



PUBLIC DISCLOSURE

August 14, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Citizens Bank of Kansas
RSSD# 1014853

300 North Main Street
Kingman, Kansas 67068

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

This institution is rated: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Satisfactory**

Citizens Bank of Kansas (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment areas' (AAs) credit needs.
- A substantial majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.
- Community development (CD) activity reflects adequate responsiveness to the CD needs of its AAs.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs.

The Wichita Metropolitan Statistical Area (MSA) AA and South-Central Kansas AA were assessed using full-scope reviews, while the Cowley County AA was assessed using a limited-scope review. Examiners reviewed the following data:

- The bank's 21-quarter average NLTD ratio,
- The universe of 446 home mortgage loans reported on the bank's 2021 and 2022 Home Mortgage Disclosure Act (HMDA) Loan/Application Registers,
- The universe of 100 small business loans originated between January 1, 2022, and December 31, 2022; and
- CD loans, qualified investments, and CD services from September 1, 2018, through December 31, 2022.

In addition, available CRA aggregate data for the most recent three years (2019, 2020, and 2021) were referenced for additional perspective to gauge credit demand within the bank's three AAs.

For this evaluation, greater weight was placed on home mortgage lending versus small business lending based on the higher number of home mortgage originations during the evaluation period. Furthermore, greater consideration was given to the volume of loan originations rather than the dollar amount, as it is more representative of the number of individuals and entities served. For home mortgage lending, additional emphasis was placed on the bank's performance in comparison to available aggregate lending data, rather than a comparison to relative demographic figures, as aggregate lending data is considered representative of credit demand. Lastly, for the evaluation of home mortgage lending, home improvement, multifamily, and other purpose closed/exempt loans were not evaluated at the product level based on lending volumes too low to conduct meaningful analyses.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Kingman, Kansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of King Bancshares, Inc.
- The bank has total assets of \$481.4 million as of March 31, 2023.
- In addition to its main office in Kingman, the bank operates nine additional office locations across its AAs, as well as ten automated teller machines (ATMs) with one ATM located at each office location. The bank also operates one limited service branch inside a local high school.
- Since the last evaluation, the bank acquired another depository institution in its AAs, which added four full-service branch offices and one limited-service branch.
- As shown in the table below, the bank's primary business focus is residential real estate and commercial lending, of which the former is not fully captured, as a portion of the bank's home mortgage loans are sold on the secondary market.

Table 1

Composition of Loan Portfolio as of March 31, 2023		
Loan Type	\$(000)	%
Construction and Land Development	13,557	6.2
Farmland	26,893	12.2
1- to 4-Family Residential Real Estate	83,777	38.1
Multifamily Residential Real Estate	3,742	1.7
Nonfarm Nonresidential Real Estate	46,786	21.3
Agricultural	18,394	8.4
Commercial and Industrial	12,043	5.5
Consumer	4,734	2.2
Other	9,692	4.4
Gross Loans	219,618	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its August 27, 2018 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA¹

LENDING TEST

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of performance in the Wichita MSA AA and South-Central Kansas AA (full-scope reviews); and concludes with a brief discussion of performance in the Cowley County AA (limited-scope review).

The bank’s overall lending test performance is Satisfactory. This conclusion was reached based on a reasonable NLTD, a substantial majority of loans originated within the bank’s AAs, as well as reasonable geographic and borrower distribution of loans.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending considering performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and area of operations in proximity to the bank’s three AAs.

¹ The net loan-to-deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

The bank’s NLTD ratio is reasonable. The bank’s 21-quarter average NLTD ratio was within the range of five similarly situated institutions with ratios ranging from 55.6 percent to 75.9 percent.

Table 2

Comparative NLTD Ratios March 31, 2018 – March 31, 2023			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			21-Quarter Average
Citizens Bank of Kansas	Kingman, Kansas	481,443	58.5
Similarly Situated Institutions			
Kanza Bank	Kingman, Kansas	273,546	74.4
Vintage Bank of Kansas	Leon, Kansas	227,537	71.6
First Bank of Kansas	Salina, Kansas	562,485	55.6
Union State Bank	Arkansas City, Kansas	609,824	71.8
Bank of the Plains	Plains, Kansas	381,384	75.9

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. The bank originated a substantial majority of loans, by number and dollar, inside the three AAs.

Table 3

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Home Purchase - Conventional	185	88.5	31,942	87.0	24	11.5	4,775	13.0
Home Purchase – FHA	2	100.0	184	100.0	0	0.0	0	0.0
Home Improvement	14	100.0	427	100.0	0	0.0	0	0.0
Multi-Family Housing	17	89.5	23,423	96.5	2	10.5	852	3.5
Other Purpose Closed-End	8	100.0	1,145	100.0	0	0.0	0	0.0
Refinancing	181	93.3	31,163	91.4	13	6.7	2,918	8.6
Total HMDA related	407	91.3	88,284	91.2	39	8.7	8,545	8.8
Small Business	99	99.0	12,593	99.9	1	1.0	17	0.1
Total Loans	506	92.7	100,877	92.2	40	7.3	8,562	7.8

Note: Percentages may not total 100.0 percent due to rounding.

The remaining loan distribution analyses discussed in this performance evaluation considered only those loans originated with the bank’s AAs.

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts with consideration given to the dispersion of loans

throughout the AAs. The bank's overall geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the Wichita MSA AA and South-Central Kansas AA. Lending performance for the geographic distribution in the Cowley County AA was consistent with performance in the full-scope review AAs, although this area had very limited home mortgage and small business lending when compared to the two full-scope AAs.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has an overall reasonable distribution among individuals of different income levels and businesses of different sizes. Lending performance for the borrower distribution in the Cowley County AA was consistent with performance in the two full-scope review AAs.

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank's responsiveness to the CD needs of its AAs through CD loans, qualified investments, and CD services, considering the bank's capacity and the need and availability of such opportunities in the bank's AAs.

The bank's overall CD test performance is Satisfactory and demonstrates adequate responsiveness in the Wichita MSA AA and the South-Central Kansas AA. Performance in the limited-scope Cowley County AA was below that of the full-scope AAs, although this did not impact the overall rating.

The majority of the qualifying CD activity consisted of CD loans originated through the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and implemented by the Small Business Administration in response to the Coronavirus Disease 2019 pandemic. In addition to PPP loans totaling \$9.4 million (MM), the bank originated six loans totaling \$3.3MM, made 24 qualified investments totaling \$234.2 thousand (M), and provided 22 CD services to 21 organizations.

Table 4

Community Development Activity									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	2	2,219	0	0	1	1	1	1	1
Community Services	0	0	0	0	20	25	20	25	13
Economic Development	2	421	0	0	0	0	0	0	5
Revitalization and Stabilization	141	9,922	3	209	0	0	3	209	3
Totals	145	12,561	3	209	21	26	24	234	22

In addition to the loans and investments made within the bank’s AAs, the bank also received credit for one additional qualified loan that was originated outside of its delineated AAs in the broader statewide area of Kansas. This loan qualified under the affordable housing purpose and totaled \$111.2M. Consideration for this activity included a review of the bank’s current performance and responsiveness to the CD needs of its AAs as well as the level of available CD opportunities during the evaluation period.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**WICHITA MSA ASSESSMENT AREA
METROPOLITAN AREA
(Full-Scope Review)**

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE WICHITA MSA AA

The bank's Wichita MSA AA consists of Butler, Sedgwick, Sumner, and Harvey counties in their entirety, which are also the four counties that comprise the Wichita, Kansas MSA. (See Appendix A for an AA map and Appendix B for additional demographic data.)

- Since the previous evaluation, the Wichita MSA AA was adjusted to exclude Kingman County as a result of an Office of Management and Budget change in 2018.
- The AA is comprised of 167 total census tracts, including 8 low-, 44 moderate-, 71 middle-, 42 upper-, and 2 unknown-income census tracts. At the previous evaluation, the AA consisted of 152 total census tracts, including 16 low-, 40 moderate-, 57 middle-, and 39 upper-income census tracts.
- The bank operates six full-service branch locations with onsite cash dispensing-only ATMs in this AA. There is one branch in Augusta, one in El Dorado, two in Derby, and two in Wichita. The bank also operates one limited-service branch inside of Derby High School, which allows student customers to conduct simple transactions.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 12th of 46 FDIC-insured depository institutions operating from 221 locations in the AA, with a total deposit market share of 1.2 percent.
- Three community contacts recently conducted as part of the CRA evaluations of other financial institutions with offices in the AA were reviewed for meaningful performance context related to area economic conditions, credit needs, and affordable housing. The community members represented economic development organizations and a real estate group operating in the AA.

Table 5

Population Change Assessment Area: Wichita MSA			
Area	2015 Population	2020 Population	Percent Change
Wichita MSA	631,094	647,610	2.6
Butler County, KS	66,092	67,380	1.9
Harvey County, KS	34,835	34,024	(2.3)
Sedgwick County, KS	506,529	523,824	3.4
Sumner County, KS	23,638	22,382	(5.3)
Kansas	2,892,987	2,937,880	1.6
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011 – 2015 U.S. Census Bureau: American Community Survey</i>			

- The AA’s 2020 population accounts for 22.0 percent of the statewide population.
- Population growth in the AA was driven by modest increases in the two most populous counties of Sedgwick and Butler, which offset population losses in Harvey and Sumner Counties.
- Population growth in the AA outpaced the overall increase for the state of Kansas.
- The majority of the bank’s branches are in the cities of Derby and Wichita, which have higher populations of 25,625 and 397,532, respectively, when compared to the other areas where branches are located.
- The remaining branches are in the cities of Augusta and El Dorado, with populations of 9,256 and 12,870, respectively.

