

## **Public Disclosure**

April 24, 2000

# **Community Reinvestment Act Performance Evaluation**

**The First National Bank of Hutchinson  
Charter Number: 3180  
1 N. Main  
Hutchinson, Kansas 67504**

**Office of the Comptroller of the Currency  
South Kansas Field Office  
3450 N. Rock Road, Suite 505  
Wichita, Kansas 67226**

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

## 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 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

**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) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Income Levels** - These relate to individuals, families, households, or the geography

**Low-Income** - Income levels that are less than 50 percent of the MFI.

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

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

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

**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).

**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.

**Poverty Level** - An income level that is less than 30 percent of the median income.

**Qualified Investment** - A level investment that has as its *primary* purpose community development.

**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.

# Overall CRA Rating

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

The following table indicates the performance level of **The First National Bank of Hutchinson** (FNB) with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank of Hutchinson Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	W		W
Low Satisfactory		W	
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:

- FNB demonstrated excellent responsiveness to the small business and small farm credit needs of its assessment area. The bank’s penetration of moderate-income geographies and businesses/farms with revenues of \$1 million or less was strong.
- FNB level of home mortgage loans originated in moderate-income areas was inadequate, while the level of lending to low- and moderate-income (LMI) borrowers was adequate.
- FNB provided an adequate level of qualified community development investments that responded primarily to a Small Business Investment Company that provided funding to Kansas businesses.
- FNB delivery systems are accessible to essentially all geographies and individuals of different income levels in the AA. Sixty percent of the bank’s branch locations are in moderate-income areas. Bank personal provided an adequate level of community development services through their involvement in organizations that provide services to LMI individuals or promote economic development.

## Description of Institution

FNB is a \$332 million financial institution in Hutchinson, Kansas. The bank is a wholly owned subsidiary of First Kansas Bancshares, Inc., Hutchinson, Kansas. FNB is the largest financial institution headquartered in Reno County and had 35 percent of the deposits in the county on June 30, 1999. In addition to the main office, the bank has three branches, one drive-up, and four Automated Teller Machines (ATMs) in Hutchinson. The bank has selected Reno County as its CRA Assessment Area (AA). Further details of the bank's AA are discussed later in this evaluation.

FNB offers a full-range of credit products, including residential real estate, commercial, agricultural, and consumer loans. The bank's net loans and leases totaled \$155 million on December 31, 1999. This represents 50 percent of the bank's total assets. The bank's loan portfolio consists of 37 percent commercial, 33 percent residential real estate, eight percent commercial leases, eight percent consumer, seven percent agricultural, and seven percent other loans. Tier 1 Capital totaled \$34 million. The bank's loan-to-deposit ratio was 63 percent on December 31, 1999.

There are not any legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AA. The Office of the Comptroller of the Currency last evaluated **The First National Bank of Hutchinson** CRA performance on **January 20, 1998**. The bank received an overall rating of "**Satisfactory.**"

Refer to Appendix B: Market Profile of Full Scope Areas, to review the demographic data for the bank's AA.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We examined FNB's CRA performance using the FFIEC Interagency Large Bank CRA examination procedures. The evaluation covers lending, investment, and service activities since the bank's previous CRA examination on January 20, 1998.

Demographic data from the 1990 U.S. Census was used to compare the bank's lending performance to potential opportunities in its AA. We used deposit information from the Federal Deposit Insurance Corporation to determine FNB's market share and market presence in the AA relative to other financial institutions in the AA. The most recent deposit information available is as of June 30, 1999.

### **Lending Test**

Our analysis of small business and small farm lending included reported loan originations from November 1, 1997 to December 31, 1999. We also used home purchase, home improvement, and home refinance type loans from the same period.

### **Service Test**

The evaluation period for the performance under the Service Test is between January 20, 1998 and April 24, 2000. We considered the number and location of bank delivery systems and community development services.

### **Investment Test**

We reviewed community investments in the AA from January 20, 1998 to April 24, 2000.

### **Data Integrity**

The bank reported data is considered accurate. We selected a statistical sample of 195 small business/small farm loans originated during 1997 or 1998 to test the accuracy of data reported by the bank.

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

We performed a full-scope review on the bank's only AA, Reno County. Refer to the table in Appendix A for more information.

