



PUBLIC DISCLOSURE

October 16, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community National Bank & Trust
Charter Number 21389

14 North Lincoln
Chanute, KS 66720

Office of the Comptroller of the Currency

1027 South Main Street, Suite 405
Joplin, MO 64801

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating: Satisfactory

The Lending Test is rated: Satisfactory

- The average loan-to-deposit ratio since the previous examination is reasonable compared to similarly situated banks in the assessment area (AA).
- A majority of loans originated during this evaluation period were within Community National Bank & Trust (CNB&T)'s AA.
- Borrower distribution reflects reasonable penetration among businesses of different sizes and consumers within the AA.
- Geographic distribution reflects reasonable dispersion among businesses and consumers in different income tracts within the AA.
- There were no complaints regarding CNB&T's Community Reinvestment Act (CRA) activities.

The Community Development Test is rated: Outstanding

- Qualified Community Development (CD) loans for the evaluation period totaled \$29.9 million or 37.6 percent of tier 1 capital.
- The bank's employees and directors provided 3,965 hours of financial expertise and services to qualified organizations and individuals during the evaluation period.

Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of MAs. CTs generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. CTs are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development (CD): Affordable housing (including multifamily rental 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AAs or outside the AAs provided the bank has adequately addressed the CD needs of its AAs.

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.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A CT delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area (MSA) to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

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

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

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

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

Metropolitan Statistical Area (MSA): An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose CD.

Rated Area: A rated area is a state or multi-state MA. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state MA, the institution will receive a rating for the multi-state MA.

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

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Call Report. These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

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

Description of Institution

CNB&T is a \$964 million institution headquartered in Chanute, Kansas. CNB&T operates in Southeast and South central Kansas, with 29 branches and 33 ATM locations in 24 communities. Since the previous CRA examination, CNB&T has acquired two branches in Emporia, Kansas, Lyon County, through a purchase from CoreFirst Bank & Trust in January 2016.

CNB&T is the sole subsidiary of Community Bancorp, Inc., also headquartered in Chanute, Kansas. As of June 30, 2017, Community Bancorp holds approximately \$968 million in consolidated assets. The holding company does not adversely impact CNB&T's ability or capacity to meet the needs of the communities in which it operates.

CNB&T is a full-service financial institution and offers a variety of loan and deposit products. As of June 30, 2017, CNB&T's total loans represent \$697 million, or approximately 72 percent of total assets. The loan portfolio comprises 65 percent real estate loans, consisting primarily of 1-4 family residential loans (25.5 percent), and commercial real estate (25.77 percent). Other principal loan classes for CNB&T include commercial non-real estate of 15.20 percent, agriculture loans of 9.19 percent, and loans to individuals of 3.35 percent. CNB&T's tier 1 capital totals \$87.2 million.

CNB&T has two AAs: Non-MSA AA and MSA AA

Non-MSA AA is the larger of the two and is a Kansas, Non-MSA AA. This AA consists of 79 CTs and encompasses 15 counties. CNB&T operates 24 branches and 28 ATMs in the AA and has 51 competitors. There are no branches in low-income tracts, eight of CNB&T branches are located in moderate-income tracts, 15 branches are in middle-income tracts, 1 branch is in an upper-income tract, 8 branches are located in distressed CTs, and 3 are in underserved CTs. CNB&T has the highest percentage of market share at 15.33 percent. The top four closest competitors have market shares between 6.17 percent and 4.09: Commercial Bank, RCB Bank, Labette Bank, and Girard National Bank.

MSA AA includes two counties of the Wichita MSA comprised of 19 CTs. CNB&T operates five branches, three of which are located in moderate-income tracts, 2 in middle-income tracts, none in lower- or upper-income tracts, and 5 ATMs. CNB&T has 22 competitors in the AA and has the ninth highest percentage of market share at 4.8 percent. The top five competitors have above 7 percent each: Intrust Bank NA, First Bank of Newton, Emprise Bank, Rose Hill Bank, and The Midland National Bank of Newton.