Table 6

Median Family Income Change Assessment Area: Wichita MSA			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Wichita MSA	70,287	74,120	5.5
Butler County, KS	79,511	83,602	5.1
Harvey County, KS	71,430	69,739	(2.4)
Sedgwick County, KS	69,683	73,508	5.5
Sumner County, KS	70,945	70,220	(1.0)
Kansas	72,535	77,620	7.0
<i>Source: 2011 – 2015 U.S. Census Bureau: American Community Survey 2016 – 2020 U.S. Census Bureau: American Community Survey</i>			
<i>Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- Median family income growth in the AA was led by increases in Butler and Sedgwick Counties, although growth in the AA was outpaced by the state of Kansas.
- Based on the 2016-2020 American Community Survey (ACS) data, the portion of families in the AA living below the poverty level, at 8.7 percent, was above the state of Kansas figure of 7.6 percent. The portion of AA families living below the poverty level ranged from 6.6 percent in Butler County to 9.5 percent in Sumner County.

Table 7

Housing Cost Burden						
Assessment Area: Wichita MSA						
Area	Cost Burden – Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Wichita MSA	74.1	24.0	40.7	57.3	24.7	15.5
Butler County, KS	71.4	21.6	40.3	57.4	27.1	15.2
Harvey County, KS	69.9	17.2	39.0	56.1	17.7	12.9
Sedgwick County, KS	75.1	24.8	41.2	57.3	25.0	15.6
Sumner County, KS	55.5	19.6	29.1	57.3	23.2	16.8
Kansas	73.0	26.6	38.4	57.7	24.8	15.6

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy

- The housing affordability ratio² in the AA, at 40.4 percent, was comparable to the state of Kansas figure, at 38.8 percent, indicating similar levels of affordable housing within these areas. Housing affordability ratios for the four AA counties ranged from 39.3 percent in Sedgwick County to 56.5 percent in Sumner County.
- The housing cost burden for low-income renters in the AA was similar to the state of Kansas. Of the AA counties, Sumner County had the lowest cost burden for all renters and the highest cost burden for all owners.
- The median housing value in the AA of \$144,240 was below the state of Kansas figure of \$157,600. The median housing values in the four AA counties ranged from \$94,800 in Sumner County to \$150,300 in Butler County.

Table 8

Unemployment Rates					
Assessment Area: Wichita MSA					
Area	2017	2018	2019	2020	2021
Wichita MSA	4.1	3.6	3.4	8.1	4.4
Butler County, KS	3.7	3.4	3.2	6.4	3.5
Harvey County, KS	4.1	3.1	2.9	5.2	2.9
Sedgwick County, KS	4.2	3.7	3.4	8.5	4.6
Sumner County, KS	3.8	3.4	3.3	8.0	4.1
Kansas	3.6	3.3	3.1	5.7	3.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The unemployment rates in 2021 have decreased but generally remain higher than those noted in 2019 primarily due to the onset of the pandemic in early 2020.

² The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

- A community member stated that difficulties in the aerospace industry, followed by the pandemic, resulted in layoffs and furloughs for large portions of staff in the sector that also negatively impacted other area businesses as well as the unemployment rate.
- A community member stated that aerospace, healthcare, transportation and logistics, advanced manufacturing, agriculture, information technology, and cybersecurity are all major industries in the AA.
- The largest employers in the area include Spirit AeroSystems, Inc, Textron Aviation, McConnell Air Force Base, Wichita Public Schools, Ascension Via Christi Health, Inc., Koch Industries, and the City of Wichita.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE WICHITA MSA AA

LENDING TEST

The bank's performance in the Wichita MSA AA is reasonable. Overall, the bank's geographic distribution of loans is reasonable. Likewise, the borrower distribution of loans among individuals of different income levels and business of different sizes is also reasonable. The evaluation in the Wichita MSA AA included a review of 310 home mortgage loans originated between January 1, 2021, and December 31, 2022, and 38 small business loans originated between January 1, 2022, and December 31, 2022.

Geographic Distribution of Loans

The bank's geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. The geographic distribution of both home mortgage and small business lending was reasonable.

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. The distribution of 2022 home mortgage loans among low-income census tracts was comparable to aggregate lending data by number and dollar volume, and comparable to the demographic figure. Lending levels in moderate-income census tracts was above aggregate lending data by number and dollar volume, as well as the demographic figure.

Performance was driven largely by both the bank's home purchase and multi-family lending. While multifamily lending was not evaluated separately due to low volume, multifamily lending volume in moderate-income census tracts was above aggregate lending data and the demographic, which contributed to the overall excellent rating for home mortgage lending.

An assessment of loan dispersion revealed conspicuous lending gaps, particularly within LMI census tracts, due to a relatively low number of home mortgage loans in these geographies. In 2022, 31 of the AA's 52 LMI tracts, or 59.6 percent, had no home mortgage loan originations, and 64 of the AA's 115 middle- and upper-income tracts had no loans, or 55.7 percent. The bank's dispersion performance did not impact the overall conclusion, given the location of the bank's branches and competition in Sedgwick County (five of the bank's seven location are in this county which also contains 50 of the AA's 52 LMI census tracts). Only one of the bank's branches is located near the center of Wichita where the majority of the LMI census tracts are concentrated. Additionally, there is significant competition in Sedgwick County where there are 37 total institutions operating from 157 offices. The bank ranks 13th of 37 offices operating in the county and has a market share of 1.0 percent, which includes the limited-service branch inside of Derby High School.

The geographic distribution of home mortgage loans in 2021 reflected penetration levels below 2022 lending patterns.

Home Purchase Lending

The geographic distribution of home purchase lending is reasonable. The distribution of 2022 home mortgage lending in LMI census tracts was comparable to aggregate lending data by number and dollar volume, and also comparable to the demographic figure. Although there were no home mortgage loans originated in the AA's low-income tracts, the percentage of owner-occupied housing units and aggregate lending data were both less than two percent, indicating a lack of opportunity for home purchase lending in low-income tracts.

The geographic distribution of home purchase loans in 2021 reflected penetration below 2022 lending patterns.

Home Refinance Lending

The geographic distribution of home refinance lending is reasonable. The distribution of 2022 home refinance loans among low-income census tracts was above aggregate lending data by number, comparable by dollar volume, and above the demographic figure. Lending levels in moderate-income census tracts was comparable to aggregate lending data by number and dollar volume, and comparable to the demographic figure.

The geographic distribution of home refinance loans in 2021 reflected penetration levels below 2022 lending patterns.

Table 9

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Wichita MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	1.2	0	0.0	0.7	1.6
Moderate	14	21.9	18.5	1,605	12.3	11.1	17.5
Middle	14	21.9	44.1	2,297	17.6	38.3	47.3
Upper	36	56.3	36.0	9,153	70.1	49.7	33.4
Unknown	0	0.0	0.1	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	64	100.0	100.0	13,055	100.0	100.0	100.0
Refinance Loans							
Low	1	2.9	1.1	23	0.3	0.7	1.6
Moderate	5	14.3	16.7	668	9.8	11.0	17.5
Middle	16	45.7	46.0	2,398	35.1	41.3	47.3
Upper	13	37.1	36.0	3,746	54.8	46.8	33.4
Unknown	0	0.0	0.2	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	35	100.0	100.0	6,835	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.7	0	0.0	0.6	1.6
Moderate	1	25.0	11.9	30	21.1	8.2	17.5
Middle	2	50.0	44.2	40	28.2	39.2	47.3
Upper	1	25.0	43.1	72	50.7	52.0	33.4
Unknown	0	0.0	0.1	0	0.0	0.0	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	4	100.0	100.0	142	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	4.8	0	0.0	0.7	3.8
Moderate	6	66.7	41.7	9,956	77.6	27.3	33.5
Middle	0	0.0	36.3	0	0.0	30.8	36.6
Upper	3	33.3	15.7	2,870	22.4	32.5	21.5
Unknown	0	0.0	1.5	0	0.0	8.6	4.5
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	9	100.0	100.0	12,826	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	1	0.9	1.2	23	0.1	0.7	1.6
Moderate	27	23.3	17.7	12,429	37.2	13.3	17.5
Middle	35	30.2	44.4	5,118	15.3	37.8	47.3
Upper	53	45.7	36.4	15,841	47.4	46.9	33.4
Unknown	0	0.0	0.2	0	0.0	1.3	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	116	100.0	100.0	33,411	100.0	100.0	100.0
<p>Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.</p>							

Small Business Lending

The geographic distribution of small business lending is reasonable. The distribution of 2022 small business loans among low-income census tracts was below the demographic figure, while lending levels in moderate-income census tracts was above the demographic figure. Small business lending opportunities in the low-income census tracts is limited, as only 2.4 percent of area businesses are in these areas.

An analysis of the dispersion of loans was conducted and revealed conspicuous gaps and lapses that include several LMI tracts; however, this did not impact the overall conclusions. The bank’s limited loan volume contributed to the number of gaps noted, with no loans originated in low-income census tracts and only 14 small business loans originated in moderate-income census tracts. Additionally, the gaps noted throughout the AA included not only LMI census tracts, but also a substantial number of middle- and upper-income tracts.

Table 10

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Wichita MSA					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	2.4
Moderate	14	36.8	1,602	29.1	21.4
Middle	17	44.7	2,973	54.0	40.2
Upper	7	18.4	925	16.8	32.9
Unknown	0	0.0	0	0.0	3.1
Tract-Unk	0	0.0	0	0.0	
Total	38	100.0	5,501	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank’s lending has a reasonable distribution among individuals of different income levels and businesses of different sizes. The borrower distribution of home mortgage lending was reasonable, while the borrower distribution for small business lending was excellent.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The distribution of 2022 home mortgage lending to low-income borrowers was below aggregate lending data by number and dollar volume, and below the demographic figure. The distribution among moderate-income borrowers was also below aggregate lending data by number and dollar volume, and comparable to the demographic figure.

Performance context was considered in assessing the bank's home mortgage lending performance. First, demand for home mortgage loans from LMI borrowers in the AA may be limited due to slower growth in median family incomes at 5.5 percent, compared to statewide median family income growth at 7.0 percent.

