellent penetration.
- CNB's aggregate level of responsiveness to CD needs is adequate.

Description of Institution's Operations in Kansas

Nemaha AA (Full-Scope Review)

The non-MSA KS AA consists of four census tracts (CTs) and encompasses all of Nemaha County and one tract in Brown County, as one bank branch is on the county border. CNB operates its main office and one additional branch location in this AA. The AA is not located in an MSA and consists of three middle-income designated tracts and one upper-income tract. Demographic data reports the 2019 median family income (MFI) as \$57,229. The AA has 11.5 percent of households below the poverty level and 9 percent of families below the poverty level.

Primary businesses within the AA are agriculture, service industries, and retail trade. Major employers are Koch and Company, C. J. Foods Inc., Nemaha Central and Prairie Hills schools, and Nemaha Valley Community Hospital. The December 2019 unemployment rate in the AA was 2.6 percent, compared to the state of Kansas unemployment rate of 3.2 percent and the national unemployment rate of 3.5 percent.

Based on loan originations during the evaluation period, the primary product by dollar and volume for the non-MSA KS AA is agriculture loans.

As of June 30, 2019, this AA has 82.9 percent of the bank's total deposits. Competition is strong with eight other institutions in the market area. CNB ranks first in deposit market share at 41.5 percent. The primary competitors in the AA are several community banks including United Bank & Trust, First Heritage Bank, Morrill and Janes Bank and Trust Company, State Bank of Bern, Elk State Bank, Merit Bank, The Girard National Bank, and branches of larger regional institutions.

We relied on a community contact with the USDA Farm Services Agency (FSA) located in Seneca, Kansas, made on May 21, 2018, during the evaluation period. The contact stated economic conditions have been challenging due to weather issues reducing crop yields.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Additionally, dairy prices were down, according to the interviewee, causing farmers to refinance agricultural loans. There has been an increase in younger farmers, which has increased the need for start-up agricultural lending. Banks have opportunities to lend to new farmers and have been active in meeting the needs of the community, according to the contact. The perception of the banks in the area is favorable and there is a good level of involvement by the banks locally.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Nemaha non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	0.0	75.0	25.0	0.0
Population by Geography	13,200	0.0	0.0	73.3	26.7	0.0
Housing Units by Geography	5,827	0.0	0.0	73.2	26.8	0.0
Owner-Occupied Units by Geography	4,129	0.0	0.0	75.5	24.5	0.0
Occupied Rental Units by Geography	1,249	0.0	0.0	66.9	33.1	0.0
Vacant Units by Geography	449	0.0	0.0	69.7	30.3	0.0
Businesses by Geography	981	0.0	0.0	76.5	23.5	0.0
Farms by Geography	347	0.0	0.0	85.6	14.4	0.0
Family Distribution by Income Level	3,646	16.6	16.7	21.9	44.8	0.0
Household Distribution by Income Level	5,378	20.3	16.6	18.0	45.1	0.0
Median Family Income Non-MSAs - KS		\$57,229	Median Housing Value			\$106,232
			Median Gross Rent			\$519
			Families Below Poverty Level			9.0%
<i>Source: 2015 ACS Census and 2019 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>						

Leavenworth AA (Full-Scope Review)

The Leavenworth AA consists of 11 CTs and encompasses part of Leavenworth County with seven CTs and Wyandotte County with four CTs. The bank does not include all of the tracts in Leavenworth County. CNB's lending and banking activity occurs primarily in the southern part of the county along a major highway, which includes all of the tracts in the political boundaries in which the branches are located. The AA also includes the branches' surrounding CTs, which include adjacent CTs in Wyandotte County. CNB does not operate in the city of Leavenworth where there is heavy competition and the city is located across the county a significant distance from where the bank branches are located. Leavenworth and Wyandotte Counties are part of the Kansas City, MO-KS MSA. CNB operates two branches in this AA. The AA consists of seven middle-income and four upper-income CTs. Demographic data shows the 2017-2019 Median Family Income is \$72,623. The AA has 6.8 percent of households below poverty level and 4.8 percent of families below the poverty level.

The primary products for the Leavenworth AA are commercial loans by both dollar and by number.

Most residents within the AA commute to locations outside of the AA for work and the communities within the AA are considered bedroom communities. Primary businesses within the AA are education, construction, clothing manufacturing, healthcare, and local government. Major employers are Basehor and Tonganoxie school districts, Miles Excavating, Peruvian Connection, Tonganoxie Nursing Center, Cities of Basehor and Tonganoxie, and Kansas Heavy Construction. The December 2019 unemployment rate in the AA was 3.1 percent, compared to the state of Kansas unemployment rate of 3.2 percent and national unemployment rate of 3.5 percent.