No legal, financial, or other matters impede CNB&T's ability to meet the credit needs of its AAs. The Office of the Comptroller of the Currency (OCC) last evaluated CNB&T's CRA performance on February 24, 2014. CNB&T received an overall rating of "Outstanding" under the Intermediate/Small Bank Performance Standards.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed loans originated by CNB&T for 2015 and 2016. The primary loan products in the Non-MSA are commercial by dollar (64.58) and consumer by number (50.83 percent). The primary loan product in the MSA AA is commercial by both dollar (64.75 percent) and number (45.1 percent). In the Non-MSA AA, we reviewed a sample of 31 loans to small businesses and a sample of 31 loans made to consumers. In the MSA AA, we reviewed a sample of 31 small loans made to businesses.

We reviewed all CD loans, investments, and services made between February 24, 2014 through October 15, 2017.

Selection of Areas for Full-Scope Review

The Non-MSA AA received a full-scope review as this AA has the majority of CNB&T's deposits (91.68 percent by number and 89.99 percent by dollar), as well as the majority of CNB&T's loans (82.68 percent by dollar and 90.87 percent by number) and bank branches, 25 of CNB&T's 29 branches.

The MSA AA received a limited-scope review.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews.

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

CNB&T's collective CRA performance is satisfactory. Lending activities are satisfactory and CD activities are outstanding.

LENDING TEST

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

Lending to borrowers of different incomes and businesses of different sizes is reasonable. The geographic dispersion of loans is reasonable. The loan-to-deposit (LTD) ratio is reasonable and management originated the majority of loans within CNB&T's AAs.

Loan-to-Deposit Ratio

CNB&T's quarterly average LTD ratio is reasonable at 81.79 percent. We calculated CNB&T's quarterly average LTD ratio using information from the Call Reports from June 30, 2014 to June 30, 2017. The quarterly average LTD ratio for similarly situated financial institutions for the same period is 63.67 percent. The highest peer ratio is 84.15 percent, and the lowest is 53.44 percent. By asset size, CNB&T ranked first out of five similarly situated financial institutions within CNB&T's AAs. These financial institutions ranged from \$691 million to \$897 million in asset size, with an average asset size of \$789 million.

Lending in Assessment Area

This ratio is a bank-wide calculation and is not calculated by individual AAs. The analysis is limited to bank originations and purchases. For the evaluation period, CNB&T made a majority of all loans by number, inside CNB&T's AAs (78.89 percent). The percentages based on the number of loans made inside the AAs by loan type are as follows: consumer loans (93.55 percent), and commercial loans (71.19 percent). CNB&T also made the majority of all loans by dollar volume inside CNB&T's AAs (58.76 percent). The percentages based on dollar volume made inside the AAs by loan type are as follows: consumer loans (94.98 percent), and commercial loans (58.22 percent).

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

Full-Scope AA Conclusion - Non-MSA AA

The overall borrower distribution of small loans to businesses and consumer loans demonstrates reasonable penetration in the AA.

Small Loans to Businesses

The overall distribution of small loans to businesses of different sizes shows excellent penetration. CNB&T's percentage of loans to businesses with revenues of \$1 million or less exceeds demographics by number. The percentage of loans by dollar is reasonable, one loan in the sample represented more than 44 percent of the dollars loaned. This AA is rural with limited lending opportunities; many of CNB&T's loans are for rental properties. Of the loans made and reviewed in our sample, 86 percent were under \$100,000 with the average loan being \$31,455.

Table 2A - Borrower Distribution of Loans to Businesses in KS Non-MSA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Business	75.56	6.35	18.09	100
% of Bank Loans in AA by #	85.71	14.29	0.00	100
% of Bank Loans in AA by \$	54.22	45.78	0.00	100

Source: Loan sample; Dun and Bradstreet data.

Consumer Loans

Overall borrower distribution of consumer loans in the AA reflects poor penetration as do consumer loans to low and moderate income borrowers. However, within the AA, 16 percent of households are below the poverty level. Communities and counties within the AA have seen declines in employment opportunities with business consolidations, closures, and layoffs in some of the manufacturing and energy areas. Over half the loans made in this sample are loans of \$5,000 or less with 19 percent made for \$2,000 or less. Competition is strong in the AA with a total of 52 competing institutions. Refer to table 2B for details.

Table 2B - Borrower Distribution of Consumer Loans in Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	25.69	13.79	18.36	10.34	18.87	24.14	37.08	51.72

Source: Loan sample; U.S. Census data.

Limited Scope AA – MSA AA

Based on the limited-scope review, CNB&T's borrower distribution is stronger than CNB&T's overall reasonable performance under the Lending Test.