AA housing stock is also a relevant factor to consider. The median age of the housing stock in the AA, at 52 years, is above the state of Kansas figure of 46. A community member stated that most of the area's construction is taking place in the suburban areas of Wichita and are not affordable to LMI buyers. AA housing data appears to support this as Butler County has the lowest median age of housing stock at 39 years and the highest median housing value at \$150,300 out of all AA counties. Conversely, most of the affordable homes are in the city of Wichita and are older and in general need of repair, which can make it challenging for LMI borrowers who may not have the available resources or capital to make the necessary repairs.

Furthermore, as mentioned previously, there is significant competition in the AA for home mortgage lending, particularly in Sedgwick County where the majority of the bank's branches are located. Additionally, the bank offers two different grant programs for LMI families: the Federal Home Loan Bank Homeownership Set-Aside Program and the Kansas Housing Resources Corporation 1st Time Homebuyer program. In 2022, 63.6 percent of the bank's home purchase loans were under one of these programs. In 2021, 40.0 percent were under one of these programs.

The borrower distribution of 2021 home mortgage loans reflected performance that was consistent with 2022 lending patterns.

Home Purchase Lending

The borrower distribution of home purchase lending is reasonable. The distribution of 2022 home purchase loans among low-income borrowers was below aggregate lending data by number and dollar volume, and below the demographic figure. Lending levels to moderate-income borrowers was comparable to aggregate lending data by number and dollar volume, and comparable to the demographic figure.

The borrower distribution of 2021 home purchase lending was consistent with 2022 lending patterns. Overall performance was considered reasonable due to the aforementioned factors including slower median family income growth, older housing stock, and competition.

Home Refinance Lending

The borrower distribution of home refinance lending is reasonable. The distribution of 2022 home refinance loans among low-income borrowers was above aggregate lending data by number, below aggregate data by dollar volume, and comparable to the demographic figure. The distribution of lending among moderate-income borrowers was below aggregate lending data by number and dollar volume, as well as the demographic figure.

The borrower distribution of 2021 home refinance loans was consistent with 2022 lending levels. Overall performance was considered reasonable due to the aforementioned factors including slower median family income growth, older housing stock, and competition.

Table 11

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Wichita MSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	1	1.6	10.1	126	1.0	5.4	19.5
Moderate	10	15.6	21.4	1,578	12.1	16.5	18.4
Middle	17	26.6	19.9	2,577	19.7	20.0	21.7
Upper	17	26.6	25.2	5,105	39.1	37.0	40.4
Unknown	19	29.7	23.5	3,669	28.1	21.0	0.0
Total	64	100.0	100.0	13,055	100.0	100.0	100.0
Refinance Loans							
Low	5	14.3	11.2	221	3.2	7.0	19.5
Moderate	3	8.6	22.6	352	5.1	17.7	18.4
Middle	9	25.7	20.7	1,383	20.2	20.3	21.7
Upper	14	40.0	25.9	4,270	62.5	35.5	40.4
Unknown	4	11.4	19.6	609	8.9	19.5	0.0
Total	35	100.0	100.0	6,835	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	9.5	0	0.0	5.7	19.5
Moderate	2	50.0	18.4	50	35.2	13.5	18.4
Middle	0	0.0	22.9	0	0.0	19.1	21.7
Upper	2	50.0	43.4	92	64.8	52.1	40.4
Unknown	0	0.0	5.8	0	0.0	9.6	0.0
Total	4	100.0	100.0	142	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	6	5.6	10.2	347	1.7	5.8	19.5
Moderate	15	14.0	21.2	1,980	9.6	16.5	18.4
Middle	27	25.2	20.2	4,020	19.5	19.9	21.7
Upper	34	31.8	27.0	9,540	46.3	37.2	40.4
Unknown	25	23.4	21.4	4,698	22.8	20.6	0.0
Total	107	100.0	100.0	20,585	100.0	100.0	100.0
<p>Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis. Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.</p>							

Small Business Lending

The borrower distribution of small business lending is excellent. The distribution of loans originated in 2022 to businesses with annual revenues of \$1MM or less was comparable to the demographic figure. Additionally, while the bank does not report CRA data, a three-year analysis of aggregate lending data from 2019-2021 filed by all CRA data reporters

in the AA, was utilized to gauge credit demand of businesses with revenues of \$1MM or less. The analysis indicated an average lending distribution of 44.8 percent by number, which was significantly below the bank’s performance of 94.7 percent by number. While aggregate CRA data is not a direct comparator in evaluating the bank’s performance, the data reflects overall limited demand for small business lending in the AA, which further supports the bank’s excellent rating.

Table 12

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Wichita MSA					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	36	94.7	5,446	99.0	89.3
Over \$1 Million	1	2.6	45	0.8	9.8
Revenue Unknown	1	2.6	10	0.2	0.9
Total	38	100.0	5,501	100.0	100.0
By Loan Size					
\$100,000 or Less	21	55.3	789	14.3	
\$100,001 - \$250,000	12	31.6	2,176	39.6	
\$250,001 - \$1 Million	5	13.2	2,536	46.1	
Total	38	100.0	5,501	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	19	52.8	734	13.5	
\$100,001 - \$250,000	12	33.3	2,176	40.0	
\$250,001 - \$1 Million	5	13.9	2,536	46.6	
Total	36	100.0	5,446	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The bank’s CD performance demonstrates adequate responsiveness to credit needs in the AA. As noted in Table 13, the majority of the bank’s CD activity entailed CD lending, particularly PPP lending. Additional CD activity included a \$2.16MM loan for the construction of a large scale, mixed-income housing apartment complex, which provided affordable housing for LMI residents.

Table 13

Community Development Activity – Wichita MSA AA									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	2	2,219	0	0	0	0	0	0	0
Community Services	0	0	0	0	10	6	10	6	7
Economic Development	0	0	0	0	0	0	0	0	3
Revitalization and Stabilization	40	5,551	0	0	0	0	0	0	0
Totals	42	7,770	0	0	10	6	10	6	10

**SOUTH CENTRAL KANSAS ASSESSMENT AREA
NONMETROPOLITAN AREA
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE SOUTH-CENTRAL
KANSAS AA**

The bank's South-Central Kansas Nonmetropolitan AA consists of Barber, Kingman, Pratt, and Reno Counties in their entireties. (See Appendix A for an AA map and Appendix B for additional demographic data.)

- The AA has changed since the prior evaluation. As previously noted, Kingman County was added to this AA as a result of an Office of Management and Budget change in 2018 that removed Kingman County from the Wichita MSA delineation. Effective in 2021, the bank also began including the entirety of Reno County in this AA, while in prior years it only captured two census tracts in this county.
- The AA is comprised of 25 total census tracts, including 1 low-, 2 moderate-, 17 middle-, and 5 upper-income census tracts. At the previous evaluation, the AA consisted of seven total census tracts, all of which were middle-income census tracts. The entirety of Barber County and one census tract in Pratt County are considered underserved.
- In addition to its home office in Kingman, the bank operates two additional full-service branches with onsite cash dispensing-only ATMs in the towns of Medicine Lodge and Pretty Prairie.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 5th of 18 FDIC-insured depository institutions operating from 35 locations in the AA, with a total deposit market share of 7.4 percent.
- One interview was conducted with a community member within the bank's AA to ascertain the credit needs of the community, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. The community member represented an economic development organization that serves the local area.

Table 14

Population Change			
Assessment Area: South Central Kansas			
Area	2015 Population	2020 Population	Percent Change
South Central Kansas	86,357	82,753	(4.2)
Barber County, KS	4,770	4,228	(11.4)
Kingman County, KS	7,790	7,470	(4.1)
Pratt County, KS	9,739	9,157	(6.0)
Reno County, KS	64,058	61,898	(3.4)
NonMSA Kansas	922,403	892,006	(3.3)
Kansas	2,892,987	2,937,880	1.6
<i>Source: 2020 U.S. Census Bureau: Decennial Census 2011 – 2015 U.S. Census Bureau: American Community Survey</i>			

- The AA’s 2020 population accounts for 2.8 percent of the statewide population.
- The AA experienced population loss in each of its four counties. The greatest absolute loss occurred in Reno County, which accounted for 59.9 percent of the total population loss in the AA.
- The town of Kingman, in Kingman County and where the bank is headquartered, had a 2020 population of 3,114.
- The towns of Medicine Lodge and Pretty Prairie have populations of 1,364 and 583, respectively.
- The largest population center in the AA is the city of Hutchinson, with a 2020 population of 40,006.

Table 15

Median Family Income Change			
Assessment Area: South Central Kansas			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
South Central Kansas	64,287	64,860	0.9
Barber County, KS	68,377	64,653	(5.4)
Kingman County, KS	70,981	72,667	2.4
Pratt County, KS	68,440	69,280	1.2
Reno County, KS	62,836	64,108	2.0
NonMSA Kansas	62,527	65,467	4.7
Kansas	72,535	77,620	7.0
<i>Source: 2011 – 2015 U.S. Census Bureau: American Community Survey 2016 – 2020 U.S. Census Bureau: American Community Survey</i>			
<i>Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.</i>			

- Median family income growth in the AA was driven by increases in Reno and Kingman Counties, although growth in the AA was outpaced by nonmetropolitan areas statewide and the state of Kansas.

- Based on the 2016-2020 ACS data, the portion of AA families living below the poverty level, at 8.0 percent, was above the state of Kansas figure of 7.6 percent. The portion of AA families living below the poverty level ranged from 5.9 percent in Pratt County to 13.5 percent in Barber County.

