

## Public Disclosure

July 26, 1999

# Community Reinvestment Act Performance Evaluation

UMB National Bank of America  
Charter Number 4945  
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**NOTE:** 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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## 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 **UMB National Bank of America, Salina, Kansas**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **July 26, 1999**. The agency evaluates performance in assessment areas, 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.*

## 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.

**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.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**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 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 C.F.R. ' 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.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (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) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**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.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**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.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**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.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

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

The following table indicates the performance level of **UMB National Bank of America (UMBNBA)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	UMB National Bank of America Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- < UMBNBA demonstrates adequate responsiveness to the small business, small farm and consumer credit needs of its assessment areas. A substantial majority of the bank's loans are within its designated assessment areas. The distribution of these loans by borrower profile reflects good penetration to individuals of different income levels and businesses and farms of different revenue sizes. Geographic distribution is much weaker, but less meaningful given the small number of low- and moderate-income geographies within the bank's AAs.
- < UMBNBA provided an adequate level of qualified community development investments. The majority of these dollars responded to the need for redevelopment of a designated blighted area.
- < UMBNBA's delivery systems are accessible to geographies and individuals of different income levels in its assessment areas. Bank personnel provide a high level of community development services through their involvement in organizations that further community development initiatives.

## Description of Institution

UMB National Bank of America (UMBNBA) is an \$874 million financial institution headquartered in Salina, Kansas. UMBNBA is a subsidiary of UMB Financial Corporation (UMBFC), a \$7 billion bank holding company headquartered in Kansas City, Missouri. UMBFC owns and operates several affiliate banks with more than 165 locations throughout Missouri, Kansas, Illinois, Oklahoma, Nebraska and Colorado. No mergers or acquisitions occurred during the evaluation period.

UMBNBA is a full-service banking institution and offers a full range of loan products. The bank's primary lending focus is commercial loans, but varies somewhat by market. As of December 31, 1998, the bank's loan portfolio consisted of 42 percent commercial and commercial real estate; 18 percent residential real estate, including multi-family; 18 percent consumer; 18 percent agricultural and agricultural real estate; and 4 percent other loans.

The bank's loan to net core deposit ratio was 42 percent as of June 30, 1999. There are factors that contribute to this lower ratio. Two of the bank's AAs, Russell/Great Bend and Concordia have low loan demand due in part to a significant elderly population who have limited credit needs. This was substantiated through contact with community leaders in these AAs. Also, the Concordia branch, prior to becoming part of UMBNBA, purchased deposits from a failed institution without acquiring any loan volume. A portion of the deposits has been retained. Public fund deposits of \$313 million were not considered in the bank's core loan to deposit ratio since these funds are not part of the bank's core business. This ratio also does not include residential real estate loans the bank's affiliate, UMB Bank, N.A., Kansas City, Missouri, originated on behalf of UMBNBA. Tier 1 capital totaled \$58.1 million as of June 30, 1999.

UMBNBA has the financial capacity to assist in meeting its communities' credit needs. There are no legal or financial constraints that impede its CRA efforts. The OCC assigned a rating of "Satisfactory Record of Meeting Community Credit Needs" during the bank's prior CRA evaluation dated November 4, 1996.

UMBNBA had 23 branches in the state of Kansas during this evaluation period. The bank operated 13 as full-service banking offices throughout eight counties in central Kansas. These offices served the bank's four primary assessment areas: Salina/Abilene (Saline and Dickinson Counties), Russell/Great Bend (Barton, Russell and Stafford Counties), Concordia (Cloud County) and Manhattan (Riley and Pottawatomie Counties).

The remaining 10 branches were opened during this CRA evaluation period. They are unique since they are located within an existing affiliate branch facility. Assessment areas for these branches consist of one census tract each. These branches, located in the Kansas communities of Kansas City, Overland Park,

Olathe, Merriam, Lawrence, Ft. Scott, Wichita, Atchison and Topeka, were opened for the primary purpose of accepting public funds deposits. According to Kansas law, local public funds can only be deposited in banks chartered and headquartered in the State of Kansas. These locations had no reportable HMDA, small business, small farm or consumer loans. Public fund deposits received by these locations are reported under the main Salina branch, but are not considered part of the bank's core business since they are short-term in nature and managed by the parent company, UMBFC.

## Scope of the Evaluation

We evaluated UMBNBA's CRA performance using the FFIEC Interagency Large Bank CRA Examination Procedures. We reviewed small business, small farm and consumer loan data the bank collected from January 1, 1997 through December 31, 1998. The bank did not become a HMDA reporter until January 1, 1998. We reviewed the bank's reported HMDA loans for 1998 and the home improvement loan data the bank had collected as "other loan data" in 1997. Per the bank's request, we also considered HMDA, small business and consumer loan data which the bank's affiliate, UMB Bank, N.A., Kansas City, Missouri, originated during this evaluation period.

We used 1997 peer lending data for small business and small farm loans to compare UMBNBA's lending performance to other reporting lenders in its AAs. The 1998 HMDA, small business and small farm peer lending data was not yet available. Since collection of consumer loan data is optional, there is no information available to compare this loan product with other lenders' performance.

We used demographic data from the 1990 U.S. Census to compare the bank's lending performance to the potential opportunities in its AAs. Refer to the Market Profile in Appendix B for demographic data on each full-scope AA.

The evaluation period for the Service and Investment Tests included activities from November 4, 1996 through July 26, 1999. We considered the number and types of qualified investments, branch locations and accessibility and community development services.

We also used deposit information, reported to the Federal Deposit Insurance Corporation annually, to determine UMBNBA's deposit market share and market presence relative to other financial institutions in its AAs. The most recent deposit information available was as of June 30, 1998.

