



PUBLIC DISCLOSURE

March 6, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Option Bank
RSSD# 285852

601 Main Street
Osawatomie, Kansas 66064

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: **Outstanding**

First Option Bank (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 (CD) Tests.

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AAs.
- An excellent 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.
- CD activity reflects excellent responsiveness to CD needs of the bank's 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 bank's home mortgage lending performance was assessed in relation to the performance of aggregate lenders also reporting data under the Home Mortgage Disclosure Act (HMDA) in 2020 and 2021. In addition, available CRA aggregate data for the most recent three years (2019, 2020, and 2021) was referenced for additional perspective to gauge small business credit demand within the bank's AAs when evaluating the bank's small business lending performance.

Performance was assessed within the bank's three AAs. The St. Joseph Metropolitan and Kansas City Metropolitan AAs were assessed using full-scope reviews, while the Northeast Kansas Nonmetropolitan AA was assessed using a limited-scope review.

More consideration was given to the volume of loan originations than the dollar amount, as this provides a more accurate representation of the bank's true impact on the individuals and entities served. Throughout the evaluation, more weight was placed on the bank's performance within the Kansas City Metropolitan AA based on it containing

89.3 percent of the loans reviewed by number within the bank's three AAs and 99.2 percent of the lending in the state of Kansas. More weight was also applied to home mortgage lending in the overall evaluation, based on higher dollar volume when compared to the bank's small business lending.

Examiners reviewed the following data:

- The bank's 20-quarter average NLTD ratio;
- A statistical sample of 98 small business loans selected from a universe of 190 loans originated between January 1, 2021 and December 31, 2021;
- The universe of 582 home mortgage loans reported on the bank's 2020 and 2021 HMDA Loan/Application Registers; and,
- CD loans, qualified investments, and CD services from May 14, 2018 to December 31, 2022.

DESCRIPTION OF INSTITUTION

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

- The bank is a wholly owned subsidiary of The Osawatomie Agency, Inc., also headquartered in Osawatomie.
- The bank has total assets of \$612.4 million as of September 30, 2022.
- In addition to its main office in Osawatomie, the bank has eight additional offices located in the Kansas towns of Elwood, Horton, La Cygne, Louisburg, Paola, Spring Hill, and Troy, as well as one branch in the neighboring state of Missouri in the town of St. Joseph.
- The St. Joseph Metropolitan and Northeast Kansas AAs were delineated by the bank after the acquisition of a financial institution in that area effective November 9, 2019. The bank also recently opened a loan production office in southeast Platte County in October 2021.
- All the bank's branches are equipped with full-service automated teller machines (ATMs), and the bank also operates a stand-alone cash dispensing-only ATM in St. Joseph.
- As shown in the table below, the bank's primary business focus is residential real estate and commercial lending.

Table 1

Composition of Loan Portfolio as of September 30, 2022		
Loan Type	\$(000)	%
Construction and Land Development	29,759	9.2
Farmland	13,493	4.2
1- to 4- Family Residential Real Estate	152,270	47.1
Multifamily Residential Real Estate	1,228	0.4
Nonfarm Nonresidential Real Estate	52,927	16.4
Agricultural	3,178	1.0
Commercial and Industrial	47,914	14.8
Consumer	15,489	4.8
Other	7,106	2.2
Gross Loans	323,364	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 May 14, 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 TESTS¹

LENDING TEST

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of performance in the St. Joseph multistate metropolitan area and the state of Kansas.

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

Additionally, in the Kansas City Metropolitan AA, home purchase and home refinance loans were each evaluated independently, while home improvement and multifamily loans were not evaluated at the product level due to lending volumes too low to render meaningful analyses. Furthermore, due to an overall lack of loan volume at the product level, home mortgage lending was evaluated collectively in the St. Joseph Metropolitan AA.

¹ The NLTD and percentage of loans and other lending-related activity in the AA only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to states, multistate metropolitan areas, and AAs.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AA, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and their locations within or near the bank’s three AAs. The bank’s NLTD ratio is reasonable.