As of June 30, 2019, this AA accounts for 17.1 percent of CNB's total deposits by dollar. CNB ranks third out of nine financial institutions in the AA, with 14 percent of the market share. Competition is strong with eight other institutions. The bank's primary competitors are several local community banks, including Armed Forces Bank, First State Bank and Trust, Citizens Savings and Loan Association, Mutual Savings Association, and branches of large regional institutions, such as Commerce Bank.

We performed a community contact on February 26, 2020 with the Basehor, Kansas Chamber of Commerce. The interviewee identified a need for home and small business loans due to a growing community and the potential growth of small business. The interviewee stated there is no one building low- or moderate-income housing. The interviewee noted that the banks participate in the community.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Leavenworth MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	0.0	63.6	36.4	0.0
Population by Geography	50,092	0.0	0.0	62.0	38.0	0.0
Housing Units by Geography	19,266	0.0	0.0	63.5	36.5	0.0
Owner-Occupied Units by Geography	14,385	0.0	0.0	61.4	38.6	0.0
Occupied Rental Units by Geography	3,874	0.0	0.0	67.6	32.4	0.0
Vacant Units by Geography	1,007	0.0	0.0	78.0	22.0	0.0
Businesses by Geography	2,364	0.0	0.0	62.9	37.1	0.0
Farms by Geography	175	0.0	0.0	74.9	25.1	0.0
Family Distribution by Income Level	13,775	13.3	14.9	22.1	49.7	0.0
Household Distribution by Income Level	18,259	16.5	11.5	17.9	54.0	0.0
Median Family Income MSA - 28140 Kansas City, MO-KS MSA		\$72,623	Median Housing Value			\$189,287
			Median Gross Rent			\$980
			Families Below Poverty Level			4.8%
<i>Source: 2015 ACS Census and 2019 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>						

Refer also to appendix A below.

Scope of Evaluation in Kansas

Examiners used the intermediate small bank examination procedures to evaluate CNB's record of meeting the credit needs of its community through its lending and CD activities. The lending test review period is January 1, 2017 through December 31, 2019. The bank has two AAs: Nemaha non-MSA AA and the Leavenworth MSA AA (a part of the Kansas City MO-KS MSA). Conclusions were based on the bank's agricultural lending as the primary product by dollar and by number in the Nemaha AA and commercial loans by dollar and by number in the Leavenworth AA. The evaluation period for the CD test is January 30, 2017 through December 31, 2019. We sampled 55 agricultural and 60 commercial loans originated or purchased in CNB's AAs for the review period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS

LENDING TEST

The bank's performance under the Lending Test in Kansas is rated Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, the bank's lending performance in the state of Kansas is reasonable.

Distribution of Loans by Income Level of the Geography

An analysis of the geographic distribution of loans is not meaningful. There are no low- or moderate-income CTs in either of CNB's AAs.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to businesses and farms of different sizes, given the product lines offered by the bank.

Nemaha AA

Small Loans to Farms

The borrower distribution of small loans to farms in the Nemaha non-MSA AA demonstrates reasonable penetration. The OCC's review of the sample of agriculture loans indicates CNB originated 78.4 percent of these loans to farms with less than \$1 million in revenue. This is below the demographic of 98.3 percent, but significantly above the aggregate industry distribution of 50.6 percent.

Refer to Table T in the state of Kansas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

Leavenworth AA***Small Loans to Businesses***

The borrower distribution of small loans to businesses in the Leavenworth MSA AA shows excellent penetration. The OCC's review of the sample of commercial loans indicates CNB originated 82.4 percent of these loans to businesses with less than \$1 million in revenue. This compares favorably to the demographic of 86.8 percent and significantly exceeds the aggregate industry distribution of 49.9 percent.

Refer to Table R in the state of Kansas section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Responses to Complaints

CNB did not receive any written complaints relating to its CRA performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in the state of Kansas is Satisfactory.

Conclusions for Areas Receiving Full-Scope Reviews

CNB exhibits adequate responsiveness to CD needs in the state through CD loans, CD investments, and CD services, considering the bank's capacity, the community's need, and the availability of CD opportunities in the AAs.

CNB demonstrated adequate responsiveness to CD needs and opportunities in both AAs. However, the OCC gave greater weight to the CD activities in the Nemaha non-MSA AA as 82.9 percent of CNB's deposits are from customers located in this AA.

CNB's CD investments, donations, and loans for the review period totaled \$4.1 million or approximately 9.8 percent of tier 1 capital as of December 31, 2019. CNB made \$747 thousand (1.8 percent of tier 1 capital) of these CD investments to three regional Minority Depository Institutions (MDIs). CNB made an additional \$1.7 million in statewide indirect prior period investments. The aggregate of total bank loans, investments (including MDIs), and donations is \$4.8 million or 11.5 percent of tier 1 capital.