## Data Integrity

We found the bank's reported loan data is accurate. We reviewed a sample of HMDA, small business, small farm and consumer loans to verify the accuracy of the information collected. We compared the information collected to data contained in loan files. We did not identify any significant errors in the reported data.

## Selection of Areas for Full-Scope Review

We focused on the bank's CRA performance in two of its primary AAs. We performed a full-scope evaluation in the Salina/Abilene and Russell/Great Bend AAs. These areas are a representative sample of the markets where the bank operates. Together, they comprise 70 percent of the bank's core deposits and 69 percent of reported loan originations. The Salina/Abilene AA, as the bank's headquarters, has the largest percentage of deposits and reported HMDA, small business and small farm loans. The Russell/Great Bend AA has the next largest portion of deposits and loan originations. We performed limited scope reviews of the Manhattan and Concordia AAs. We did not identify any significant variances in the bank's performance in these AAs to warrant expanding our reviews.

For the remaining ten AAs (with branch locations located inside affiliate branches), we determined if CRA performance was consistent with the bank's overall performance. Since UMBNBA did not have any deposits or CRA activities attributed to these AAs, we determined CRA performance was inconsistent with the overall bank's performance. However, given the business strategy for these locations, this inactivity did not detract from the bank's overall CRA performance. In addition, the bank's Kansas City affiliate, headquartered in Kansas City, Missouri, offers full banking services in these locations. The Salina bank does not compete for nor duplicate services the affiliate bank offers. No further analysis of these AAs is contained in the Performance Evaluation.

## Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. We weighed CRA performance in the Salina/Abilene AA most heavily since the largest portion of the bank's loans and deposits are attributed to this AA. We weighed the bank's small business and small farm lending performance most heavily since they represent UMBNBA's primary business focus and identified credit needs in the Salina/Abilene and Russell/Great Bend AAs, respectively. The bank's home mortgage lending did not receive significant weight. The bank is not a significant home mortgage lender. Although this is an identified credit need in the Salina AA, our contacts indicated this need was being met. Consumer lending received the least weight in our analysis, even though, by number, consumer loan originations represented the largest portion of loans the bank reported for CRA

consideration. Consumer lending was not a primary credit need in the AAs nor is it the focus of the CRA regulation.

Our lending analysis placed more weight on the bank's borrower distribution than its geographic distribution. Geographic distribution analysis is less meaningful since there were no low-income geographies and few moderate-income geographies in the bank's AAs.

### **Community Contacts**

We performed four community contacts during the evaluation, two in each AA subject to full-scope evaluations. We also reviewed information from 12 other community contacts that bank regulators completed since the bank's last CRA evaluation. These contacts included four business firms, two nonprofit agencies that provide services for low- and moderate-income (LMI) individuals, and ten business/economic development entities. By AA, these contact included: seven from Salina/Abilene; two from Russell/Great Bend; two from Manhattan; and one from Concordia.

For the full-scope AAs, community contacts identified the following credit needs and community development opportunities. In Salina and Abilene, there is a strong need for affordable LMI housing. This has been eased somewhat by the construction of a mixed-income multi-family housing project. Most of the single-family housing construction is for middle- and upper-income families in middle-income areas. There is a lack of affordable LMI housing units that meet the qualifications for lending programs.

Due to Salina's good economy, there have been several small business start-ups. There is a need for venture capital to support small businesses and a need for additional skilled workers. Salina has a federally designated blighted area (a former airport), which is targeted for redevelopment through small business development and expansion of existing businesses. The Salina Airport Authority offered debt instruments to assist with the redevelopment efforts of this blighted area.

The City also offers a Neighborhood Revitalization Program for homes and businesses in a targeted LMI area of Salina. Tax rebates are available to both residential and commercial property owners for improvements within the designated area.

Specific credit needs for the Salina/Abilene AA were: small business loans and venture capital for start-up businesses; financial and technical assistance for the City's Neighborhood Revitalization Program; low cost rehabilitation and home improvement loans; and financial planning and counseling, including budgeting and education, for LMI individuals.

For both Russell and Great Bend, the need for affordable LMI housing was also a common concern. However, community contacts cited barriers to meeting affordable housing needs that must be overcome before this need can be met. The community of Russell is divided in its efforts to address affordable housing needs. There is a lack of qualified local developers to build multi-family housing. For both Russell and Great Bend, there is a lack of single-family developers willing to build in the \$40-\$60 thousand price range. Contacts indicated this was a more prevalent problem than the ability to obtain financing. In Great Bend, local builders concentrate on building higher-income housing, due to economics.

Barton and Russell Counties have very active community development organizations that are a part of county government efforts. Efforts to attract new businesses are funneled through these agencies.

Community contacts cited other credit needs for the Russell/Great Bend AA including: small business and agricultural loans, which is indicative of agriculture's influence on the economies of these communities and the surrounding rural areas.

## **Fair Lending Review**

We did not identify any substantive violations of antidiscrimination laws. Our fair lending review consisted of analyzing the rates and terms given individual male and female borrowers for secured used auto purchases during the months of December 1998 through June 1999. We did not find any evidence of differential treatment of borrowers based on gender.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated **Low Satisfactory**.<sup>@</sup> Based on full-scope reviews, the bank's performance in the Salina/Abilene and Russell/Great Bend AAs is adequate.

#### Lending Activity

UMBNBA demonstrated adequate responsiveness to the small business, small farm and consumer credit needs of its AAs, based on lending performance in the Salina/Abilene and the Russell/Great Bend AAs. Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

UMBNBA extended a substantial majority of its reported HMDA, small business and small farm loans within the bank's designated AAs. Eighty-seven percent of these loans, by number, and 89 percent, by dollar amount, originated within the assessment areas. This information was available on a bank-wide basis and not by individual AA.