The bank's NLTD ratio averaged 50.6 percent over the most recent 20 quarters ending September 30, 2022. The bank's NLTD was lower than the four similarly situated financial institutions, with ratios ranging from 52.0 percent to 85.4 percent. While the bank's NLTD ratio falls below all of the comparators, additional consideration was given to the bank's public funds on deposit. The bank's heavy concentration of public deposits requires an equal amount of pledged securities to ensure liquidity and minimize loss exposure. As a result, the bank is unable to use these deposits for lending purposes. Removing the bank's public funds on deposits from the NLTD calculation over the 20-quarter time frame results in a ratio that falls within the range of the comparator banks. This review was also conducted for the five comparator institutions, and only one had a level of public funds that was similar, although lower, than the level noted for the bank.

Table 2

Comparative NLTD Ratios December 31, 2017 – September 30, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			20-Quarter Average
First Option Bank	Osawatomie, Kansas	612,375	50.6
Similarly Situated Institutions			
The First National Bank of Louisburg	Louisburg, Kansas	184,923	52.0
Labette Bank	Altamont, Kansas	501,947	75.0
Farmers State Bank	Cameron, Missouri	336,925	85.4
NBKC Bank	Leawood, Kansas	1,126,038	80.2

Assessment Area Concentration

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

Table 3

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Home Purchase - Conventional	112	77.8	26,253	78.9	32	22.2	7,020	21.1
Home Improvement	0	0.0	0	0.0	1	100.0	120	100.0
Other Purpose Closed-End	1	100.0	215	100.0	0	0.0	0	0.0
Refinancing	352	80.7	69,812	80.3	84	19.3	17,163	19.7
Total HMDA related	465	79.9	96,280	79.8	117	20.1	24,303	20.2
Small Business	88	89.8	3,722	86.6	10	10.2	576	13.4
Total Loans	553	81.3	100,002	80.1	127	18.7	24,879	19.9

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

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 excellent distribution among the different census tracts and dispersion throughout the AAs. Performance in the Kansas City Metropolitan AA was excellent, while the distribution in the St. Joseph Metropolitan AA was reasonable.

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 penetration among individuals of different income levels and businesses of different sizes. Performance in the Kansas City Metropolitan AA was consistent with the overall rating and further supported by the distribution in the St. Joseph Metropolitan AA.

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 outstanding and demonstrates excellent responsiveness. The bank had the highest level of CD activity in the Kansas City Metropolitan AA, consistent with the significant volume of lending in that area. The St. Joseph Metropolitan and Northeast Kansas AAs are relatively new markets to the bank and more lending and CD activity is expected once the branches in those areas become more firmly established. A significant number of activities was centered on the Paycheck

Protection Program loans established by the Coronavirus Aid, Relief, and Economic Security Act and implemented by the Small Business Administration in response to the COVID-19 pandemic.

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	0	0	0	0	0	0	0	0	4
Community Services	13	19,699	1	640	37	358	38	998	30
Economic Development	0	0	0	0	0	0	0	0	23
Revitalization and Stabilization	118	9,379	0	0	0	0	0	0	0
Totals	131	29,078	1	640	37	358	38	998	57

In addition to loans made within the bank’s AAs, nine additional loans totaling \$746,029 were originated in the broader statewide areas of Kansas and Missouri in support of revitalization and stabilization activities.

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.

**SAINT JOSEPH METROPOLITAN ASSESSMENT AREA
MULTISTATE METROPOLITAN AREA
(Full-Scope Review)**

CRA rating for St. Joseph Metropolitan AA: ***Satisfactory***
The Lending Test is rated: ***Satisfactory***
The Community Development Test is rated: ***Outstanding***

This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including LMI, and businesses of different sizes.
- CD activity reflects excellent responsiveness to CD needs of its AA.

SCOPE OF EXAMINATION

The scope of the review for the St. Joseph Metropolitan AA was consistent with the overall scope for the institution. The St. Joseph Metropolitan AA analysis included an evaluation of 41 home mortgage loans and 14 small business loans originated inside the AA.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE ST. JOSEPH METROPOLITAN AA

The bank delineates one of its three AAs and operates three of its nine branches in the St. Joseph Metropolitan AA. The bank's St. Joseph Metropolitan AA includes all of Doniphan County in the state of Kansas and all of Buchanan County in the state of Missouri, which are two of the four counties comprising the St. Joseph, Missouri-Kansas Metropolitan Statistical Area (MSA) (see Appendix A for an AA map and Appendix B for additional demographic data).