Bank employees provided 561 service hours to seven qualified CD organizations in the AAs during the evaluation period.

Number and Amount of Community Development Loans

The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table reflects all CD loans, including multifamily loans that qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Nemaha non-MSA AA	5	38.5	1,397	35.7
Leavenworth MSA AA	5	38.5	491	12.5
Statewide	3	23.0	2,025	51.8
Regional	0	0.0	0	0.0
Totals	13	100.0	3,913	100.0

CNB demonstrated adequate responsiveness to CD lending needs and opportunities in the AAs.

CNB demonstrated adequate responsiveness to CD lending needs and opportunities in the Nemaha non-MSA AA with CD loans totaling \$1.4 million dollars or 4 percent of allocated tier 1 capital. CNB demonstrated excellent responsiveness to CD lending needs and opportunities in the Leavenworth MSA AA with CD loans totaling \$491 thousand or 6.9 percent of allocated tier 1 capital. Nine loans totaling \$1.5 million supported economic development and one loan for \$375 thousand supported affordable housing. CNB made three statewide loans totaling \$2 million, two for economic development and one for affordable housing. These loans do not serve a purpose, mandate, or function for CNB's designated AAs.

Number and Amount of Qualified Investments

The Qualified Investments Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. This table reflects all CD investments, including prior period investments that remain outstanding as of the examination date.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Nemaha non-MSA AA	0	0	4	6	4	25.0	6	0.1	0	0
Leavenworth MSA AA	0	0	4	2,161	4	25.0	2,161	47.2	0	0
Statewide	5	1,665	0	0	5	31.3	1,665	36.4	0	0
Regional (MDI Investments)	0	0	3	747	3	18.7	747	16.3	0	0
Totals	5	1,665	11	2,914	16	100.0	4,579	100.0	0.0	0.0

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

CNB demonstrated adequate responsiveness to CD investment opportunities in the AAs.

CNB made two qualified CD investments for affordable housing in the AAs that totaled \$2.2 million or 5.3 percent of tier 1 capital.

CNB's investments in the Nemaha AA demonstrate very poor responsiveness with investments equal to less than 1 percent of allocated tier 1 capital. CNB's investments in the Leavenworth MSA AA demonstrated excellent responsiveness with investments equal to 30.2 percent of allocated tier 1 capital.

CNB made five prior period investments for statewide community services that totaled \$1.7 million and three investments for economic development to regional MDIs that totaled \$747 thousand. CNB also made six CD qualified donations for community services and affordable housing that totaled \$6.6 thousand with four in the Nemaha AA totaling \$6 thousand and two in the Leavenworth MSA AA totaling \$600.

Extent to Which the Bank Provides Community Development Services

CNB demonstrated adequate responsiveness in the Nemaha AA with employees providing 555 hours of service to 4 CD organizations during the evaluation period. The CD services provided by bank employees included:

- Two serving on the Seneca Housing Authority providing 146 hours of service for affordable housing.
- Two serving on two economic development boards providing 373 hours of service for economic development and affordable housing.
- One serving in a micro-loan program providing 6 hours of service for economic development.

CNB demonstrated poor responsiveness in the Leavenworth MSA AA providing six hours of service for affordable housing.

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 MSA(s) and non-MSA(s) 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”.

Time Period Reviewed:	January 1, 2017 – December 31, 2019	
Bank Products Reviewed:	Small business and small farm loans. Community development loans, qualified investments, community development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Kansas		
Nemaha Non-MSA AA	Full-Scope	All three census tracts in Nemaha County and one in Brown County, Kansas.
Leavenworth MSA AA	Full-Scope	11 census tracts in Leavenworth and Wyandotte Counties, Kansas (part of the Kansas City MO-KS MSA)

Appendix B: Summary of MMSA and State Ratings

COMMUNITY NATIONAL BANK RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank
CNB	Satisfactory	Satisfactory	Satisfactory
State: Kansas	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. CTs nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, CTs ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income (LMI) individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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, which 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).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/AA.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties 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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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 qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state MSA. 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 multi-state MSA, the institution will receive a rating for the multi-state MSA.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MSAs, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Leavenworth MSA AA	34	3,538	56.7	653	86.8	82.4	49.9	4.6	17.6	8.5	0.0
Total	34	3,538	56.7	653	86.8	82.4	49.9	4.6	17.6	8.5	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2017-19
Assessment Area:	Total Loans to Small Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Nemaha non-MSA AA	51	4,506	92.7	176	98.3	78.4	50.6	1.4	21.6	0.3	0.0
Total	51	4,506	92.7	176	98.3	78.4	50.6	1.4	21.6	0.3	0.0

Source: 2019 D&B Data; 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0