For the Salina/Abilene AA, small farm loan originations represented the largest number of reported originations, excluding consumer loans. However, small business loan originations represented a much higher dollar volume than small farm loans. For the Russell/Great Bend AA, small farm loan originations represented the largest volume, by number and dollars, of the bank's reported loan originations, excluding consumer loans. This loan mix is representative of the bank's primary business focus in these AAs.

For the Salina/Abilene AA, UMBNBA originated the third highest number of small business loans among the 18 lenders that report small business lending data for this AA. The bank originated 16 percent of all reported small business loans. In comparison, UMBNBA ranked first in market share of deposits with approximately 16 percent. The bank ranked second of nine lenders that reported small farm loan originations. Only six percent of the bank's loan originations were home mortgage loans. As previously mentioned, the bank is not a significant home mortgage lender and competition from mortgage lenders and nonbank lenders is very strong.

UMBNBA also made a significant number of consumer loans. For this AA, consumer loans comprised 67 percent, by number, and 26 percent, by dollar volume, of the loan originations the bank provided for CRA consideration.

For the Russell/Great Bend AA, UMBNBA ranked second among the 18 lenders reporting small business loan data. The bank made 27 percent of all the small business loans reported. UMBNBA ranked first of 8 lenders that reported small farm loans. The bank originated 42 percent of the small farm loans lenders reported in this AA. In comparison, UMBNBA ranked first in deposit market share, with 15 percent of the area's deposits. Only seven percent of the bank's reported loan originations consists of home mortgage loans which is not the bank's primary business focus. Also, according to community contacts in this area, there is almost no home construction occurring in the Russell/Great Bend AA. The bank originated a significant number of consumer loans in this AA. This loan type represented 61 percent of loan originations the bank provided for consideration under the CRA.

### **Distribution of Loans by Income Level of the Geography**

The geographic distribution of loans is adequate. However, this factor is less meaningful than borrower distribution due to the limited number of LMI geographies and the demographic makeup of the few BNAs. The full scope AAs contain no low-income geographies. The Salina/Abilene AA has only three moderate-income geographies and Russell/Great Bend only one. We based our conclusion for this lending characteristic primarily on the bank's performance in the Salina/Abilene AA. Geographic distribution analysis for the Russell/Great Bend AA is not as meaningful since there is only one defined moderate-income BNA in this AA. We did not identify any unexplained conspicuous gaps in the lending patterns for the full-scope AAs.

Refer to Tables 2 through 6 and Table 14 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business, small farm, home mortgage and consumer loan originations.

#### ***Small Business Loans***

UMBNBA's geographic distribution of small business loans shows good penetration overall. For the Salina/Abilene AA, the bank made 37 percent of its small business loans in moderate-income areas where 42 percent of the businesses are located. For the Russell/Great Bend AA, the percentage of small business loans in the sole moderate-income geography exceeded the comparable percentage of small businesses.

For both AAs, the bank's marketshare of small business loans in moderate-income areas exceeded its overall marketshare of small business loans.

#### ***Small Farm Loans***

UMBNBA's geographic distribution of small farm loans was good overall. The distribution of small farm loans in the moderate-income area of the Russell/Great Bend AA is excellent, significantly exceeding the percentage of farms located in this tract. The bank made 26 percent of its small farm loans in this moderate-income tract where only 2 percent of the AA's farms are located. We weighted the geographic distribution of small farm loans more heavily in the Russell/Great Bend AA, since agricultural lending is the focus of this branch bank.

For the Salina/Abilene AA, the bank's penetration of moderate-income tracts is significantly below comparable demographics, but considered adequate given the limited opportunities to make loans of this type in these tracts. For this AA, UMBNBA made only eight loans in moderate-income tracts. However, per demographic information, there are very few farms in these moderate-income tracts. All of the tracts are located within the city limits. Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small farm loan originations.

### ***Home Mortgage Loans***

UMBNBA's geographic distribution of its home mortgage loans was adequate. We weighted home improvement loan distribution more heavily since this HMDA category represents the largest number of originations. For both AAs, the bank's home improvement loan penetration of moderate-income areas was adequate though lower than comparable demographics. The bank would have needed to originate one more loan in its Russell/Great Bend AA to achieve parity with demographics and four additional loans in its Salina/Abilene AA. For home purchase loans in both AAs, penetration of moderate-income areas is very low. The bank made only one home purchase loan in moderate-income tracts in the Salina/Abilene AA and none in the Russell/Great Bend AA. However, since the number of home purchase loans was small, the bank would have needed only one additional loan in moderate-income tracts in each AA to meet comparable demographics.

### ***Consumer Loans***

UMBNBA's geographic distribution of consumer loans in the full-scope assessment areas was good. The bank achieved its strongest consumer loan penetration of moderate-income areas in its Russell/Great Bend AA. For the Russell/Great Bend AA, penetration of the moderate-income area was excellent. The bank made 6 percent of its consumer loans in the sole moderate-income tract. This percentage exceeded the 4 percent of the population that resides in this tract. For the Salina/Abilene AA, geographic distribution was adequate in the moderate-income tracts. The bank made 15 percent of its consumer loans in moderate-income tracts where 21 percent of the population resides.

## **Distribution of Loans by Income Level of the Borrower**

UMBNBA's distribution of lending by borrower income level was good. The bank achieved its strongest penetration in lending to farms with revenues of \$1 million or less and low- and moderate-income consumer borrowers. The bank's penetration to LMI borrowers with its home mortgage loans was weaker, but not weighted as heavily due to the low volume of loans in this category. Refer to Tables 7 through 11 and 14 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's loan originations in its assessment areas.