**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 on 25 direct loans for purchase of, and secured by, used autos from January 1, 2000, through March 2, 2000. We did not find any evidence of differential treatment of borrowers based on their gender.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance under the Lending Test is rated "**High Satisfactory**".

#### Lending Activity

FNB's origination of small business loans, small farm loans, and home mortgage loans demonstrate a good response to the AA credit needs. The bank ranks first in the overall market share for small business and small farm loans. FNB had 49 percent of small business loan market and 81 percent of the small farm loan market. FNB is not HMDA reporter since the bank is not in a MSA, so a market share of HMDA type of loans is not available. FNB ranks first in deposit market share with 35 percent of all deposits.

FNB originated 75 percent of its small business and small farm loans inside its AA. The bank has significant correspondent banking business which reduces this ratio.

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

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

##### *Home Mortgage Loans*

The bank's penetration in moderate-income geographies was inadequate for home purchase loans, home improvement loans, and home refinance loans. The percentage of the bank's loans in these areas was well below the percentage of owner-occupied units. Overall market share or market share by geography is not available as the bank is not a HMDA reporter.

Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

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

The bank's penetration in moderate-income geographies for small business loans was excellent. The portion of the bank's small business loans originated in moderate-income geographies exceeded the percentage of businesses located in these areas. The bank's market share for the moderate-income areas equaled its overall market share. The bank ranked number one in the overall market.

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

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

The bank's penetration in moderate-income geographies for small farm loans was excellent. Geographic data indicates the moderate-income areas have a very small population of only fifteen farms. FNB had 100 percent of the loans in the moderate-income areas and 81 percent of the overall market share, ranking number one in the market.

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.

There were not any gaps in the geographic distribution of the bank's loan products.

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

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

FNB achieved adequate distribution of home purchase, home refinance, and home improvement loans among borrowers of different income. The bank's percentage of loans to moderate-income borrowers was adequate for home purchase and home improvement loans, but poor for home refinance loans. For low-income borrowers, the bank's percentage of loans was excellent for home improvement, good for home refinance, but inadequate for home purchase. We adjusted the demographics to consider that eight percent of families have incomes below the poverty level, which presents a significant barrier to home ownership.

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

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

The bank's distribution of small business loans to businesses of different sizes is excellent. FNB originated 90 percent of its small business loans to firms with revenues of \$1 million, or less. According to demographic data, 71 percent of AA businesses had revenues of \$1 million, or less. A substantial majority, or 84 percent, of the loans were for amounts less than \$100 thousand. FNB had a 66 percent market share of the loans to businesses with revenues of \$1 million, or less.

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

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

The bank's distribution of small farm loans to farms of different sizes is excellent. FNB originated 94 percent of its small farm loans to farms with revenues of \$1 million, or less. This distribution matches the demographic data for farms in this AA. Almost all of the loans were for amounts less than \$100 thousand. FNB dominated this market with an 83 percent market share.

Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

### **Community Development Lending**

FNB extended an adequate amount of community development loans during the evaluation period totaling \$372 thousand. The bank's community development lending helped provide housing for LMI individuals and families.

The bank's qualified development loans include:

- \$332 thousand, represented by eight loans, to assist LMI people in Reno County meet their housing needs
- \$40 thousand, represented by two loans, to help provide temporary housing to the homeless.

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

## **Product Innovation and Flexibility**

The bank offers residential real estate loans with favorable terms and no origination fee for borrowers purchasing homes from Interfaith Housing Services. Interfaith Housing builds and/or renovates homes for LMI individuals. The bank made one of these loans in 1999 for \$35 thousand.

## INVESTMENT TEST

FNB's performance under the investment test is rated "**Low Satisfactory**". The bank's level of qualified community development investments and grants showed an adequate response to meeting the needs of the AA. Community development opportunities in the AA appear to be limited and we did not identify any unmet opportunities in the community. Qualified investments and grants from the bank totaled \$138 thousand, .40% of the bank's Tier 1 Capital. A majority of the funds had a limited impact on the bank's AA.