Table 16

Housing Cost Burden						
Assessment Area: South Central Kansas						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
South Central Kansas	71.5	23.9	36.6	51.4	18.4	13.5
Barber County, KS	53.8	5.7	26.7	48.0	10.0	15.4
Kingman County, KS	61.5	19.4	28.8	40.8	17.6	11.1
Pratt County, KS	56.6	19.2	22.5	47.2	27.9	16.1
Reno County, KS	75.3	25.8	40.1	53.9	17.6	13.4
NonMSA Kansas	66.6	19.8	34.1	51.6	19.9	14.9
Kansas	73.0	26.6	38.4	57.7	24.8	15.6

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy

- The housing affordability ratio in the AA, at 50.8 percent, was above the state of Kansas figure at 38.8 percent, indicating the presence of more affordable housing in the AA when compared to the state. Housing affordability ratios for the four AA counties ranged from 48.6 percent in Reno County to 66.8 percent in Barber County.
- The housing cost burden for low-income renters in the AA was between the respective figures for the nonmetropolitan areas statewide and the state of Kansas. The AA figure was skewed higher by the figure for low-income renters in Reno County.
- The median housing value in the AA of \$103,154 was similar to rural areas statewide and below the state of Kansas, with respective figures of \$103,478 and \$157,600. The median housing values in the four AA counties ranged from \$74,400 in Barber County to \$107,500 in Pratt County.

Table 17

Unemployment Rates					
Assessment Area: South Central Kansas					
Area	2017	2018	2019	2020	2021
South Central Kansas	3.7	3.3	3.0	4.9	3.0
Barber County, KS	2.8	2.5	2.4	3.1	1.9
Kingman County, KS	3.7	3.1	3.2	5.1	3.1
Pratt County, KS	3.2	2.7	2.5	3.5	2.2
Reno County, KS	3.9	3.5	3.2	5.3	3.2
NonMSA Kansas	3.5	3.1	3.0	4.4	2.7
Kansas	3.6	3.3	3.1	5.7	3.2

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The unemployment rates in 2021 have returned to the pre-pandemic unemployment rates noted in 2019.
- Major industries in the AA include healthcare, manufacturing, educational services, agriculture, and retail trade.
- The largest employers in the AA include Hutchinson Regional Medical Center, Dillons Companies, Siemens Gamesa (renewable energy), Tyson Prepared Foods, school districts, and local governments.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTH-CENTRAL KANSAS AA

LENDING TEST

The bank’s performance in the South-Central Kansas AA is reasonable. The bank’s geographic distribution of loans is reasonable. The borrower distribution of loans among individuals of different income levels and business of different sizes is reasonable. The evaluation in the South-Central Kansas AA included a review of 59 home mortgage loans originated between January 1, 2021, and December 31, 2022, and 52 small business loans originated between January 1, 2022, and December 31, 2022. Due to limited lending volume, home purchase lending and home refinance lending were not evaluated independently for this AA.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. The geographic distribution of both home mortgage lending and small business lending was reasonable.

The bank had no home mortgage or small business loan originations in the AA’s one low- or two moderate-income census tracts. However, the banks three branches in the AA are

a considerable distance from these census tracts, which are in the city of Hutchinson. The bank's closest branch in Pretty Prairie is in a middle-income census tract and is approximately 20 miles from the LMI census tracts. Furthermore, there is significant competition in Reno County where the LMI tracts are located, with 10 other FDIC-insured institutions operating in the county from 24 total offices. The bank ranks 8th of 11 institutions operating in the county, holds a 1.9 percent market share, and has only one office in Reno County.

Home Mortgage Lending

The geographic distribution of home mortgage loans is reasonable. The bank did not originate any home mortgage loans in any of the AA's LMI census tracts in 2022 or 2021. This performance is still considered reasonable given the distance between AA LMI tracts and the bank's branches. Further, these communities have limited home mortgage lending opportunities, as only 8.4 percent of all owner-occupied units in the AA are located in LMI tracts.

The geographic distribution of home mortgage lending in 2021 was consistent with 2022 lending patterns. An evaluation of the dispersion of home mortgage lending revealed some lending gaps in the AA (as no loans were originated in LMI tracts); however, these gaps did not impact the conclusion given the bank's distance from the LMI tracts in the AA and the level of competition in the area.

Table 18

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: South Central Kansas							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	\$%	
Home Purchase Loans							
Low	0	0.0	1.5	0	0.0	0.9	1.1
Moderate	0	0.0	7.7	0	0.0	4.3	7.3
Middle	9	64.3	69.4	1,370	68.4	69.9	71.0
Upper	5	35.7	21.4	632	31.6	25.0	20.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	2,002	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	2.4	0	0.0	1.8	1.1
Moderate	0	0.0	7.5	0	0.0	3.3	7.3
Middle	4	36.4	68.9	182	16.2	69.7	71.0
Upper	7	63.6	21.2	940	83.8	25.2	20.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	11	100.0	100.0	1,122	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.5	0	0.0	0.7	1.1
Moderate	0	0.0	4.4	0	0.0	2.9	7.3
Middle	1	50.0	67.6	40	44.4	63.6	71.0
Upper	1	50.0	26.5	50	55.6	32.8	20.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	90	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	9.4	0	0.0	20.8	20.2
Moderate	0	0.0	12.5	0	0.0	8.6	10.0
Middle	0	0.0	56.3	0	0.0	62.1	58.2
Upper	0	0.0	21.9	0	0.0	8.6	11.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	1.9	0	0.0	1.9	1.1
Moderate	0	0.0	7.5	0	0.0	4.2	7.3
Middle	14	51.9	68.8	1,592	49.5	69.3	71.0
Upper	13	48.1	21.8	1,622	50.5	24.6	20.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	27	100.0	100.0	3,214	100.0	100.0	100.0

Source: 2022 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank did not originate any small business loans in AA LMI census tracts; however, this performance is still considered reasonable. Similar to the bank’s home mortgage lending, the distance between AA LMI tracts and the bank’s branches makes lending in these communities difficult. Further, these communities present limited small business lending opportunity as they contain just 15.7 percent of total businesses in the AA.

An evaluation of the dispersion of small business lending revealed some lending gaps in the AA; however, these gaps did not impact the overall conclusion given the bank’s distance from the LMI tracts and the presence of competition.

Table 19

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: South Central Kansas					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	10.2
Moderate	0	0.0	0	0.0	5.5
Middle	27	51.9	4,077	61.8	61.2
Upper	25	48.1	2,516	38.2	23.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	52	100.0	6,593	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank’s lending has a reasonable distribution among individuals of different income levels and businesses of different sizes. The borrower distribution of home mortgage lending was reasonable, while the borrower distribution for small business lending was excellent.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The distribution of 2022 home mortgage lending to low-income borrowers was comparable to aggregate lending data by number, below aggregate data by dollar volume, and below the demographic figure. The distribution among moderate-income borrowers was

comparable to aggregate lending data by number, below by dollar volume, and comparable to the demographic figure.

The borrower distribution of 2021 home mortgage loans reflected performance that was above 2022 lending patterns.

Table 20

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: South Central Kansas							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	
Home Purchase Loans							
Low	2	14.3	10.4	107	5.3	6.0	17.7
Moderate	2	14.3	19.7	170	8.5	14.7	19.6
Middle	3	21.4	19.9	588	29.4	21.0	22.7
Upper	7	50.0	24.5	1,137	56.8	34.1	40.0
Unknown	0	0.0	25.5	0	0.0	24.2	0.0
Total	14	100.0	100.0	2,002	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	8.3	0	0.0	4.5	17.7
Moderate	2	18.2	21.2	135	12.0	15.4	19.6
Middle	5	45.5	18.8	387	34.5	17.6	22.7
Upper	4	36.4	29.2	600	53.5	40.1	40.0
Unknown	0	0.0	22.5	0	0.0	22.4	0.0
Total	11	100.0	100.0	1,122	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	7.4	0	0.0	3.5	17.7
Moderate	0	0.0	16.2	0	0.0	10.6	19.6
Middle	0	0.0	20.6	0	0.0	22.4	22.7
Upper	2	100.0	51.5	90	100.0	58.7	40.0
Unknown	0	0.0	4.4	0	0.0	4.8	0.0
Total	2	100.0	100.0	90	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	7.4	9.7	107	3.3	5.6	17.7
Moderate	4	14.8	19.9	305	9.5	14.7	19.6
Middle	8	29.6	19.4	975	30.3	20.0	22.7
Upper	13	48.1	26.5	1,827	56.8	35.4	40.0
Unknown	0	0.0	24.6	0	0.0	24.2	0.0
Total	27	100.0	100.0	3,214	100.0	100.0	100.0
Source: 2022 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The borrower distribution of small business lending is excellent. The bank’s proportion of loans originated in 2022 to businesses with annual revenues of \$1MM or less was comparable to the demographic figure. Additionally, while the bank does not report CRA data, a three-year analysis of aggregate lending data from 2019-2021 filed by all CRA data reporters in the AA, was utilized to gauge credit demand of businesses with revenues of \$1MM or less. The analysis indicated an average lending distribution of 47.0 percent by number, which was significantly below the bank’s performance of 98.1 percent by number. While aggregate CRA data is not a direct comparator in evaluating the bank’s performance, this data reflects overall limited demand for small business lending in the AA, which further supports the bank’s excellent small business lending performance.

Table 21

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: South Central Kansas					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	51	98.1	6,564	99.6	87.3
Over \$1 Million	0	0.0	0	0.0	10.5
Revenue Unknown	1	1.9	30	0.5	2.2
Total	52	100.0	6,593	100.0	100.0
By Loan Size					
\$100,000 or Less	36	69.2	1,455	22.1	
\$100,001 - \$250,000	7	13.5	1,188	18.0	
\$250,001 - \$1 Million	9	17.3	3,951	59.9	
Total	52	100.0	6,593	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	35	68.6	1,425	21.7	
\$100,001 - \$250,000	7	13.7	1,188	18.1	
\$250,001 - \$1 Million	9	17.6	3,951	60.2	
Total	51	100.0	6,564	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The bank’s CD performance demonstrates adequate responsiveness to credit needs in the AA. As noted in Table 22, most of the bank’s CD activity was related to PPP lending. Additional CD activity included a \$500M loan to a municipality to construct, expand, improve, maintain, and operate essential infrastructure in an underserved census tract, and an \$8M donation to a not-for-profit hospital providing an essential service in an underserved census tract.