### ***Small Business Loans***

UMBNBA's distribution of small business loans to firms with different revenue sizes was good. Penetration to businesses with revenues of \$1 million or less was stronger in the Russell/Great Bend AA than the Salina/Abilene AA, though good overall. For the Russell/Great Bend AA, the bank's percentage of loans to businesses with revenues of \$1 million or less exceeded comparable demographics.

We compared the percentage of businesses with revenues of \$1 million or less in the AA with the percentage of loans the bank made to businesses with revenues of \$1 million or less. For the Salina/Abilene AA, the bank's percentage of loans to businesses with revenues of \$1 million or less exceeded 80 percent of the comparable demographics.

In both AAs, UMBNBA's percentage of loans to businesses with revenues of \$1 million or less exceeded the portion all other lenders made to businesses of this size. The bank's market share of loans to businesses with revenues of \$1 million or less was comparable to its overall market share of reported small business loans in both full-scope AAs.

In addition, the bank made a significant portion its small business loans in amounts of \$100 thousand or less in the Salina/Abilene AA (76 percent) and Russell/Great Bend AA (98 percent).

### ***Small Farm Loans***

UMBNBA's distribution of loans to farms with revenues of different sizes was excellent. In the Salina/Abilene AA, UMBNBA's percentage of loans to farms with revenues of \$1 million or less mirrors comparable demographics. In addition, 88 percent of the loans had an original loan amount of less than \$100 thousand. In the Russell/Great Bend AA, the bank's percentage of loans to farms with revenues of \$1 million or less substantially met the percent of comparable demographics. Also, the bank made 96 percent of its small farm loans in amounts of \$100

thousand or less.

Market share information is not very meaningful since there are few lenders subject to reporting small farm loan data in these AAs. However, the bank did compare favorably to those lenders subject to reporting this data in both AAs.

### ***Home Mortgage Loans***

UMBNBA's distribution of home mortgage loans to borrowers of different income levels was adequate considering the small number of loans in these loan categories. The bank's penetration to moderate-income borrowers was stronger than its lending to low-income borrowers. We weighted home improvement lending more heavily since the bank generated a higher number of loans in this category.

For home purchase loans, the bank's percentage of home purchase loans to moderate-income families was excellent in the Salina/Abilene AA, significantly exceeding the percent of moderate-income families. For the Russell/Great Bend AA, the percentage of home purchase loans to moderate-income families was good.

The bank made 17 percent of its home purchase loans to moderate-income families who make up 20 percent of all families in the AA. Home purchase lending to low-income borrowers was weak in both full-scope assessment areas compared to demographics. In the Salina/Abilene AA, the bank extended only one home purchase loan to a low-income family and none in the Russell/Great Bend AA. However, given the shortage of affordable housing for LMI families in these AAs, families at lower-income levels have limited home ownership opportunities.

For home improvement loans, penetration to moderate-income borrowers was good in the Russell/Great Bend AA, where the bank substantially met the percent of comparable demographics. In the Salina/Abilene AA, penetration to moderate income borrowers was adequate. The bank made 12 percent of its home improvement loans to moderate-income borrowers compared to the 18 percent of moderate-income families in the AA. Penetration to low-income borrowers in both AAs was significantly less than comparable demographics, but considered adequate given that 9 percent of families in both AAs live at or below poverty.

### ***Consumer Loans***

UMBNBA's distribution of consumer loans by borrower income was excellent. For both full-scope AAs, consumer loan penetration to LMI borrowers exceeded the comparable percentage of LMI households in all but one instance. This variance was in penetration to low-income borrowers in the Salina/Abilene AA. In this case, consumer loan penetration to low-income borrowers was lower than the

comparable percentage of low-income households, but considered adequate given 12 percent of households live below poverty. This factor makes it more difficult to qualify for credit.

## **Community Development Lending**

UMBNBA made no community development loans in its full-scope assessment areas. Lending opportunities for loans of this type are limited in Salina and Abilene and the rural areas of Russell and Great Bend. Often loans with a community development purpose in nonmetropolitan AAs have already been reported as small business or HMDA loans. Per the CRA, loans already reported in another loan category can not also be reported as community development loans, except for affordable multi-family housing for LMI individuals.

UMBNBA provided examples of loans it made in its full-scope AAs with a community development purpose that were already reported in other loan categories. The bank originated nine loans totaling \$1.3 million in its Salina/Abilene AA that fit this criteria. It also extended six loans totaling \$75 thousand in its Russell/Great Bend AA. The loans provided funds to assist with rehabilitation of buildings in a targeted redevelopment area; organizations that provide services for primarily LMI individuals; and rehabilitation/repair of affordable housing for LMI. The bank also provided lease financing of computer equipment to a local learning center that assists high school dropouts in earning their diplomas.

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending in its limited scope AAs.

## **Product Innovation and Flexibility**

UMBNBA offers programs in its AAs that provide flexible terms for home mortgage and small farm borrowers. There was no income information on the borrowers that used the bank's home mortgage programs to determine how effective these programs were in reaching LMI borrowers. The bank extended loans under the following programs during this evaluation period.

- C In December 1997, UMBNBA began offering a home mortgage program with 3- and 5-year fixed rates and a 20-year amortization. This program is for home purchase or refinance loans and has low documentation fees and no loan fees. The minimum loan amount is \$15 thousand. The bank extended 123 loans totaling \$5.7 million in 1998, and 155 loans totaling \$7 million as of March 31, 1999.

- C During 1998, the bank originated 40 loans for \$188 thousand during a home improvement loan campaign. The bank waived origination fees and flood determination fees during the March-May campaign period.
- C The bank originated one small farm loan in the amount of \$85 thousand under the Kansas Development Finance Authority flexible lending program for small farmers.
- C The bank also granted a \$108 thousand loan under the Farmers Home guaranteed loan program that allows small farmers to purchase land and livestock.

