



Public Disclosure

April 24, 2000

Community Reinvestment Act Performance Evaluation

**First National Bank of Kansas
Charter Number: 22644**

**6201 College Boulevard
Overland Park, Kansas 66211**

Office of the Comptroller of the Currency

**Central District
One Financial Place
440 South LaSalle Street, Suite 2700
Chicago, Illinois 60605-1073**

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.

Table of Contents

Definitions and Common Abbreviations	2
General Information and CRA Rating	4
Description of Institution	5
Scope of Evaluation	6
Fair Lending Review	7
Conclusions with Respect to Strategic Plan Goals	
Lending	7
Investment	9
Service	10
Appendix A: Tables of Performance Data	A-1
Appendix B: Market Profile for Full-Scope Area	B-1

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms; not a strict legal definition.

Assessment Area (AA) - The geographical area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance.

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

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per the ten year census and an average population of 4,000.

Community Development (CD) - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA) - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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.

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 (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Income Levels - These relate to individuals, families, or the CTs in the bank's assessment area.

Low: An income level that is less than 50% of the median family income (MFI).

Moderate: An income level that is at least 50%, and less than 80% of the MFI.

Middle: An income level that is at least 80% and less than 120% of the MFI.

Upper: An income level that is 120% or more of the MFI.

Low- and moderate-income (LMI): An income level that is less than 80% of the MFI.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Small Business - A business that has \$1 million or less in gross annual revenues.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

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

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **First National Bank of Kansas** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **April 24, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

First National Bank of Kansas (FNBK) elected to be evaluated under the Strategic Plan option. The bank's strategic plans outlined measurable CRA goals that must be met to achieve a "satisfactory" rating. FNBK received a rating of "satisfactory" because it substantially met, and in some cases exceeded, the goals outlined in the plans.

The major factors that supported this rating included:

- The bank substantially met or exceeded its small business and consumer lending goals for "satisfactory" performance in both 1998 and 1999.
- FNBK exceeded its goals for qualified investments made within the assessment area (AA) for both 1998 and 1999.
- The bank substantially met the goals established for "satisfactory" performance for services.
- The strategic plan included goals for "outstanding" performance for 1998 but not for 1999. The bank met some of the goals for "outstanding" performance but not a sufficient number to warrant an "outstanding" rating overall.

Description of Institution

First National Bank of Kansas (FNBK) is an \$891 million intrastate bank located in Overland Park, Kansas. FNBK is owned by First National of Nebraska, Inc. (FNNI), an \$8.6 billion multi-bank holding company based in Omaha, Nebraska. FNBK is affiliated with several banks located throughout Nebraska, Colorado, and South Dakota.

During the evaluation period, FNBK operated five full-service offices within its designated assessment area (AA) of Johnson County, Kansas. The bank also owned and operated 28 ATMs in Johnson County. Six of these ATMs, located at branch offices, accepted deposits. There were an additional 18 cash-dispensing ATMs located outside the bank's AA. The bank's primary business focus was small business and consumer lending. FNBK was not an active lender in the home mortgage market.

Seventy percent of the bank's assets were credit card receivables originated by an affiliate bank in South Dakota. As of December 31, 1999, FNBK had net loans of \$750 million, of which \$625 million consisted of the credit card receivables. The receivables represented portions of a pool of credit card loans made throughout the United States. Most of the credit card receivables were originated outside FNBK's AA and were not included in the bank's lending goals. Purchasing the credit card receivables was an important part of the bank's corporate strategy. The receivables allowed FNBK to profitably invest the large deposit base the bank acquired when FNNI purchased approximately \$300 million in deposits from two failed financial institutions. FNBK has not purchased any additional credit card receivables since December 1998.

As of December 31, 1999, the bank had total assets of \$891 million with Tier 1 capital of \$74 million. Without the credit card receivables, total assets were \$266 million with gross loans of \$125 million generated locally. The composition of the locally generated loan portfolio was 38% consumer, 36% real estate, and 26% commercial. FNBK's loan to deposit ratio was 91%; excluding the credit card receivables, it was 13%. Of the bank's deposit base, 79% of the number and 71% of the dollar amount were in the AA.