Significant investments or donations are:

- FNB invested \$92 thousand in a small business investment company that provides capital, loans, and management assistance to 28 businesses in the state of Kansas. None of the businesses were in Reno County so the impact on the AA was limited.
- FNB invested \$6 thousand in a limited partnership fund that invests in affordable "tax credit" housing projects for LMI individuals throughout the state of Kansas. The bank has a commitment to invest an additional \$119 thousand over the next nine years.
- FNB purchased \$5 thousand in tax credits in a program that will enable LMI homeowners to have basic home repairs done.
- FNB donated \$19 thousand to fund various community development organizations that provide food, shelter, health care, day care facilities, youth counseling, and job skills training to LMI individuals.
- FNB provided \$4 thousand in college scholarships to members of LMI families from Reno County.
- FNB donated \$5 thousand to help build a new building for an organization that provides basic necessities to LMI individuals. The bank also pledged to contribute another \$20 thousand over the next four years.
- FNB contributed \$7 thousand to organizations to help revitalize the downtown area of which is in a moderate-income census tract.

Investments outstanding from prior evaluation periods represent .28% of the bank's Tier 1 Capital and include the following:

- FNB maintained a \$96 thousand investment in a small business investment company that provides capital, loans, and management assistance to businesses in the state of Kansas. Impact on the AA was limited.
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Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

## **SERVICE TEST**

The bank's performance under the Service Test is rated **"High Satisfactory."**

### **Retail Banking Services**

FNB's delivery systems are good. The bank operates five locations, including the main office, a drive-up facility, and three branches. The bank maintains four Automated Teller Machines (ATMs), one more than at the previous examination. FNB has not opened or closed a branch since the previous examination. The geographic distribution of branches in LMI census tracts is good. The main office, one branch with an ATM, and the drive-up facility are located in a moderate-income census tract. This represents 60 percent of the bank's branches, which greatly exceeds the percentage of the population in the moderate-income tracts. The remaining two branches and three ATMs are in upper-income census tracts.

FNB offers convenient banking hours. The main office, in a moderate-income tract, maintains 9:00 A.M. to 4:00 P.M. hours Monday through Thursday with 9:00 A.M. to 5:30 P.M. for Friday. The drive-up facility and one branch in a moderate-income are offer hours from 8:00 A.M to 6:00 P.M. weekdays and Saturday hours from 8:00 A.M. to 2:00 P.M. A branch in an upper-income census tract also offers the same hours. The in-grocery store branch, located in an upper-income census tract, offers hours from 9:00 A.M. to 7:00 P.M. weekdays and 9:00 A.M. to 6:00 P.M for Saturday.

Each branch, except the drive-up, offers a wide range of financial products and services. FNB has a full line of commercial, agricultural, real estate, and consumer loan products. Although the bank does not maintain lending personnel at each office, each branch will accept loan applications. Loan officers at the main office downtown or the 25<sup>th</sup> street branch process the applications.

FNB offers banking online through its Internet web site. Online banking includes accessing existing accounts, opening deposit accounts, and applying for loans. FNB also offers automated twenty-four hour telephone banking that provides information on existing accounts. Information is not available to indicate whether these services are an effective alternative delivery system in reaching low- or moderate-income individuals and geographies. We did not place any significant weight on these alternative delivery systems in determining the bank's overall performance since data is not available.

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and opening and closing of those branches.

### **Community Development Services**

FNB provides an adequate level of community development services within its AA.

Bank associates provide qualified services to community organizations that promote home ownership and rehabilitation of homes and business in LMI census tracts.

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

- The bank provides services for an organization for the revitalization of the moderate-income downtown census tract. A bank officer also serves on the board of this organization.
- A bank officer serves on the board of an organization for the redevelopment a moderate-income tract.
- A bank officer serves as a director for an organization that provides equity capital loans and management assistance to small business.
- A bank officer serves on the committee of an organization that identifies affordable housing problems for LMI individuals.
- A bank officer serves on the committee of an organization that provides affordable housing for LMI individuals.
- Bank officers serve as board members for organizations that provide basic necessities or services to LMI individuals.

## Appendix A: Scope of Examination

The following table identifies the time periods covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "Full Scope" and those that received a less comprehensive review (designated by the term "Limited Scope").