UMBNBA offers other government sponsored lending programs for home loans and small business loans. However, no loans were extended under these programs during this evaluation period.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

In the Manhattan AA area, the bank's performance is not inconsistent with the bank's overall performance under the Lending Test rating. In the Concordia AA, the bank's performance is weaker than the overall bank's performance; however, it did not change the overall Lending Test rating. The bank's lending levels in this AA are low in relation to its resources. However, lending opportunities are more limited in this AA with almost 25 percent of the population over age 65 and 41 percent of the households on social security.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Salina/Abilene AA is good. In the Russell/Great Bend AA, the bank's performance is considered adequate. Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

UMBNBA's level of qualified community development investments and donations showed good responsiveness considering the limited opportunities in the Salina/Abilene AA. Community contacts, OCC Community Reinvestment Development Specialists and a review of other bank's CRA activities substantiated that there were few opportunities for equity investments in the Salina/Abilene AA or the broader statewide or regional area. Most of the opportunities involved

financial assistance in the form of grants and donations to a limited number of community development organizations within the AA.

- C The bank provided the lowest bid and funded \$2.8 million in general obligation temporary notes to provide improvements in a blighted area of Salina. This area was targeted for redevelopment through small business start-up and expansion of existing businesses. There are 75 businesses located in this area. Fifty-four of these businesses are small or start-up businesses. Three of the businesses opened since the issuance of the notes in June 1998. This area provides over 4,500 jobs with an average salary of approximately \$25 thousand, which is approximately 65 percent of the AAs median family income.
- C UMBNBA donated almost \$32 thousand to eight community organizations that provide food, shelter, health care, day care facilities, youth counseling and job training for LMI individuals.

For the Russell/Great Bend AA, the bank's level of qualified investments was adequate given the limited opportunities in this AA. UMBNBA donated \$7,050 to four community organizations that provide affordable housing and services for LMI individuals and promote economic development. According to community contacts, economic development in this AA is funded primarily by municipalities and other government sources. County offices oversee the promotion of existing businesses and recruitment of new businesses. The contacts were not aware of any investment needs in the area that were not being met through county and state agencies.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Manhattan and Concordia AAs is not inconsistent with the bank's overall performance under the Investment Test. Refer to Table 12 for the facts and data that support these conclusions.

## **SERVICE TEST**

The bank's performance under the Service Test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Salina/Abilene and Russell/Great Bend AAs is good. Refer to Table 13 of the Standardized Tables for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

## **Retail Banking Services**

The bank's delivery systems are accessible to geographies and individuals of different income levels in its full-scope AAs. For the Salina/Abilene AA, the bank operates three branches and three ATMs. This geographic distribution of the branches and ATMs compares favorably with demographics, i.e. the percentage of population in these areas. The bank's main office in Salina and one ATM is located in a moderate-income BNA. For the Russell/Great Bend AA, the bank has five branch locations and two ATMs. None are located in the moderate-income BNA of this AA. However, one branch in Russell is adjacent to the moderate-income BNA.

A wide range of financial services is provided at each branch. All but two of the branches are full-service. Those two branches accept loan applications but send them to the nearest larger branch facility for processing. Bank loan officers regularly make themselves available during non-traditional banking hours to assist loan customers.

UMBNBA was one of the first banks to program its ATMs to participate in Kansas' VISION program, which allows individuals on public assistance to access their funds through the bank's ATMs.

UMBNBA offers telephone-banking services, including bill paying services, ACH deposits, and PC banking. However, no information is available to show if these

services are an effective alternative delivery system in reaching LMI individuals and areas.

## **Community Development Services**

UMBNBA provides a relatively high level of community development services in the full-scope AAs.

In the Salina/Abilene AA, bank associates provided several qualified services to community development organizations that promote economic development through attracting, retaining or expanding businesses and revitalization/stabilization of declining downtown areas through business development and rehabilitation of existing structures.

The following examples illustrate how bank associates lent their financial expertise to these organizations:

- Bank management served in leadership positions for three organizations that promote economic development in the Salina area. A community contact cited the valuable service one management member provides to this economic development by analyzing the financial statements of prospective new businesses for the area.

- A bank officer served on the Board of a local round table which coordinates the efforts of local community agencies to determine the needs of LMI individuals and to allocate funds for those needs.
- Bank associates lent their financial expertise to several community development organizations that provide services for LMI individuals, including health care, food, housing, job and life skills, mentoring and day care to underprivileged LMI youth. Bank associates served as Board members and as members of allocation, finance and loan committees of these organizations.

In the Russell/Great Bend AA, bank associates provided a good level of community development services given the more limited opportunities in this AA. The following examples illustrate how bank associates lent their financial expertise in this AA:

- Bank associates provided financial expertise to four organizations that support economic development initiatives for primarily small businesses. This included attracting new businesses, refurbishing existing businesses and assisting businesses in obtaining financing. The bank associates served as Board members; Treasurer; and/or Loan Review Committee members for these organizations.
- A bank associate served on the budget committee of a local community development organization that provides funding for programs or agencies that primarily serve LMI individuals.
- Three bank associates served as Board members and assisted with fundraising efforts for community organizations that focus on revitalization of downtown areas. Revitalization efforts include: rehabilitation of existing storefronts and demolition of run-down buildings.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Manhattan and Concordia AAs is not inconsistent with the bank's overall performance under the Service Test. We based this conclusion on the distribution of branches and ATMs. We did not review community development services for the limited scope AAs.

## Appendix A: Scope of Evaluation

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 non-metropolitan areas that received comprehensive examination review (designated by the term **AFull-Scope@**) and those that received a less comprehensive review (designated by the term **ALimited-Scope@**).