While FNBK is affiliated with a multi-bank holding company, operations are decentralized with significant local authority. There were no known constraints that hindered the bank's ability to serve its market and meet the goals set forth in the strategic plan.

The previous CRA evaluation dated January 20, 1998 rated FNBK "satisfactory".

Scope of the Evaluation

Evaluation Period/Scope

This evaluation period covered January 1, 1998 through December 31, 1999. During this period, the bank operated under two separate strategic plans. The first plan, for the time period January 1, 1997 through December 31, 1998, was approved by the OCC on January 10, 1997. This plan set forth goals for both “satisfactory” and “outstanding” performance. The second plan, for the time period January 1, 1999 through December 31, 2001, was approved by the OCC on August 10, 1999. This plan set forth goals for “satisfactory” performance only. The bank’s strategic plans outlined goals for lending, investments, and services.

Data Integrity

To determine the accuracy of data presented by the bank, we verified a sample of the reported and collected information for small business and consumer loans and reviewed the bank’s qualified investments and community development services. We found the bank’s data to be accurate.

Selection of Area for Full-Scope Review

FNBK had only one AA. We performed a full-scope review of this area.

Rating

The bank’s rating was based on its performance in the area that received a full-scope review. We evaluated FNBK’s CRA performance under its approved strategic plans by comparing the actual performance against the goals outlined in the plans.

Other

We performed one community contact in conjunction with this examination. Our contact, a local government official, stated there were a limited number of community development opportunities in Johnson County. Our contact was not aware of any significant unmet needs in the county. Basic credit needs were met by local financial institutions. Our contact also stated that all area financial institutions were willing and able to assist in programs throughout the county. The contact noted there were many community development organizations that served the greater metropolitan Kansas City MO-KS MSA; however, they primarily served LMI residents who were concentrated in LMI area of the MSA, outside Johnson County. OCC Community Reinvestment and Development Specialists stated opportunities for providing financial support to community development organizations that served LMI residents of Johnson County existed; however, these opportunities were limited.

Fair Lending Review

An analysis of 1998 and 1999 HMDA and small business lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998.

Conclusions with Respect to Strategic Plan Goals

LENDING GOALS

FNBK substantially met, and in some cases exceeded, the lending goals for "satisfactory" performance. The strategic plans established goals for small business and direct consumer lending. In the strategic plan for 1999, the bank added goals for indirect lending activity. Refer to Tables 1 through 5 in Appendix A for plan goals and actual performance used to evaluate the bank's activity.

Small Business Loans

- FNBK met or substantially met all but one of the 1998 measurable goals for "satisfactory" performance for small business lending.

In 1998, FNBK originated 257 small business loans totaling \$35 million. This exceeded the goal for "satisfactory" of \$32.5 million. Of the 257 loans, 180 or 70% were to businesses located within the AA, which substantially met the goal for "satisfactory" of 74%. The percentage of loans originated for \$250,000 or less was 83%, exceeding the "satisfactory" goal of 80%. Additionally, 88% of the loans to businesses within the AA originated for \$250,000 or less.

The bank did not meet the goal for the percentage of loans to businesses with revenues of \$1 million or less. Actual performance was 40% and less than the goal for "satisfactory" of 51%. Based on lending activity in 1998, the bank would have had to originated 131 loans to businesses with revenues of \$1 million or less and actually originated only 103 such loans.

- FNBK met or exceeded all of the 1999 measurable goals for “satisfactory” performance for small business lending.

In 1999, FNBK originated 219 small business loans totaling \$37 million. This exceeded the stated goal of \$30 million. Of the 219 loans, 153 or 70% were to businesses located within the AA, which exceeded the goal of 65%. Seventy-eight percent of the small business loans originated were for \$250,000 or less, exceeding the goal of 64%. The percentage of loans to businesses in the AA for \$250,000 or less was 88% and further demonstrated FNBK’s commitment to making small business loans within its AA. The bank originated 63% of its small business loans to businesses in the AA with revenues of \$1 million or less. This exceeded the goal of 53%. Bank performance closely matched the 1999 Dun & Bradstreet demographics that showed 67% of all businesses in the AA reported revenues of \$1 million or less.