- The recent acquisition of a community bank in the St. Joseph area resulted in the bank's delineation of the St. Joseph Metropolitan AA.
- Two of the bank's branches are located in Doniphan County, Kansas. One branch is in the county seat of Troy and the other is in Elwood. The bank's sole branch in Buchanan County is located in the county seat of St. Joseph, Missouri.
- The AA includes a total of 28 census tracts, including 1 low-, 7 moderate-, 15 middle-, and 5 upper-income census tracts.

- According to the June 30, 2022 FDIC Deposit Market Share Report, the bank has a 2.7 percent deposit market share, ranking 11th of 17 FDIC-insured depository institutions operating from 34 offices in the AA.
- To further augment the CRA performance evaluation, a community contact recently conducted as part of the CRA evaluation of another financial institution with offices in the AA was reviewed to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The community member represented an organization focused on economic development.

Table 5

Population Change			
Assessment Area: Saint Joseph Metropolitan			
Area	2015 Population	2020 Population	Percent Change
Saint Joseph Metropolitan	97,420	92,303	(5.3)
Doniphan County, KS	7,859	7,510	(4.4)
Buchanan County, MO	89,561	84,793	(5.3)
St. Joseph, MO-KS MSA	127,530	121,467	(4.8)
Kansas	2,892,987	2,937,880	1.6
Missouri	6,045,448	6,154,913	1.8

*Source: 2020 U.S. Census Bureau Decennial Census
2011 - 2015 U.S. Census Bureau: American Community Survey*

- According to the 2021 Census Bureau data, the largest population center in the AA was the town of St. Joseph, Missouri, with a population of 71,602.
- The bank’s offices in Kansas are in the small towns of Troy and Elwood, with populations of 954 and 1,114, respectively.

Table 6

Median Family Income Change			
Assessment Area: Saint Joseph Metropolitan			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Saint Joseph Metropolitan	64,126	63,644	(0.8)
Doniphan County, KS	64,548	66,168	2.5
Buchanan County, MO	63,757	63,176	(0.9)
St. Joseph, MO-KS MSA	65,358	66,409	1.6
Kansas	72,535	77,620	7.0
Missouri	66,438	72,834	9.6

*Source: 2011 – 2015 U.S. Census Bureau: American Community Survey
2016 – 2020 U.S. Census Bureau: American Community Survey*

Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.

- Median family income growth in the AA was negative and significantly below the figures for the state of Kansas and the state of Missouri from 2015 to 2020.

- The percentage of LMI families in the AA, at 39.5 percent, was above the Kansas figure of 36.5 percent and similar to the Missouri statistic of 39.3 percent.
- The percentage of families in the AA living below the poverty level, at 13.6 percent, was above the respective figures for Kansas and Missouri, at 9.1 percent and 11.1 percent.

Table 7

Housing Cost Burden						
Assessment Area: Saint Joseph Metropolitan						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Saint Joseph Metropolitan	67.4	27.4	35.4	56.7	22.5	14.3
Doniphan County, KS	55.1	15.6	28.1	54.7	22.5	17.3
Buchanan County, MO	68.3	28.1	35.9	57.0	22.5	14.0
St. Joseph, MO-KS MSA	66.1	26.0	34.1	54.8	21.6	14.3
Kansas	73.0	26.6	38.4	57.7	24.8	15.6
Missouri	72.8	26.6	39.7	56.8	25.6	16.5

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 AA housing cost burden for low-income renters was below figures for the states of Kansas and Missouri, while it was comparable for the AA’s moderate-income renters when compared to each respective state.
- The median housing value in the AA at \$107,500, was below both the Kansas figure of \$132,000 and Missouri figure of \$138,400.
- The AA median gross rent of \$698 was below the states of Kansas and Missouri, at \$757 and \$746, respectively.
- The AA housing affordability ratio² of 43.1 percent was above the Kansas and Missouri ratios of 39.6 percent and 34.8 percent, respectively, indicating greater affordability in the AA.
- A community contact stated that housing demand in the area is high and new construction is limited. Housing prices in the St. Joseph area have increased approximately four percent to six percent with an average sales price of \$170,000.

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.