Table 22

Community Development Activity – South Central Kansas AA									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
	#	\$(000)	Investments		Donations		Total Investments		
			#	\$(000)	#	\$(000)	#	\$(000)	
Affordable Housing	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	4	18	4	18	3
Economic Development	2	421	0	0	0	0	0	0	2
Revitalization and Stabilization	101	4,371	3	209	0	0	3	209	3
Totals	103	4,792	3	209	4	18	7	227	8

**COWLEY COUNTY ASSESSMENT AREA
NONMETROPOLITAN AREA
(Limited-Scope Review)**

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE COWLEY COUNTY AA

The bank's delineated AA is comprised of Cowley County in its entirety, which borders the southwest portion of the bank's Wichita MSA AA. Refer to Appendix A for AA maps, Appendix B for demographic data, and Appendix C for lending data.

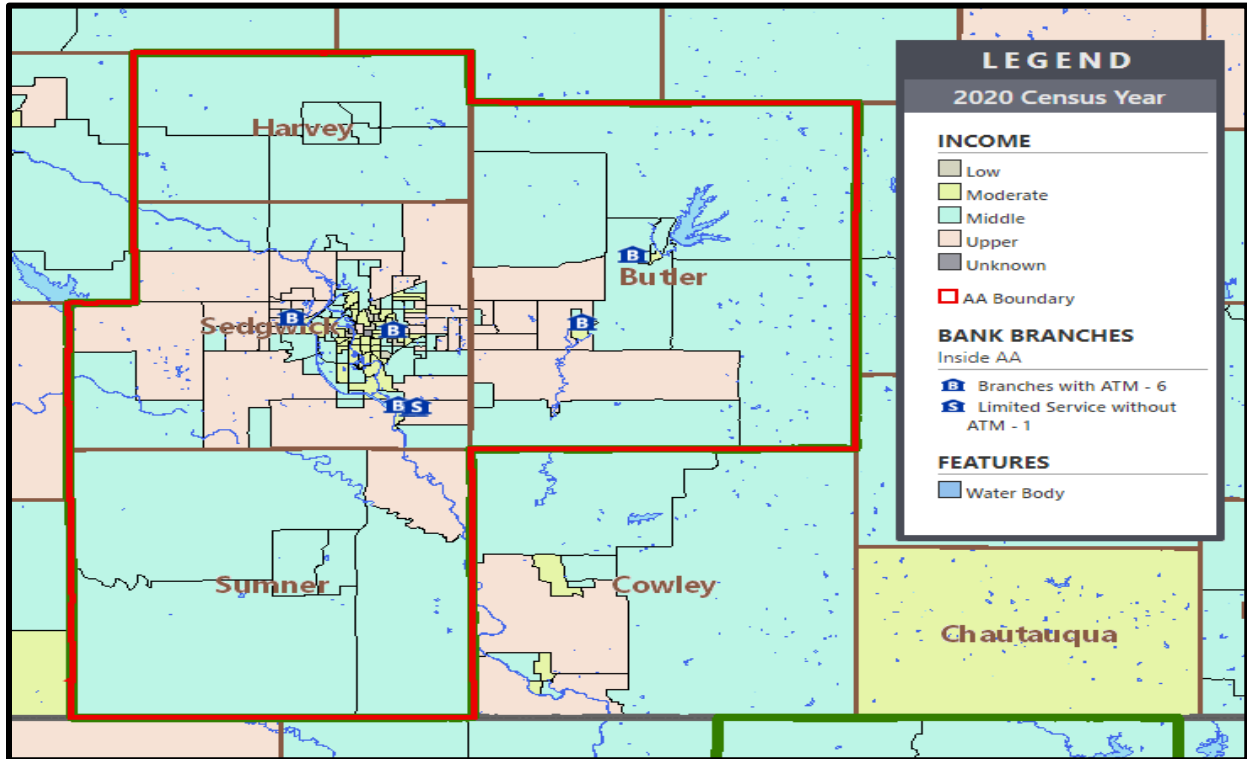
- The AA's delineation has not changed since the prior evaluation.
- The AA is comprised of 11 total census tracts, including 3 moderate-, 6 middle-, and 2 upper-income census tracts. At the previous evaluation, the AA consisted of two moderate-, eight middle-, and one upper-income census tracts.
- The AA's composition of families by income level includes 19.2 percent low-, 21.6 percent moderate-, 21.6 percent middle-, and 37.6 percent upper-income families.
- This AA includes one full-service branch in Winfield, Kansas with a cash-only dispensing ATM.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 4th of 7 FDIC-insured depository institutions operating from 20 locations in the AA, with a total deposit market share of 5.7 percent.
- According to the 2016-2020 ACS, the AA population was 34,549, a 1.5 percent decrease since the previous evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE COWLEY COUNTY AA

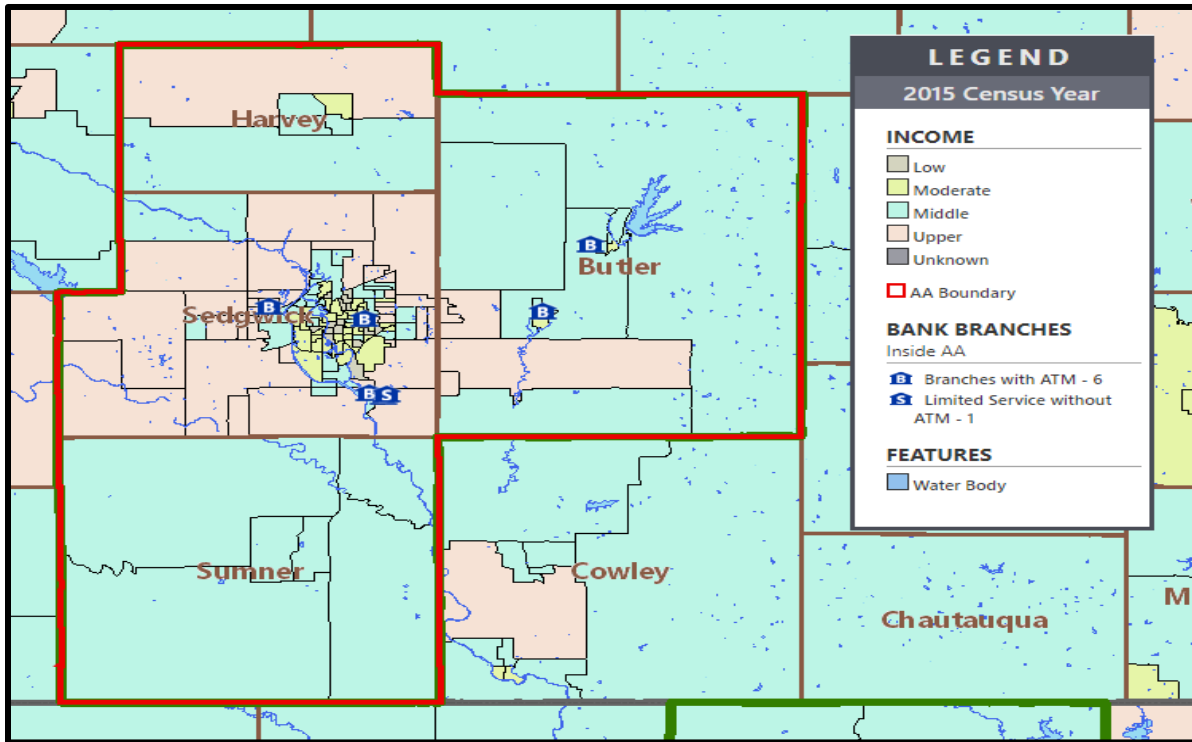
The conclusions regarding the bank's performance in each of the following two areas does not change the rating for the institution. The institution's lending performance in the area is consistent with the institution's lending performance overall. The institution's CD performance in the area is below the institution's CD performance overall.