Consumer Loans

- FNBK met or exceeded the 1998 goals for “outstanding” performance in consumer lending.

At the time the 1998 strategic plan was written, FNBK was not active in the indirect lending market. However, by year-end 1997, the bank was heavily involved in the indirect automobile lending market. Beginning in 1998, management tracked direct and indirect consumer lending activity separately. Consumer lending goals outlined in the 1998 strategic plan were for direct lending only. Our evaluation of 1998 consumer lending only assessed FNBK’s direct lending activity.

The bank exceeded the goal for “outstanding” performance for the total dollar amount of direct consumer loans by 120%. The bank originated 851 direct consumer loans totaling \$21 million. The total number of loans originated in the AA was 724 or 85%, which met the goal for “outstanding.” The total dollar amount of loans in the AA was \$19 million or 91% and exceeded the goal for “outstanding” of 85%. FNBK significantly exceeded the “outstanding” goal for the number of loans to LMI individuals in the AA with 119.

- FNBK met a majority of its goals for “satisfactory” performance for direct consumer lending in 1999. The bank did not meet the stated goals for direct lending to LMI individuals in the AA.

The bank originated 871 direct consumer loans totaling \$21 million, which exceeded the goal of \$20 million. Of these loans, 736 or 85% originated within the bank’s AA and met the plan goal of 85%. The total dollar amount of loans originated in the AA exceeded the goal of 85% with actual performance of 88%.

FNBK did not meet the stated goals for direct lending to LMI individuals in the AA. The strategic plan goal for lending to low- and moderate-income borrowers was 8% and 13%; respectively. This goal matched demographics for the percentage of LMI families in the AA. Actual performance was 6% to low- and 10% to moderate-income individuals in the AA. While the bank targeted direct lending products to areas in the AA that had a higher percentage of LMI households and families, response was low.

- FNBK met or exceeded all of its 1999 goals for “satisfactory” performance for indirect automobile lending.

In 1999, the bank originated 2,267 indirect automobile consumer loans totaling \$35 million. This exceeded the goal of \$23 million. Of these loans, 57% of the number and dollar amount originated in the bank’s AA, which exceeded the plan goals of 55%. FNBK originated 10% of these loans to low-income borrowers and 21% to moderate-income borrowers. This exceeded plan goals of 8% and 13%, respectively.

INVESTMENT GOALS

- The bank exceeded the goals for qualified investments made within the AA for both 1998 and 1999.

Refer to Tables 6 and 7 in Appendix A for plan goals and actual performance used to evaluate the bank’s activity.

In 1998, FNBK made \$29,120 in qualified grants to organizations serving Johnson County. This exceeded the goal of \$26,000 for “outstanding” performance. In 1999, the qualified grant goal for “satisfactory” performance was \$25,000; actual grants totaled \$28,066. The bank gave grants to organizations that provided services targeted to LMI individuals. These included organizations that built low-cost housing for LMI families; charitable agencies that provided services to LMI individuals; shelters that provided basic services and facilities for abused women and children; and organizations that provided lodging for at-risk children.

In 1999, the bank made a \$100,000 deposit in a minority-owned community development financial institution (CDFI). The CDFI invested in a bi-state area that included both Kansas City, Kansas and Kansas City, Missouri. This investment was unique in that the CDFI investment area was designated as distressed under the Bank Enterprise Award Program. The primary investment area included Wyandotte County, Kansas and Jackson County, Missouri, both of which are in the Kansas City, MO-KS MSA. Wyandotte County is directly north of and adjacent to Johnson County. In addition to the targeted areas, the CDFI’s target population was African-Americans throughout the entire MSA who have been under-served by lending institutions. This target group included individuals in a broad regional area, including the bank’s AA of Johnson County.

SERVICE GOALS

- FNBK substantially met the goals established for “satisfactory” performance for services.

The strategic plans included measurable goals for delivery systems, products, and community development services. Refer to Tables 8 through 13 in Appendix A for plan goals and the performance used to evaluate the bank’s activity.