<b>Time Period Reviewed</b>	Lending Test: January 1, 1997 to December 31, 1998 Investment Test: November 6, 1996 to July 26, 1999 Service Test: November 6, 1996 to July 26, 1999	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
UMB National Bank of America, Salina, Kansas	HMDA, Small Business, Small Farm and Consumer Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
UMB Bank, N.A., Kansas City, Missouri	Subsidiary bank of UMBFC	HMDA, Small Business and Consumer Loans
List of Assessment Areas and Type of Examination		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Salina/Abilene Russell/Great Bend Manhattan Concordia	Full-Scope Full-Scope Limited Scope Limited Scope	

## Appendix B: Market Profiles for Full-Scope Areas

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<b>Market Profiles for Areas Receiving Full-Scope Reviews</b>	
Salina/Abilene . . . . .	25
Russell/Great Bend . . . . .	26

**SALINA/ABILENE AA**

Demographic Information for Full-Scope Area: Salina/Abilene AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	18	NA	17%	50%	33%	NA
Population by Geography	68,259	NA	21%	44%	35%	NA
Owner-Occupied Housing by Geography	29,544	NA	15%	46%	39%	NA
Businesses by Geography	2,897	NA	42%	36%	22%	NA
Farms by Geography	165	NA	15%	50%	35%	NA
Family Distribution by Income Level	18,975	15%	18%	24%	43%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	6,276	NA	30%	49%	21%	NA
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$31,576 = \$38,700 =12%	Median Housing Value 1998 Average Annual Unemployment Rate		= \$42,146 = 3.4%		

Source: 1990 U.S. Census and 1998 HUD updated MFI.

Employment Source: Kansas Department of Human Resources

The Salina/Abilene AA is comprised of Saline and Dickinson Counties. Three bank branches and three ATMs are located in this AA, as well as 37 percent of the bank's deposits and 36 percent of its reported loan originations. Competition among banks is strong. Seventeen other financial institutions operated 34 banking offices in the two-county area. UMBNBA had approximately 16 percent of the total core bank deposits in these two counties, as of June 30, 1998. Primary competitors included: Capitol Federal Savings and Loan; Security Savings Bank, Sunflower Bank and NationsBank (now Bank of America).

The economy in the area is strong with an average annual unemployment rate of 3.4 percent, which is slightly less than the statewide unemployment rate of 3.8 percent for the same time period. Several large industries, including the largest frozen pizza plant in the country, are located in Salina. This area is also one of the largest wheat producing centers in the country. Abilene is the home of the Dwight D. Eisenhower Presidential Library. Tourism is the primary industry in the Abilene area with agriculture predominant outside the city limits.

## RUSSELL/GREAT BEND AA

Demographic Information for Full-Scope Area: Russell/Great Bend AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	13	NA	8%	84%	8%	NA
Population by Geography	42,582	NA	4%	88%	8%	NA
Owner-Occupied Housing by Geography	19,889	NA	4%	89%	7%	NA
Businesses by Geography	1,944	NA	2%	91%	7%	NA
Farms by Geography	159	NA	2%	96%	2%	NA
Family Distribution by Income Level	12,074	18%	20%	24%	38%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,580	NA	5%	90%	5%	NA
Median Family Income = \$28,307 HUD Adjusted Median Family Income for 1998 = \$38,700 Households Below the Poverty Level = 13%		Median Housing Value = 34,305 1998 Average Annual Unemployment Rate = 3.5%				

Source: 1990 U.S. Census and 1998 HUD updated MFI.

Employment Source: Kansas Department of Human Resources

The Russell/Great Bend AA is comprised of one moderate-, eleven middle-, and one upper-income BNA. UMBNBA has five branches and two ATMs in this AA. This AA had 33 percent of the total bank deposits and reported loan originations. Eighteen financial institutions in the three-county area provide strong competition. UMBNBA had a deposit marketshare of 15 percent and ranked first among all financial institutions as of June 30, 1998. Primary competitors included: Farmers Bank and Trust; Sunflower and NationsBank (now Bank of America).

The average annual unemployment rate in the area was 3.5 percent, which was lower than the statewide rate of 3.8 percent. Community contacts cited additional workers as a major need for the community. Agriculture is the primary business enterprise in the area and many of the small businesses are a result of the agricultural-based economy. The school districts, health care and local government are the major employers in the cities of Russell and Great Bend.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

The tables cover the entire CRA evaluation period. References to the **Abank@** 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: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated 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 market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations** - See Table 2.
- Table 4. Geographic Distribution of HMDA Refinance Loan Originations** - See Table 2.
- Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (< \$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (< \$500,000) to farms originated 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 market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations** - See Table 7.
- Table 9. Borrower Distribution of HMDA Refinance Loan Originations** - See Table 7.
- Table 10. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (< \$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (< \$500 thousand) originated by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

**Table 13. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

**Table 14. Geographic and Borrower Distribution of Consumer Loan Originations** - For geographic distribution, the table 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 the population within each geography. For borrower distribution, the table 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 of households by income level in each MSA/assessment area.

**Table 1. Lending Volume**

LENDING VOLUME												State: KANSAS	Evaluation Period: January 1, 1997 to December 31, 1998
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area*	Home Mortgage**		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Full-Scope:													
Salina/Abilene	37%	160	\$6,895	325	\$31,204	397	\$18,247	0	\$0	882	\$56,346	36%	
Russell/Great Bend	33%	142	\$2,399	260	\$6,034	392	\$9,240	0	\$0	794	\$17,673	33%	
Limited-Scope:													
Manhattan	16%	64	\$3,010	222	\$17,653	152	\$7,167	1	\$349	439	\$28,179	18%	
Concordia	14%	57	\$892	81	\$5,002	176	\$3,352	0	\$0	314	\$9,246	13%	

(\*) As of June 30, 1998: Includes core deposits only. Excludes public funds deposits attributed to the Salina branch.