APPENDIX A – MAP OF THE ASSESSMENT AREA

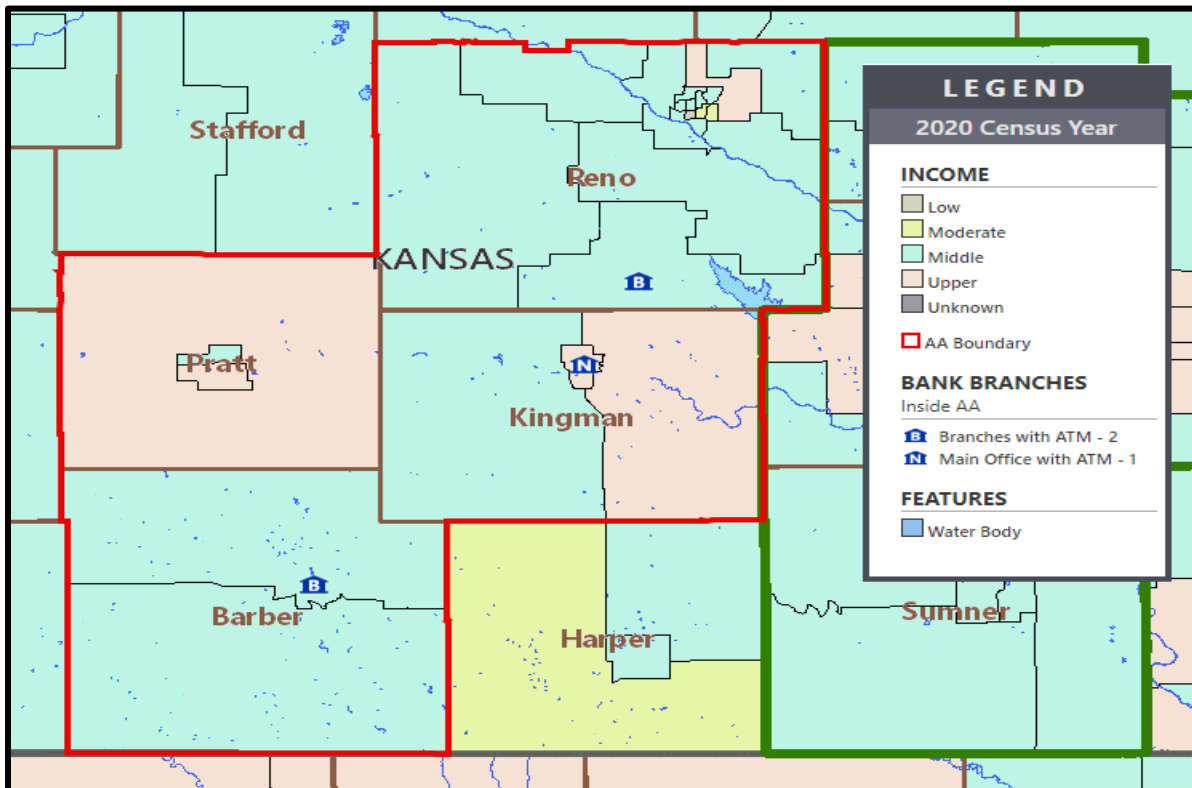
Wichita MSA AA – 2022



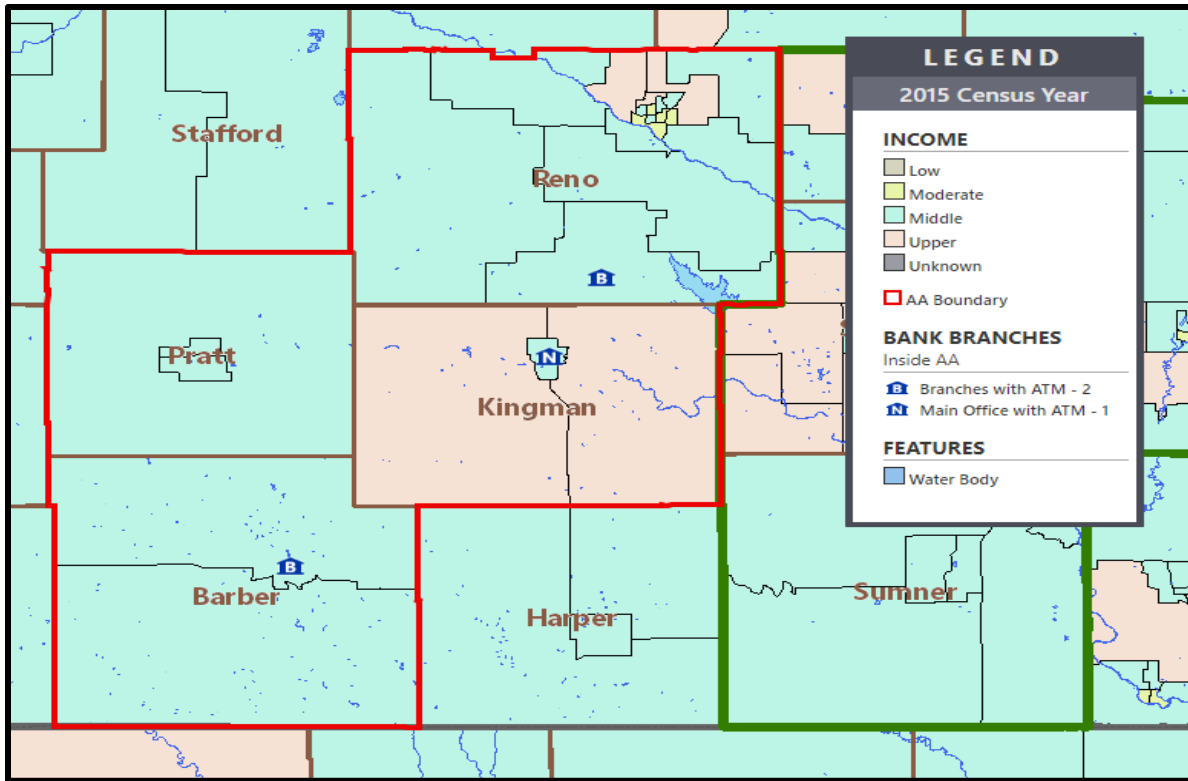
Wichita MSA AA – 2021



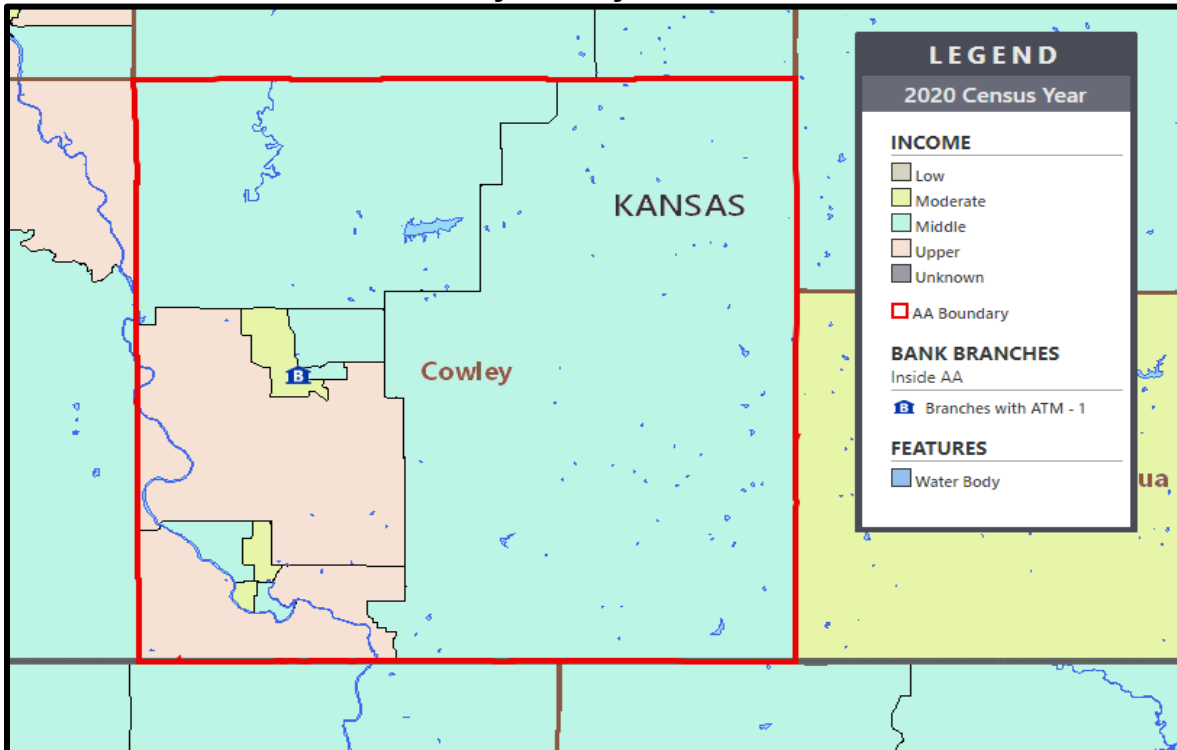
South Central Kansas AA – 2022



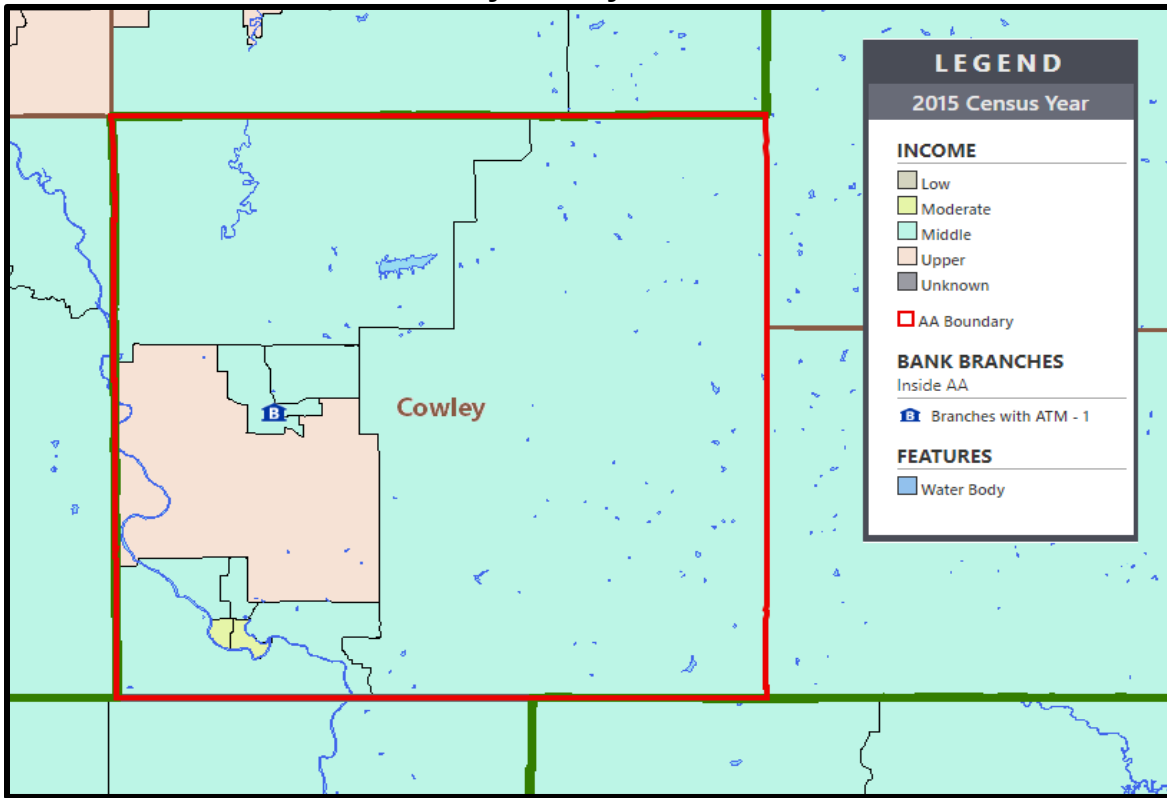
South Central Kansas AA – 2021



Cowley County AA – 2022



Cowley County AA – 2021



APPENDIX B – DEMOGRAPHIC INFORMATION AND ADDITIONAL LENDING TABLES

Wichita MSA AA
Table B-1

2022 Wichita MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	8	4.8	4,447	2.8	1,641	36.9	31,171	19.5
Moderate	44	26.3	33,659	21.1	5,802	17.2	29,416	18.4
Middle	71	42.5	71,530	44.8	4,836	6.8	34,616	21.7
Upper	42	25.1	49,528	31.0	1,475	3.0	64,442	40.4
Unknown	2	1.2	481	0.3	185	38.5	0	0.0
Total AA	167	100.0	159,645	100.0	13,939	8.7	159,645	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	10,363	2,579	1.6	24.9	5,645	54.5	2,139	20.6
Moderate	70,808	27,873	17.5	39.4	33,083	46.7	9,852	13.9
Middle	118,608	75,188	47.3	63.4	33,784	28.5	9,636	8.1
Upper	71,282	53,015	33.4	74.4	13,858	19.4	4,409	6.2
Unknown	2,500	258	0.2	10.3	1,728	69.1	514	20.6
Total AA	273,561	158,913	100.0	58.1	88,098	32.2	26,550	9.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	534	2.4	475	2.3	59	2.7	0	0.0
Moderate	4,849	21.4	4,257	21.1	565	25.5	27	14.0
Middle	9,104	40.2	8,156	40.4	849	38.3	99	51.3
Upper	7,439	32.9	6,745	33.4	629	28.4	65	33.7
Unknown	697	3.1	580	2.9	115	5.2	2	1.0
Total AA	22,623	100.0	20,213	100.0	2,217	100.0	193	100.0
Percentage of Total Businesses:				89.3		9.8		0.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1	0.1	1	0.1	0	0.0	0	0.0
Moderate	23	3.0	23	3.0	0	0.0	0	0.0
Middle	522	68.2	517	68.2	5	71.4	0	0.0
Upper	216	28.2	214	28.2	2	28.6	0	0.0
Unknown	3	0.4	3	0.4	0	0.0	0	0.0
Total AA	765	100.0	758	100.0	7	100.0	0	0.0
Percentage of Total Farms:				99.1		0.9		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau; American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Table B-2

2021 Wichita MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	15	10.1	10,259	6.5	3,615	35.2	31,872	20.2
Moderate	39	26.2	30,412	19.3	6,278	20.6	27,888	17.7
Middle	51	34.2	56,960	36.2	4,656	8.2	33,688	21.4
Upper	44	29.5	59,847	38.0	1,691	2.8	64,030	40.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	149	100.0	157,478	100.0	16,240	10.3	157,478	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,180	7,163	4.5	32.3	11,145	50.2	3,872	17.5
Moderate	61,927	26,291	16.6	42.5	27,133	43.8	8,503	13.7
Middle	98,788	59,482	37.7	60.2	30,368	30.7	8,938	9.0
Upper	82,591	64,989	41.2	78.7	13,335	16.1	4,267	5.2
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	265,486	157,925	100.0	59.5	81,981	30.9	25,580	9.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,222	5.3	1,066	5.2	154	6.8	2	1.0
Moderate	5,964	26.0	5,099	24.9	832	36.5	33	16.7
Middle	7,699	33.5	6,898	33.6	713	31.3	88	44.4
Upper	8,093	35.2	7,439	36.3	579	25.4	75	37.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	22,978	100.0	20,502	100.0	2,278	100.0	198	100.0
Percentage of Total Businesses:				89.2		9.9		0.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	4	0.5	4	0.5	0	0.0	0	0.0
Moderate	27	3.5	27	3.5	0	0.0	0	0.0
Middle	426	55.4	421	55.3	4	57.1	1	100.0
Upper	312	40.6	309	40.6	3	42.9	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	769	100.0	761	100.0	7	100.0	1	100.0
Percentage of Total Farms:				99.0		0.9		0.1
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Table B-3

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Wichita MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	1	1.4	3.2	47	0.4	1.6	4.5
Moderate	6	8.3	15.6	659	5.1	9.2	16.6
Middle	22	30.6	35.0	2,721	21.2	29.5	37.7
Upper	43	59.7	46.2	9,419	73.3	59.7	41.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	72	100.0	100.0	12,846	100.0	100.0	100.0
Refinance Loans							
Low	1	0.9	1.5	80	0.4	0.9	4.5
Moderate	6	5.6	10.0	642	3.2	5.8	16.6