Delivery Systems

- The bank substantially met, and in some cases exceeded, all delivery system goals for “satisfactory” performance in 1998 and 1999 except one.

In 1998, the bank did not meet the stated goal of opening one new branch. The bank attempted to secure a location in a new market; however, environmental issues with the site caused the project to be cancelled. FNBK is scheduled to open a branch office in this new market in August 2000.

Both strategic plans called for increasing the availability of ATMs in alternative locations. In 1998, the bank had to remove three ATMs in the AA from a retail store chain because the chain closed its operations and filed for bankruptcy. The bank relocated two of the three ATMs to alternate sites within the AA. In addition, the bank installed three other ATMs in the AA during this period. This exceeded the goal for “outstanding” performance of two new ATMs. In 1999, the bank installed six new ATMs at various locations in the AA. This exceeded the goal stated in the plan of two new ATMs.

During the evaluation period, FNBK continued to explore its options for “loan-by-phone” services. Initial plans called for centralizing this service by making it available through the bank’s Call Center. In 1998, the bank deferred implementation of this service to allow for centralization of the bank’s retail documentation processes. This provided personal bankers in the branches with more time in the sales and service aspects of their positions. During this time, the loan-by-phone service was available on a decentralized basis through consumer lenders and personal bankers located at the branch. Management later determined they would not centralize the loan-by-phone services in the Call Center. Instead, they provided additional training to personal bankers and consumer lenders and continued to offer the service through the branches.

FNBK continued to offer bank-by-phone services during the evaluation period. Customers could access account information and conduct transactions between accounts. Calls to the First Access Line increased 19% during the evaluation period, while calls to speak with customer service representatives increased 9% over the same time period.

In 1999, the bank began offering 24-hour Internet online banking and telephonic device for the deaf (TDD) services through the Customer Service Unit. Approximately 2,600 customers signed up for Internet banking services while use of the TDD service was limited.

Products

- The bank met, and in some cases exceeded, all product goals for “satisfactory” performance in 1998 and 1999.

During the evaluation period, the bank provided several products and services that benefited LMI persons. The bank continued to offer a free checking account with no minimum balance requirement. In 1998, the bank offered a \$500 minimum 60-month Certificate of Deposit, however, the bank eliminated the product in 1999 because it was not cost effective. The bank also participated in the Interest on Lawyers Trust Accounts (IOLTA) program. Earnings from IOLTA accounts were used to serve LMI defendants who were assigned court-appointed attorneys. During the evaluation period, the bank paid \$7,700 in interest on IOLTA accounts. FNBK also provided ongoing consumer education in cooperation with local schools. In 1998, the bank met the goal for “outstanding” performance with two such programs. In 1999, the bank exceeded the goal of two programs by conducting six separate programs throughout the year.

FNBK met its goals for marketing loan products to LMI individuals. In 1998 and 1999, the bank developed a direct automobile loan product offering below-market rates, no origination fees, and no payments for 60 days. The bank advertised this product in targeted areas that had a higher percentage of LMI households and families. In 1998, FNBK originated 62 direct automobile loans, of which 15% were to LMI individuals in the AA. In 1999, the bank originated 107 direct automobile loans, of which 16% were to LMI individuals in the AA.

In December 1998, FNBK developed a loan package of three products targeted to small businesses. These products included the First Business Creditline, an unsecured line ranging from \$1,000 to \$10,000; the First Business Revolving Line of Credit, an unsecured line up to \$50,000; and Term Loans up to \$50,000. Loan originations from these products were reported with the bank’s CRA data. The bank also continued to offer Cash Flow Maximizer, a loan product designed to assist businesses with accounts receivable financing. Response to this product was limited with only two new accounts during the evaluation period.

FNBK was not active in home mortgage lending; however, the bank established a referral process with an affiliated third party in order to offer flexible home mortgage loan products. FNBK did not make the credit decision on these loans. Loan officers at FNBK assist in the process by discussing the various loan products, preparing initial disclosures and arranging the loan closing. During the evaluation period, bank referrals to the third party resulted in 43 home loan originations totaling \$4.9 million.