<b>Time Period Reviewed</b>	Lending Test: November 1, 1997 to December 31, 1999 Investment Test: January 20, 1998 to April 24, 2000 Service Test: January 20, 1998 to April 24, 2000	
<b>Financial Institution</b>		<b>Products Reviewed</b>
The First National Bank of Hutchinson		Small Business, Small Farms, Home Purchase, Home Refinance, Home Improvement, and Qualified Investments
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
List of Assessment Areas and Type of Examination		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Reno County AA	Full-Scope	

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

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#### Market Profiles for Areas Receiving Full-Scope Reviews

Demographic Information for Full-Scope Area: Reno County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	18	0%	17%	44%	33%	6%
Population by Geography	62,389	0%	12%	48%	38%	2%
Owner-Occupied Housing by Geography	16,954	0%	10%	50%	40%	0%
Businesses by Geography	2,515	0%	24%	47%	28%	1%
Farms by Geography	375	0%	4%	73%	23%	0%
Family Distribution by Income Level	17,150	0%	17%	44%	33%	6%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,699	0%	24%	56%	24%	0%
Median Family Income - nonmetropolitan HUD Adjusted Median Family Income for 1999 Nonmetropolitan Households Below the Poverty Level	= \$28,068 = \$38,700 = 12%	Median Housing Value Unemployment Rate				= \$40,312 = 3.2%

Source: 1990 U.S. Census, and 1999 HUD updated MFI.

The AA consists of Reno County, a nonmetropolitan area in south central Kansas. The county contains 18 census tracts, 0 percent designated low-income, 17 percent moderate-income, 44 percent middle-income, 33 percent upper income, and 6 percent income NA. The 1990 census had a population of 62,389. Sixteen percent of the AA's population is over the age of 65 and 12 percent of the households have incomes below the poverty level. The weighted average updated median family income for 1999 was \$38,700. The median housing value from the 1990 census data was \$40,312 with very few vacant units. One-to-four family units represent 87 percent of the housing stock, rental units account for 30 percent of the housing, six percent multifamily units, and six percent are mobile homes.

All of the bank's five bank locations are in Hutchinson. The bank has the largest deposit market share of all banks in Reno County with 35 percent of all deposits. Within Reno County six other FDIC-insured financial institutions have headquarters and another five banks have branches. The bank with the next largest deposit market share has garnered only a 15 percent share. The bank is a leader in small business and small farm loan originations. The bank's market share for loan products is described under the **Lending Test**.

Reno County, with a population of 62,920, contains the City of Hutchinson and eleven very small towns. The county is agricultural, while the city of Hutchinson is the commercial center and county seat. Home of the nationally recognized Kansas Cosmosphere & Space Center, Hutchinson is 50 miles northwest of Wichita, the largest city in the state. The following businesses employ more than 500 individuals: Hutchinson Hospital, 1,204; Eaton Corporation, 797; Unified School District #308, 730; Dillons Companies, 696; and the Hutchinson Correctional Facility, 662. The area's economy is strong and growing. The unemployment for March 2000 was 3.2 percent for county and 3.7 percent for Hutchinson.

During this evaluation, we contacted one local government official and one organization that provides housing to LMI individuals. We also reviewed one interview with an economic development organization conducted by another regulatory agency within the last 18 months. These interviews indicated the area financial institutions are active in the community and are meeting the credit needs of the community. These interviews also indicated housing loans for LMI individuals were the primary credit need in the AA.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

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/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the AA; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the AA.

The following is a listing and brief description of the tables:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by AA.

**Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. Geographic Distribution of Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) 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 Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each 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 Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased 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. In addition, the table presents the percentage distribution of the number of loans originated and purchased 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 AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each AA. The table also presents data on branch openings and closings in each AA.

**Table 1. Lending Volume**

LENDING VOLUME													State: Kansas	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development***		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
Full-Scope:														
Reno County AA	100%	366	26,798	664	\$45,915	313	\$13,117	8	\$372	1,351	\$86,202	100%		

\* Deposit data as of June 30, 1999.

\*\* The evaluation period for Home Mortgage Loans, Small Loans to Businesses and Small Loans to Farms is November 1, 1997 to December 1, 1999.

\*\*\* The evaluation period for Community Development Loans is January 20, 1998 to April 14, 2000.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																	State: Kansas		Evaluation Period: November 1, 1997 to December 31, 1999	
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:																				
Reno County AA	0%	0%	44%	4%	63%	18%	72%	78%	NA	NA	NA	NA	NA	NA	23	100%				

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined. Data not available as bank is not a HMDA reporter.