Middle	33	30.8	33.9	4,499	22.5	28.2	37.7
Upper	67	62.6	54.6	14,757	73.9	65.1	41.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	107	100.0	100.0	19,978	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	2.9	0	0.0	1.3	4.5
Moderate	2	40.0	10.3	27	17.1	6.5	16.6
Middle	2	40.0	31.8	120	75.9	27.6	37.7
Upper	1	20.0	55.1	11	7.0	64.7	41.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	158	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	2	28.6	14.7	1,020	9.7	13.1	9.0
Moderate	2	28.6	35.6	4,829	45.8	31.4	33.2
Middle	1	14.3	29.5	90	0.9	18.4	40.4
Upper	2	28.6	20.1	4,595	43.6	37.1	17.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	10,534	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	4	2.1	2.5	1,147	2.6	2.3	4.5
Moderate	16	8.2	13.1	6,157	14.0	9.7	16.6
Middle	60	30.9	34.3	7,887	17.9	28.0	37.7
Upper	114	58.8	50.1	28,814	65.5	60.0	41.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	194	100.0	100.0	44,005	100.0	100.0	100.0

Source: 2021 FFIEC Census Data

2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.

Table B-4

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Wichita MSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	5	6.9	8.7	482	3.8	4.6	20.2
Moderate	10	13.9	19.6	1,248	9.7	15.1	17.7
Middle	23	31.9	20.2	3,121	24.3	19.9	21.4
Upper	30	41.7	27.8	7,523	58.6	38.6	40.7
Unknown	4	5.6	23.6	472	3.7	21.8	0.0
Total	72	100.0	100.0	12,846	100.0	100.0	100.0
Refinance Loans							
Low	7	6.5	5.0	729	3.6	2.6	20.2
Moderate	8	7.5	15.2	921	4.6	10.5	17.7
Middle	22	20.6	19.6	2,846	14.2	17.0	21.4
Upper	67	62.6	33.4	12,752	63.8	42.7	40.7
Unknown	3	2.8	26.8	2,730	13.7	27.2	0.0
Total	107	100.0	100.0	19,978	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	7.6	0	0.0	3.9	20.2
Moderate	1	20.0	14.0	9	5.7	9.2	17.7
Middle	1	20.0	19.4	18	11.4	16.8	21.4
Upper	1	20.0	46.8	11	7.0	53.7	40.7
Unknown	2	40.0	12.3	120	75.9	16.4	0.0
Total	5	100.0	100.0	158	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	13	7.0	6.8	1,228	3.7	3.7	20.2
Moderate	19	10.2	17.2	2,178	6.5	12.8	17.7
Middle	46	24.6	19.6	5,985	17.9	18.3	21.4
Upper	100	53.5	30.7	20,758	62.0	40.4	40.7
Unknown	9	4.8	25.7	3,322	9.9	24.7	0.0
Total	187	100.0	100.0	33,471	100.0	100.0	100.0
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis. Due to limited volume in the Other Purpose LOC, Other Purpose Closed/Exempt, and Purpose Not Applicable product categories, these categories are not displayed individually but are included in the total HMDA section of the table.</p>							

**South Central Kansas AA
Table B-5**

2022 South Central Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	4.0	515	2.4	176	34.2	3,738	17.7
Moderate	2	8.0	1,588	7.5	190	12.0	4,157	19.6
Middle	17	68.0	14,823	70.0	1,085	7.3	4,797	22.7
Upper	5	20.0	4,242	20.0	231	5.4	8,476	40.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	25	100.0	21,168	100.0	1,682	7.9	21,168	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,411	272	1.1	19.3	791	56.1	348	24.7
Moderate	3,479	1,734	7.3	49.8	1,291	37.1	454	13.0
Middle	27,125	16,926	71.0	62.4	6,359	23.4	3,840	14.2
Upper	7,569	4,899	20.6	64.7	1,615	21.3	1,055	13.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	39,584	23,831	100.0	60.2	10,056	25.4	5,697	14.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	324	10.2	274	9.8	47	14.0	3	4.3
Moderate	175	5.5	154	5.5	21	6.3	0	0.0
Middle	1,953	61.2	1,719	61.7	189	56.4	45	64.3
Upper	737	23.1	637	22.9	78	23.3	22	31.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,189	100.0	2,784	100.0	335	100.0	70	100.0
Percentage of Total Businesses:				87.3	10.5	2.2		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3	0.6	3	0.6	0	0.0	0	0.0
Moderate	1	0.2	1	0.2	0	0.0	0	0.0
Middle	350	71.6	348	72.0	2	33.3	0	0.0
Upper	135	27.6	131	27.1	4	66.7	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	489	100.0	483	100.0	6	100.0	0	0.0
Percentage of Total Farms:				98.8	1.2	0.0		
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Table B-6