Community Development Services

- In 1998, FNBK met the community development (CD) service goal for “outstanding” performance. In 1999, the bank met the goal for “satisfactory” performance.

In 1998, FNBK provided CD services to seven organizations, which met the goal for “outstanding” performance. In 1999, the bank met its stated goal for “satisfactory” performance by providing CD services to nine organizations. The following examples illustrate some of the services provided:

- A vice president served on a micro loan committee for an organization that provided loans up to \$25,000 for small businesses that could not otherwise obtain conventional financing. The bank officer was involved in the approval of applications for these loans.
- A vice president served as treasurer to the board of directors for an organization that provided low-cost housing to LMI individuals in Johnson County. The organization purchased and rehabilitated single-family homes and apartment buildings for rental purposes. The bank officer provided technical expertise by helping the organization obtain the necessary financing to purchase the properties.
- A vice president served on the board of directors of an organization that provided utility payment assistance to LMI individuals in the Kansas City metropolitan area, including Johnson County.
- A senior vice president served on the board of directors of an organization that originated Small Business Administration (SBA) 504 and 7a loans to businesses in Johnson County. The bank officer assisted in marketing the SBA products to local area businesses.
- A vice president served on the family selection committee of a charitable organization that provided low-cost housing for LMI families.

Appendix A: Tables of Performance Data

TABLE 1. SMALL BUSINESS LOAN GOALS FOR 1998

	Satisfactory Goal	Outstanding Goal	1998 Performance
Total Loans (000)	\$32,500	\$38,900	\$35,176
% of Number of Loans in the AA	74%	80%	70%
% of Number of Loans Originated for \$250,000 or Less	80%	88%	83%
% of Number of Loans to Businesses with Revenues of \$1 Million or Less	51%	61%	40%
% of Number of Loans to Businesses in the AA with Revenues of \$1 Million or Less (*)			43% (*)

(*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1% of small loans to businesses originated by the bank.

TABLE 2. SMALL BUSINESS LOAN GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Total Loans (000)	\$30,000	\$36,782
% of Number of Loans in the AA	65%	70%
% of Number of Loans Originated for \$250,000 or Less	64%	78%
% of Loans to Businesses in the AA with Revenues of \$1 Million or Less	53%	63% (*)

(*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1% of small loans to businesses originated by the bank.

TABLE 3. CONSUMER LOAN GOALS FOR 1998

	Satisfactory Goal	Outstanding Goal	1998 Performance
Total Loans (000)	\$8,300	\$9,500	\$20,945
Percentage of Number of Loans in AA	80%	85%	85%
Percentage of Dollar Amount of Loans in AA	80%	85%	91%
Number of Loans to LMI in AA	30	36	119

TABLE 4. DIRECT CONSUMER LOAN GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Total Loans (000)	\$20,000	\$21,282
Percentage of Number of Loans in AA	85%	85%
Percentage of Dollar Amount of Loans in AA	85%	88%
% of Loans to Low-income in AA	8%	6% (*)
% of Loans to Moderate-income in AA	13%	10% (*)

(*) As a percentage of loans with borrower income information available. No information was available for 9% of loans originated by bank.

TABLE 5. INDIRECT AUTOMOBILE LOAN GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Total Loans (000)	\$23,000	\$35,155
Percentage of Number of Loans in AA	55%	57%
Percentage of Dollar Amount of Loans in AA	55%	57%
% of Loans to Low-income in AA	8%	10% (*)
% of Loans to Moderate-income in AA	13%	21% (*)

(*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated by bank.