(\*\*) Includes multi-family loans.

**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE		State: KANSAS				Evaluation Period: January 1, 1997 to December 31, 1998										
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Salina/Abilene	NA	NA	15%	4%	46%	52%	39%	44%	NA	NA	NA	NA	NA	NA	25	38%
Russell/Great Bend	NA	NA	4%	0%	89%	89%	7%	11%	NA	NA	NA	NA	NA	NA	19	29%
Limited-Scope:																
Manhattan	< 1%	0%	6%	0%	62%	62%	32%	38%	NA	NA	NA	NA	NA	NA	13	20%
Concordia	NA	NA	NA	NA	100%	100%	NA	NA	NA	NA	NA	NA	NA	NA	9	13%

(\*) NA. The Bank was not a HMDA reporter until 1998. Market Share data was not yet available for 1998.

**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT		State: KANSAS		Evaluation Period: January 1, 1997 to December 31, 1998													
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total	
Full-Scope:																	
Salina/Abilene	NA	NA	15%	8%	46%	51%	39%	41%	NA	NA	NA	NA	NA	NA	61	29%	
Russell/Great Bend	NA	NA	4%	3%	89%	83%	7%	14%	NA	NA	NA	NA	NA	NA	103	48%	
Limited-Scope:																	
Manhattan	< 1%	0%	6%	12%	62%	50%	32%	38%	NA	NA	NA	NA	NA	NA	24	11%	
Concordia	NA	NA	NA	NA	100%	100%	NA	NA	NA	NA	NA	NA	NA	NA	25	12%	

(\*) NA. The Bank was not a HMDA reporter until 1998. Market Share data was not yet available for 1998.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE			State: KANSAS				Evaluation Period: January 1, 1997 to December 31, 1998						Total Home Mortgage Refinance Loans			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					#	% of Total
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Salina/Abilene		NA	15%	4%	46%	72%	39%	24%	NA	NA	NA	NA	NA	NA	71	51%
Russell/Great Bend	NA	NA	4%	0%	89%	90%	7%	10%	NA	NA	NA	NA	NA	NA	20	14%
Limited-Scope:																
Manhattan	< 1%	0%	6%	0%	62%	50%	32%	50%	NA	NA	NA	NA	NA	NA	26	19%
Concordia	NA	NA	NA	NA	100%	100%	NA	NA	NA	NA	NA	NA	NA	NA	23	16%

(\*) NA. The Bank was not a HMDA reporter until 1998. Market Share data was not yet available for 1998.

**Table 5. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS		State: KANSAS		Evaluation Period: January 1, 1997 to December 31, 1998												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Salina/Abilene	NA	NA	42%	37%	36%	27%	22%	36%	3	15.53	NA	17.74	11.11	19.22	325	37%
Russell/Great Bend	NA	NA	2%	4%	91%	89%	7%	7%	2	26.94	NA	42.86	26.46	27.27	260	29%
Limited-Scope:																
Manhattan	1%	0%	29%	26%	46%	41%	24%	33%	2	23.89	0.00	26.98	21.14	27.74	222	25%
Concordia	NA	NA	NA	NA	100%	100%	NA	NA	1	65.57	NA	NA	65.57	NA	81	9%

(\*) Based on 1997 Aggregate Small Business Data only.

**Table 6. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM      State: KANSAS      Evaluation Period: January 1, 1997 to December 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Salina/Abilene	NA	NA	15%	2%	50%	72%	35%	26%	2	23.65	NA	54.55	29.07	14.96	397	35%
Russell/Great Bend	NA	NA	2%	26%	96%	71%	2%	3%	1	42.05	NA	73.33	37.43	20.69	392	35%
Limited-Scope:																
Manhattan	1%	0%	4%	1%	72%	38%	22%	61%	1	75.41	0	50.00	64.29	85.94	152	14%
Concordia	NA	NA	NA	NA	100%	100%	NA	NA	1	91.49	NA	NA	91.49	NA	176	16%

(\*) Based on 1997 Aggregate Small Farm Data only. For the Manhattan AA, none of the 8 reporters made a loan in the low income CT. Per Dun & Bradstreet demographic data, there is only 1 farm in the CT.

**Table 7. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE																
State: KANSAS					Evaluation Period: January 1, 1997 To December 31, 1998											
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Salina/Abilene	15%	4%	18%	29%	24%	17%	43%	50%	NA	NA	NA	NA	NA	NA	25	38%
Russell/Great Bend	18%	0%	20%	17%	24%	44%	38%	39%	NA	NA	NA	NA	NA	NA	19	29%
Limited-Scope:																
Manhattan	17%	15%	20%	8%	22%	15%	41%	62%	NA	NA	NA	NA	NA	NA	13	20%
Concordia	18%	0%	23%	33%	27%	33%	32%	34%	NA	NA	NA	NA	NA	NA	9	13%

(\*) As a percentage of loans with borrower income information available. No information was available for 3% of loans originated by Bank.

(\*\*) NA. The Bank was not a HMDA reporter until 1998. Market Share data was not yet available for 1998.

**Table 8. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HOME IMPROVEMENT		State: KANSAS				Evaluation Period: January 1, 1997 to December 31, 1998										
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Salina/Abilene	15%	10%	18%	12%	24%	23%	43%	55%	NA	NA	NA	NA	NA	NA	61	29%
Russell/Great band	18%	12%	20%	18%	24%	28%	38%	42%	NA	NA	NA	NA	NA	NA	103	48%
Limited-Scope:																
Manhattan	17%	17%	20%	21%	22%	29%	41%	33%	NA	NA	NA	NA	NA	NA	24	11%
Concordia	18%	25%	23%	8%	27%	29%	32%	38%	NA	NA	NA	NA	NA	NA	25	12%

(\*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by BANK.