2021 South Central Kansas AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	3,824	17.2
Moderate	4	16.0	4,031	18.1	553	13.7	4,293	19.3
Middle	16	64.0	12,706	57.1	1,071	8.4	5,093	22.9
Upper	5	20.0	5,515	24.8	244	4.4	9,042	40.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	25	100.0	22,252	100.0	1,868	8.4	22,252	100.0
Housing Units by Tract	Housing Type by Tract							
	Owner-occupied				Rental		Vacant	
	#	% by tract	% by unit	#	% by unit	#	% by unit	
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	7,596	3,793	16.4	49.9	2,857	37.6	946	12.5
Middle	23,204	13,119	56.6	56.5	6,330	27.3	3,755	16.2
Upper	8,562	6,283	27.1	73.4	1,604	18.7	675	7.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	39,362	23,195	100.0	58.9	10,791	27.4	5,376	13.7
Total Businesses by Tract	Businesses by Tract & Revenue Size							
	Less Than or = \$1 Million				Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	428	13.0	375	13.0	49	14.3	4	5.8
Middle	2,232	67.7	1,925	66.7	253	74.0	54	78.3
Upper	635	19.3	584	20.2	40	11.7	11	15.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,295	100.0	2,884	100.0	342	100.0	69	100.0
Percentage of Total Businesses:				87.5		10.4		2.1
Total Farms by Tract	Farms by Tract & Revenue Size							
	Less Than or = \$1 Million				Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	0.4	2	0.4	0	0.0	0	0.0
Middle	389	76.6	386	76.7	3	60.0	0	0.0
Upper	117	23.0	115	22.9	2	40.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	508	100.0	503	100.0	5	100.0	0	0.0
Percentage of Total Farms:				99.0		1.0		0.0

Source: 2021 FFIEC Census Data
 2021 Dun & Bradstreet Data
 2011-2015 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

Table B-7

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: South Central Kansas							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	18.2	0	0.0	12.0	16.4
Middle	15	88.2	52.3	1,527	73.8	48.1	56.6
Upper	2	11.8	29.5	542	26.2	39.9	27.1
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	17	100.0	100.0	2,069	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	11.8	0	0.0	7.7	16.4
Middle	10	71.4	50.9	894	55.7	46.7	56.6
Upper	4	28.6	37.3	711	44.3	45.5	27.1
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	1,605	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	11.4	0	0.0	5.5	16.4
Middle	1	100.0	45.5	6	100.0	45.7	56.6
Upper	0	0.0	43.2	0	0.0	48.8	27.1
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	6	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	25.0	0	0.0	9.8	16.7
Middle	0	0.0	54.2	0	0.0	33.8	66.1
Upper	0	0.0	20.8	0	0.0	56.4	17.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	15.3	0	0.0	10.0	16.4
Middle	26	81.3	51.6	2,427	66.0	47.0	56.6
Upper	6	18.8	33.1	1,253	34.0	42.9	27.1
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	32	100.0	100.0	3,680	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table B-8

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: South Central Kansas							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	2	11.8	7.1	67	3.2	4.0	17.2
Moderate	1	5.9	20.1	52	2.5	15.0	19.3
Middle	7	41.2	19.5	460	22.2	18.9	22.9
Upper	7	41.2	23.6	1,490	72.0	33.8	40.6
Unknown	0	0.0	29.7	0	0.0	28.3	0.0
Total	17	100.0	100.0	2,069	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	5.8	0	0.0	3.1	17.2
Moderate	5	35.7	12.6	279	17.4	8.3	19.3
Middle	2	14.3	17.4	365	22.7	15.3	22.9
Upper	7	50.0	32.0	961	59.9	41.0	40.6
Unknown	0	0.0	32.3	0	0.0	32.3	0.0
Total	14	100.0	100.0	1,605	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	6.8	0	0.0	2.9	17.2
Moderate	1	100.0	9.1	6	100.0	4.2	19.3
Middle	0	0.0	27.3	0	0.0	23.7	22.9
Upper	0	0.0	43.2	0	0.0	50.1	40.6
Unknown	0	0.0	13.6	0	0.0	19.1	0.0
Total	1	100.0	100.0	6	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	2	6.3	6.4	67	1.8	3.5	17.2
Moderate	7	21.9	15.9	337	9.2	11.6	19.3
Middle	9	28.1	18.4	825	22.4	17.1	22.9
Upper	14	43.8	27.3	2,451	66.6	36.8	40.6
Unknown	0	0.0	32.0	0	0.0	31.0	0.0
Total	32	100.0	100.0	3,680	100.0	100.0	100.0
Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.							

APPENDIX C – LIMITED-SCOPE REVIEW ASSESSMENT AREA TABLES

**Cowley County AA
Table C-1**

2022 Cowley County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,660	19.2
Moderate	3	27.3	1,865	21.5	281	15.1	1,872	21.6
Middle	6	54.5	4,968	57.4	578	11.6	1,867	21.6
Upper	2	18.2	1,824	21.1	40	2.2	3,258	37.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	8,657	100.0	899	10.4	8,657	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,099	1,923	20.4	46.9	1,514	36.9	662	16.2
Middle	9,470	5,388	57.1	56.9	2,589	27.3	1,493	15.8
Upper	2,654	2,124	22.5	80.0	262	9.9	268	10.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	16,223	9,435	100.0	58.2	4,365	26.9	2,423	14.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	417	39.2	373	38.9	38	45.8	6	27.3
Middle	477	44.9	433	45.2	32	38.6	12	54.5
Upper	169	15.9	152	15.9	13	15.7	4	18.2
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,063	100.0	958	100.0	83	100.0	22	100.0
Percentage of Total Businesses:				90.1		7.8		2.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	2	2.0	2	2.0	0	0.0	0	0.0
Middle	73	73.0	73	73.7	0	0.0	0	0.0
Upper	25	25.0	24	24.2	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	100	100.0	99	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.0		1.0		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Table C-2

2021 Cowley County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	1,932	21.2
Moderate	2	18.2	906	9.9	150	16.6	1,752	19.2
Middle	8	72.7	7,403	81.1	874	11.8	1,992	21.8
Upper	1	9.1	822	9.0	71	8.6	3,455	37.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	11	100.0	9,131	100.0	1,095	12.0	9,131	100.0
Housing Units by Tract	Housing Type by Tract							
	Owner-occupied				Rental		Vacant	
	#	% by tract	% by unit	#	% by unit	#	% by unit	
Low	0	0.0	0.0	0	0.0	0	0.0	
Moderate	1,768	728	7.9	41.2	665	37.6	375	21.2
Middle	13,002	7,604	82.2	58.5	3,670	28.2	1,728	13.3
Upper	1,225	913	9.9	74.5	108	8.8	204	16.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	15,995	9,245	100.0	57.8	4,443	27.8	2,307	14.4
Total Businesses by Tract	Businesses by Tract & Revenue Size							
	Less Than or = \$1 Million				Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	169	15.5	146	14.9	19	21.8	4	17.4
Middle	835	76.4	759	77.2	58	66.7	18	78.3
Upper	89	8.1	78	7.9	10	11.5	1	4.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,093	100.0	983	100.0	87	100.0	23	100.0
Percentage of Total Businesses:				89.9	8.0	2.1		
Total Farms by Tract	Farms by Tract & Revenue Size							
	Less Than or = \$1 Million				Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	88	85.4	88	86.3	0	0.0	0	0.0
Upper	15	14.6	14	13.7	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	103	100.0	102	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.0	1.0	0.0		
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Table C-3

Distribution of 2022 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Cowley County							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	6	37.5	22.0	408	31.7	20.9	20.4
Middle	6	37.5	54.2	493	38.3	48.2	57.1
Upper	4	25.0	23.9	385	29.9	30.8	22.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	16	100.0	100.0	1,286	100.0	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-4

Distribution of 2022 Small Business Lending By Income Level of Geography						
Assessment Area: Cowley County						
Geographic Income Level	Bank Loans				Total Businesses %	
	#	#%	\$(000)	%		
Low	0	0.0	0	0.0	0.0	
Moderate	3	33.3	76	15.2	39.2	
Middle	5	55.6	414	82.8	44.9	
Upper	1	11.1	9	1.8	15.9	
Unknown	0	0.0	0	0.0	0.0	
Tract-Unk	0	0.0	0	0.0		
Total	9	100.0	500	100.0	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-5

Distribution of 2022 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Cowley County							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Low	1	6.3	8.9	52	4.0	5.2	19.2
Moderate	7	43.8	18.9	473	36.8	14.8	21.6
Middle	3	18.8	21.1	340	26.4	21.0	21.6
Upper	2	12.5	29.0	314	24.4	37.4	37.6
Unknown	3	18.8	22.1	107	8.3	21.6	0.0
Total	16	100.0	100.0	1,286	100.0	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

Table C-6

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Cowley County					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	8	88.9	489	97.8	90.1
Over \$1 Million	0	0.0	0	0.0	7.8
Revenue Unknown	1	11.1	11	2.2	2.1
Total	9	100.0	500	100.0	100.0
By Loan Size					
\$100,000 or Less	8	88.9	301	60.2	
\$100,001 - \$250,000	1	11.1	199	39.8	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	9	100.0	500	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	7	87.5	290	59.3	
\$100,001 - \$250,000	1	12.5	199	40.7	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	8	100.0	489	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Table C-7

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Cowley County							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	3.6	0	0.0	1.6	7.9
Middle	21	95.5	87.1	2,467	91.8	86.3	82.2
Upper	1	4.5	9.3	221	8.2	12.1	9.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	22	100.0	100.0	2,688	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-8

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Cowley County							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	
Low	0	0.0	6.4	0	0.0	3.4	21.2
Moderate	3	14.3	17.4	293	11.2	12.8	19.2
Middle	7	33.3	19.5	804	30.6	18.4	21.8
Upper	9	42.9	31.2	1,480	56.4	42.7	37.8
Unknown	2	9.5	25.5	48	1.8	22.7	0.0
Total	21	100.0	100.0	2,625	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

APPENDIX D – GLOSSARY

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/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: 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 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, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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

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

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes 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 refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

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 community development.

Rated area: A rated area is a state or multistate metropolitan area. 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. 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.

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