(\*\*) This sample represents 20% of the population of Home Purchase Loans.

(\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT																	State: Kansas		Evaluation Period: November 1, 1997 to December 31, 1999	
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:																				
Reno County AA	0%	0%	44%	6%	63%	59%	72%	35%	NA	NA	NA	NA	NA	NA	17	100%				

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined. Data not available as bank is not a HMDA reporter.  
 (\*\*) This sample represents 19% of the population of Home Improvement Loans.  
 (\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: Kansas		Evaluation Period: November 1, 1997 to December 31, 1999	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance 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:																				
Reno County AA	0%	0%	44%	6%	63%	22%	72%	72%	NA	NA	NA	NA	NA	NA	32	100%				

(\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined. Data not available as bank is not a HMDA reporter.  
 (\*\*) This sample represents 20% of the population of Home Mortgage Refinance Loans.  
 (\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES																
				State: Kansas				Evaluation Period: November 1, 1997 to December 31, 1999								
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:																
Reno County AA	0%	0%	24%	31%	47%	30%	28%	40%	1	49%	0%	49%	45%	54%	664	100%

(\*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS																
				State: Kansas				Evaluation Period: November 1, 1997 to December 31, 1999								
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:																
Reno County AA	0%	0%	4%	2%	73%	77%	23%	21%	1	81%	0%	100%	88%	65%	313	100%

(\*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE State: Kansas Evaluation Period: November 1, 1997 to December 31, 1999																
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:																
Reno County AA	15%	0%	18%	13%	25%	13%	42%	74%	NA	NA	NA	NA	NA	NA	23	100%

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined. No data available as bank is not a HMDA reporter  
 (\*\*\*) This sample represents 20% of the population of Home Purchase Loans.  
 (\*\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT State: Kansas Evaluation Period: November 1, 1997 to December 31, 1999																
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:																
Reno County AA	15%	12%	18%	12%	25%	42%	42%	34%	NA	NA	NA	NA	NA	NA	17	100%

(\*) As a percentage of loans with borrower income information available. No information was available for 0% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined. No data available as bank is not a HMDA reporter.  
 (\*\*\*) This sample represents 19% of the population of Home Improvement Loans.  
 (\*\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE																
State: Kansas				Evaluation Period: November 1, 1997 to December 31, 1999												
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 Mortgage Refinance 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:																
Reno County AA	15%	6%	18%	3%	25%	19%	42%	72%	NA	NA	NA	NA	NA	NA	32	100%

(\*) As a percentage of loans with borrower income information available. No information was available for 0X% of loans originated and purchased by the bank.  
 (\*\*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined. No data is available as bank is not a HMDA reporter.  
 (\*\*\*) This sample represents 20% of the populations of Home Mortgage Refinance Loans.  
 (\*\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES									
State: Kansas				Evaluation Period: November 1, 1997 to December 31, 1999					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses	
	% of Businesses*	% BANK Loans**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Reno County AA	71%	90%	84%	10%	6%	49%	66%	527	100%

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.  
 (\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 12% of small loans to businesses originated and purchased by the bank.  
 (\*\*\*) Based on 1998 Aggregate Small Business Data only.  
 (\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS State: Kansas Evaluation Period: November 1, 1997 to December 31, 1999									
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**	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Reno County AA	94%	94%	92%	4%	4%	81%	83%	233	100%

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

(\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 25% of small loans to farms originated and purchased by the bank.

(\*\*\*) Based on 1998 Aggregate Small Farm Data only.

(\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS State: Kansas Evaluation Period: January 20, 1998 to April 24, 2000									
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$=s	#	\$ (000's)
Full-Scope:									
Reno County AA	1	\$96	11	\$138	12	\$234	100%	0	\$0

(\*) **P**rior Period Investments mean investments made in a previous evaluation period that are outstanding as of the examination date.

(\*\*) **U**nfunded Commitments mean legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

**Table 13. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
										State: Kansas				Evaluation Period: November 1, 1997 to December 31, 1999			
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography*			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Reno County AA	100%	5	100%	0	60%	0	40%	0	0	0	0	0	0	0	12%	48%	38%

\* An additional 2% of the population resides in a geography where income is NA.