TABLE 6. QUALIFIED INVESTMENT GOALS FOR 1998

	Satisfactory Goal	Outstanding Goal	1998 Performance
Amount of Investments	\$21,000	\$26,000	\$29,120

TABLE 7. QUALIFIED INVESTMENT GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Total Donations	\$25,000	\$28,066
Total Dollar Commitments to be Used if Needs are Present	\$100,000	\$100,000
Total Investments	\$125,000	\$128,000

TABLE 8. DELIVERY SYSTEM GOALS FOR 1998

	Satisfactory Goal	Outstanding Goal	1998 Performance
Open New Branch	1	1	0
Increase ATMs in Alternative Locations	1	2	3
Explore Loan-by-Phone	X	X	X
Explore Opening Accounts by Mail	X	X	X

X = ongoing efforts

TABLE 9. DELIVERY SYSTEM GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Open New Branch	0	0
Increase ATMs in Alternative Locations	2	6
Continue to Offer TDD Services in Customer Service	X	X
Implement Loan-by-Phone in Call Center Environment	X	Not Implemented
Continue Bank by Phone and Bank by Mail Services	X	X
24 hour Internet On-line Banking (PC or Web TV)	X	X

X = ongoing efforts

TABLE 10. PRODUCT GOALS FOR 1998

	Satisfactory Goal	Outstanding Goal	1998 Performance
\$500 CD Minimum	X	X	X
Develop and Market Loan Product to LMI Individuals	Annually	2x/Yr	Annually
Low- cost or Free Checking	X	X	X
IOLTA Accounts	X	X	X
Develop Vehicle for Consumer Education Programs to Schools or Community Groups	1	2	2

X = ongoing efforts

TABLE 11. PRODUCT GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Develop and Market Loan Products to LMI Individuals	2x/Yr	2
Continue to Offer Flexible Mortgage Products	X	X
Continue to Offer Low-cost or Fee Checking	X	X
Continue to Offer IOLTA Accounts	X	X
Continue Ongoing Consumer Education Programs with Schools or Community Groups	2	6
Continue to Offer Secured and Unsecured Lines of Credit and Term Loans to Small Businesses	X	X
Continue to Offer Cash Flow Maximizer	X	X

X = ongoing efforts

TABLE 12. COMMUNITY DEVELOPMENT SERVICE GOALS FOR 1998

	Satisfactory Goal	Outstanding Goal	1998 Performance
Number of Organizations	5	7	7

TABLE 13. COMMUNITY DEVELOPMENT SERVICE GOALS FOR 1999

	Satisfactory Goal	1999 Performance
Number of Organizations	9	9

Appendix B: Market Profile for Full-Scope Area

Johnson County, Kansas

Demographic Information for Full-Scope Area: Johnson County, Kansas						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	75	0%	0%	39%	61%	0%
Population by Geography	355,054	0%	0%	36%	64%	0%
Owner-Occupied Housing by Geography	94,666	0%	0%	33%	67%	0%
Businesses by Geography	18,123	0%	0%	34%	66%	0%
Farms by Geography	449	0%	0%	39%	61%	0%
Family Distribution by Income Level	98,746	8%	13%	22%	57%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	20,357	0%	0%	56%	44%	0%
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$37,652 = \$54,200 = 3.98%	Median Housing Value Unemployment Rate (December 1999, Johnson Co.)				= \$96,321 = 1.8%

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, 1999 HUD updated MFI, and the 1999 Dun & Bradstreet Business Demographic report.

FNBK designated all of Johnson County, Kansas as its AA. Johnson County was one of eleven counties comprising the Kansas City MO-KS Metropolitan Statistical Area (MSA) #3760. Johnson County is the most affluent county in Kansas. There were no low- or moderate-income census tracts in this county. Per the 1990 census, the county population was 355,054. As of year-end 1997, U.S. Census data estimated the population in Johnson County grew 17% to 417,000. Over the past ten years, the Johnson County market experienced tremendous growth in both commercial and residential development. Local economic conditions were very strong. The December 1999 unemployment rate for the State of Kansas was 3% and the national rate was 4.1%. Johnson County enjoyed an even lower unemployment rate of 1.8% for the same time period. Telecommunications, local government, public education and the health care industry were the area's largest employers.

With over 50 commercial financial institutions in Johnson County, competition for loans and deposits was strong. Substantially all of these institutions provided a wide array of products and services to help meet the credit needs of individuals and small businesses. Based on the June 1999 deposit market share data compiled by the FDIC, FNBK ranked second among area institutions for deposits with 10% of the market share. FNBK ranked tenth among 80 area lenders in the small business market with 3% of the number and 5% of the dollar amount of small business loans originated in Johnson County in 1998.