(\*\*) NA. The Bank was not a HMDA reporter until 1998. Market Share data was not yet available for 1998.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HOME MORTGAGE REFINANCE		State: KANSAS						Evaluation Period: January 1, 1997 To December 31, 1998						Total Home Mortgage Refinance Loans		
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					#	% of Total
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp		
Full-Scope:																
Salina/Abilene	15%	5%	18%	15%	24%	30%	43%	50%	NA	NA	NA	NA	NA	NA	71	51%
Russell/Great Bend	18%	0%	20%	20%	24%	10%	38%	70%	NA	NA	NA	NA	NA	NA	20	14%
Limited-Scope:																
Manhattan	17%	8%	20%	4%	22%	23%	41%	65%	NA	NA	NA	NA	NA	NA	26	19%
Concordia	18%	17%	23%	13%	27%	35%	32%	35%	NA	NA	NA	NA	NA	NA	23	16%

(\*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by BANK.

(\*\*) NA. The Bank was not a HMDA reporter until 1998. Market Share data was not yet available for 1998.

**Table 10. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS			State: KANSAS			Evaluation Period: January 1, 1997 to December 31, 1998					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
Salina/Abilene	72%	59%	57%	76%	13%	11%	15.53	15.22	325	37%	\$96
Russell/Great Bend	77%	78%	73%	98%	1%	1%	26.94	27.45	260	29%	\$23
Limited-Scope:											
Manhattan	76%	69%	53%	83%	8%	9%	23.89	28.18	222	25%	\$80
Concordia	72%	83%	14%	91%	4%	5%	65.57	91.18	81	9%	\$62

(\*) As a percentage of businesses whether or not revenue information was available.  
 (\*\*) As a percentage of loans whether or not revenue information was available. No information was available for 14% of loans originated by BANK.  
 (\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.  
 (\*\*\*\*) Based on 1997 Aggregate Small Business Data only.  
 (+) Only 21 loans were made by other reporters, 3 of which were to businesses with revenues of \$1 million or less.

**Table 11. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM      State: KANSAS      Evaluation Period: January 1, 1997 to December 31, 1998											
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
Salina/Abilene	86%	86%	92%	88%	10%	2%	23.65	22.73	397	35%	\$46
Russell/Great Bend	96%	88%	88%	96%	3%	1%	42.05	41.11	392	35%	\$24
Limited-Scope:											
Manhattan	92%	74%	73%	88%	9%	3%	75.41	76.34	152	14%	\$47
Concordia	100%	95%	25%	97%	3%	0%	91.49	97.62	176	16%	\$19

(\*) As a percentage of farms whether or not revenue information was available.

(\*\*) As a percentage of loans whether or not revenue information was available. No information was available for 13% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only. Only 8 loans were made by 4 other reporters, 2 of which were to farms with revenues of \$1 million or less.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS		State: KANSAS			Evaluation Period: January 1, 1997 to July 26, 1999				
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$=s
Full-Scope:									
Salina/Abilene	0	0	0%	9	\$2,861	100%	9	\$2,861	99%
Russell/Great Bend	0	0	0%	3	\$2	100%	3	\$2	< 1%
Limited-Scope:									
Manhattan	0	0	0%	6	\$17	100%	6	\$17	< 1%
Concordia	0	0	0%	1	\$4	100%	1	\$4	< 1%

(\*) Prior Period Investments means investments made in a previous evaluation period that remain outstanding.  
 (\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM																	
			State: KANSAS					Evaluation Period: January 1, 1997 to July 26, 1999									
MSA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits*	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Salina/Abilene	37%	3	23%	NA	33%	67%	NA	3	30%	NA	33%	34%	33%	NA	21%	44%	35%
Russell/Great Bend	33%	5	39%	NA	NA	100%	NA	2	20%	NA	NA	100%	NA	NA	4%	88%	8%
Limited-Scope:																	
Manhattan	16%	2	15%	NA	50%	0%	50%	3	30%	67%	0%	0%	33%	5%	25%	45%	25%
Concordia	14%	3	23%	NA	NA	100%	NA	2	20%	NA	NA	100%	NA	NA	NA	100%	NA

(\*) As of June 30, 1998. Includes core deposits only. Excludes public funds deposits attributed to the Salina branch.

**Table 14. Geographic and Borrower Distribution of Consumer Loan Originations**

Geographic and Borrower Distribution: CONSUMER LOANS		State: KANSAS								Evaluation Period: January 1, 1997 to December 31, 1998								
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution									
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans	
	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK	% of Pop*	% BANK Loans	% of Hshlds	% BANK Loans**	% of Hshlds	% BANK Loans**	% of Hshlds	% BANK Loans**	% of Hshlds	% BANK Loans**	#	% of Total
Full-Scope:																		
Salina/Abilene	NA	NA	21%	15%	44%	51%	35%	34%	20%	13%	16%	19%	19%	26%	45%	42%	1,821	34%
Russell/Great Bend	NA	NA	4%	6%	88%	84%	8%	10%	23%	24%	17%	23%	19%	24%	41%	29%	1,249	24%
Limited-Scope:																		
Manhattan	5%	< 1%	25%	9%	45%	59%	25%	32%	23%	11%	17%	18%	20%	26%	40%	44%	1,157	22%
Concordia	NA	NA	NA	NA	100%	100%	NA	NA	24%	34%	19%	25%	23%	26%	34%	15%	1,052	20%

(\*) The percentage of the population in the MSA/assessment area that resides in these geographies.  
 (\*\*) As a percentage of loans with Borrower Income available. No information was available for 8% of loans originated by Bank.