Small Loans to Businesses

In the MSA AA, CNB&T's performance is stronger than CNB&T's overall performance regarding the distribution of small loans to businesses of different sizes. The distribution of small loans to businesses of different sizes demonstrates excellent penetration. In this AA, the primary product is commercial by both dollar and by number. The distribution of loans exceeds or is near to the demographics by number and dollar.

Geographic Distribution of Loans

Full-Scope Review – Non-MSA AA

CNB&T's lending to consumers and businesses of different revenue levels and sizes in the Non-MSA AA demonstrates reasonable dispersion. The analysis includes a review of consumer and commercial loans.

Lending to borrowers in different geographies is reasonable and overall reflects reasonable dispersion.

Small Loans to Businesses

The geographic distribution of small loans to businesses in the Non-MSA AA reflects reasonable dispersion. The dispersion of small loans to businesses in low-income geographies is excellent. The dispersion of small loans to businesses in moderate-income geographies, while significantly below demographics, is reasonable considering CNB&T's performance in underserved and distressed middle-income geographies. There is strong competition for lending opportunities in this rural AA, presenting fewer chances to make loans. Of the 15 counties in this AA, 9 of the counties are in distressed and/or underserved geographies. In our sample of commercial loans located within the AA, we found that CNB&T made 57 percent of their loans in middle-income tracts that are underserved or distressed due to poverty, population loss, or both.

Table 3A - Geographic Distribution of Loans to Businesses in KS Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Business Loans	0.74	4.76	20.16	4.76	72.53	80.95	6.57	9.52

Source: Loan sample; U.S. Census data.

Consumer Loans

The geographic dispersion of consumer loans within the Non-MSA AA reflects reasonable dispersion. There are no loans in the one low-income tract; however, lending opportunities are very limited as less than 1 percent of households are in these geographies. The dispersion of loans to moderate-income households is reasonable, as 9 of the 15 counties in the AA are underserved, distressed, or both. In our sample of consumer loans located within the AA, we found that CNB&T made 55 percent of their loans in middle-income tracts that are underserved or distressed due to poverty, population loss, or both. There is strong competition for lending opportunities in this rural AA with 52 institutions present, presenting fewer chances to make loans.

Table 3B - Geographic Distribution of Consumer Loans in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0.62	0.00	18.21	10.34	73.45	86.21	7.71	3.45

Source: Loan sample; 2010 U.S. Census data.

Limited Scope – MSA AA

Based on the limited-scope review, CNB&T's geographic distribution is stronger than CNB&T's overall reasonable performance.

Small Loans to Businesses

The geographic distribution of small loans to businesses in the MSA AA reflects excellent dispersion. The dispersion of loans to small businesses within moderate-income geographies significantly exceeds demographics and is stronger than CNB&T's overall performance.

Responses to Complaints

CNB&T has not received any complaints during the evaluation period relating to its CRA performance.

COMMUNITY DEVELOPMENT TEST

CNB&T's performance under the CD test demonstrates excellent responsiveness and is rated outstanding. The bank funded 96 total CD Loan and Investments that totaled \$39 million representing 44.8 percent of tier 1 capital. Bank employees provided a total of 3,965 hours of service.

Number and Amount of Community Development Loans

Full-Scope Review – Non-MSA AA

CNB&T generated 80 CD loans totaling \$29.9 million. The loans went to economic development allowing for the creation of low- to moderate-income (LMI) jobs and development in underserved and distressed CTs, and for the revitalization/stabilization of designated redevelopment zones according to targeted city plans. Loans provided for construction of a new manufacturing business and other businesses in redevelopment zones creating jobs and job retention in various businesses, establishing a clinic, and funding assisted-care facilities. CD loans in the AA represent 37.6 percent of tier 1 capital.

Limited-Scope Review – MSA AA

CNB&T generated eight CD loans totaling \$6.2 million. The loans funded economic development providing for community revitalization and stabilization through job creation and job retention for LMI employees. CD loans in the AA represent 80.5 percent of allocated tier 1 capital.

Number and Amount of Qualified Investments

Full-Scope – Non-MSA AA

CNB&T provided investments and donations totaling \$2.7 million during the evaluation period. The investments funded schools in distressed and underserved CTs, construction and maintenance of a local electric system in underserved and distressed CTs, and for rehab of a community hospital. Donations provided community services to LMI individuals. CD investments and donations are 3.4 percent of tier 1 capital.

Limited-Scope – MSA AA

CNB&T provided donations totaling \$7.5 thousand during the evaluation period. The donations provided community services to LMI individuals. CD investments and donations are less than 1 percent of tier 1 capital.

Extent to Which the Bank Provides Community Development Services

Full-Scope – Non-MSA AA

During the evaluation period, CNB&T employees provided 54 CD services to 46 different organizations totaling 2,932 hours of service. Services provided range from serving as board members to teaching financial education and providing financial literacy to local consumers that assist LMI individuals in qualifying for credit.

Limited-Scope – MSA AA

CNB&T employees provided 271 hours of community service to 6 different organizations during the evaluation period. Services provided ranged from serving as board members to grant writing to business recruitment and mentorship to at-risk young adults.

Responsiveness to Community Development Needs

CNB&T's performance under the CD test in the Non-MSA AA demonstrates excellent responsiveness and is rated outstanding. Loans and investments were made to moderate-income tracts and distressed and underserved middle-income CTs and counties to address community service needs for LMI individuals, job creation and retention, health care, electric utilities, and affordable housing.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/15 TO 12/31/16) Investment and Service Tests and CD Loans: (02/24/14 to 10/16/17)	
Financial Institution	Products Reviewed	
Community National Bank & Trust (CNB&T) Chanute, KS	Commercial and Consumer Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
State of Kansas Non-MSA AA MSA AA (Wichita MSA 48620)	Full Scope Limited Scope	See Appendix B below for counties in this AA. Harvey and Butler Counties

Appendix B: Community Profiles for Full-Scope Areas

Non-MSA AA

Demographic Information for Full-Scope Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	79	1.27	17.72	74.68	6.33	0.00
Population by Geography	245,606	0.52	17.82	73.39	8.27	0.00
Owner-Occupied Housing by Geography	70,979	0.50	13.97	77.54	7.99	0.00
Businesses by Geography	12,813	0.74	20.16	72.53	6.57	0.00
Farms by Geography	1,585	0.00	6.37	85.99	7.63	0.00
Family Distribution by Income Level	64,647	20.36	19.56	23.41	36.67	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	25,811	0.89	21.68	72.25	5.18	0.00
Median Family Income.....	\$50,526	Median Housing Value Unemployment Rate				\$74,567 3.55%
HUD Adjusted Median Family Income for 2016.....	\$57,300					
Households Below the Poverty Level.....	16%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, and 2016 HUD updated MFI.

Non-MSA AA: The non-MSA KS AA consists of 79 CTs and encompasses all of 15 counties in the state of Kansas: Allen, Anderson, Chase, Chautauqua, Cowley, Crawford, Elk, Greenwood, Labette, Lyon, Marion, Montgomery, Neosho, Wilson, and Woodson Counties. CNB&T operates its main office and 23 additional branch locations in this AA. The AA is not located in an MSA and consists of 57 middle-income designated tracts. Demographic data shows the 2016 FFIEC updated MFI is \$57,300, while the 2010 census showed the MFI was \$52,419. The AA has 16 percent of households below the poverty level.

Primary businesses within the AA are healthcare, education, and manufacturing. Major employers include Neosho Memorial Regional Medical Center, Neosho Co Community College and Unified School District 413, Hi Lo Industries, Spirit Aerosystems, and Chanute Manufacturing. The 2017 unemployment rate in the AA was 3.11 percent, compared to the state of Kansas unemployment rate of 3.8 percent and the national unemployment rate of 4.2 percent.

Based on loan originations during the evaluation period, the primary products for the AA are consumer and commercial loans. This AA has 91.68 percent of CNB&T's deposits, as of June 30, 2017. Competition within the AA is varied and moderate; of the 51 other

institutions in the market area, the top four competitor institutions have less than 7 percent each of market share. CNB&T ranks first in deposit market share at 15.33 percent. The primary competitors in the AA are community banks including Commercial Bank, RBC Bank, Labette Bank, and Girard National Bank.

During the examination, we reviewed four community contacts within the AA. The contacts were with four diverse non-profit organizations that focus on economic development and community action to eliminate causes of poverty in southeast Kansas. Our contacts stated they had heard no complaints regarding area banks. They conveyed a sense that the local banks are not discriminatory, but many community residents do not have resources or income to work with financial institutions to buy homes. They also had the perspective that some residents remain unbanked.