Table 8

Unemployment Rates					
Assessment Area: Saint Joseph Metropolitan					
Area	2017	2018	2019	2020	2021
St. Joseph Metropolitan	3.5	3.0	2.9	4.9	3.7
Doniphan County, KS	3.5	3.5	3.3	4.5	2.7
Buchanan County, MO	3.5	2.9	2.9	4.9	3.8
St. Joseph, MO-KS MSA	3.5	2.9	2.9	4.7	3.6
Kansas	3.6	3.3	3.1	5.7	3.2
Missouri	3.7	3.2	3.1	6.1	4.4

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The notable increase in unemployment rates resulting from the pandemic in 2020 had less impact in the AA when compared to Kansas and Missouri. However, while the unemployment rate for the state of Kansas has returned to pre-pandemic levels, the unemployment rate for the state of Missouri and the AA remains slightly elevated compared to pre-pandemic figures.
- According to a community contact, job loss in St. Joseph was not as high as that in other communities due to the number of manufacturing plants that remained open during the pandemic.
- According to a community contact, the number of manufacturing jobs in St. Joseph ranks third in the state behind St. Louis and Kansas City.
- Major employers in the area include Mosaic Life Care (3,212 employees), Triumph Foods (2,900), St. Joseph School District (1,853), Missouri Air National Guard (1,663), Boehringer Ingelheim (1,070), and Wal-Mart (740).
- Major employment sectors in the AA include manufacturing, healthcare, food production and processing, education, and government.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ST. JOSEPH METROPOLITAN AA

LENDING TEST

The bank’s overall lending test performance in the St. Joseph Metropolitan AA is satisfactory. Home mortgage loans were evaluated at the aggregate level based on lending volumes too low to render meaningful analyses at the product level. The lending test rating for the geographic distribution of small business lending was excellent and HMDA lending was reasonable, while both HMDA and small business lending were reasonable for the evaluation of the borrower distribution test.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. The 2021 distribution of home mortgage lending in area low-income tracts was above aggregate lending data by number and dollar volume, and above the percentage of owner-occupied housing units (demographic data). Bank lending in area moderate-income census tracts was comparable to the aggregate lending data by number and dollar volume, and comparable to the demographic data.

The bank’s performance for 2020 was consistent with 2021 performance. Loan dispersion analysis revealed conspicuous lending gaps, particularly within LMI census tracts, due to a relatively low number of home mortgage loans dispersed among the AA’s 28 census tracts. However, these gaps did not impact the overall conclusion.

Table 9

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Saint Joseph Metropolitan													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Low	0	0.0	0.4	0	0.0	0.3	1	4.5	0.6	118	5.6	0.5	0.8
Moderate	3	15.8	15.0	257	9.1	8.8	5	22.7	18.2	366	17.4	11.9	20.6
Middle	5	26.3	49.5	873	30.8	44.1	13	59.1	51.8	1,294	61.4	47.9	53.8
Upper	11	57.9	35.1	1,705	60.1	46.8	3	13.6	29.4	331	15.7	39.7	24.8
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	19	100.0	100.0	2,835	100.0	100.0	22	100.0	100.0	2,109	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.

Small Business Lending

The geographic distribution of small business lending is excellent. There were no loan originations by the bank in the AA’s low-income tracts, although demographic data indicates that 7.0 percent of all businesses are in the AA’s low-income tracts. The percentage of small business loans originated in moderate-income census tracts was above the percentage of businesses operating in the AA’s moderate-income census tracts.

Loan dispersion analysis revealed conspicuous lending gaps, particularly within LMI census tracts, due to a relatively low number of small business loans in the sample dispersed among the AA's 28 census tracts. However, these gaps did not impact the overall conclusion.

Table 10

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Saint Joseph Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	7.0
Moderate	5	35.7	825	76.9	16.8
Middle	6	42.9	158	14.7	46.8
Upper	3	21.4	90	8.4	29.3
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	14	100.0	1,073	100.0	100.0

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.

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

The bank's lending demonstrates a reasonable distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank's 2021 lending to low-income borrowers in the AA was below aggregate lending data by number and dollar volume, and below the percent of low-income families in the AA (demographic data). Lending to moderate-income borrowers in the AA was comparable to aggregate lending data by number and dollar volume, and comparable to the demographic data.

The bank's 2020 lending was below lending levels noted in 2021, although more weight was applied to 2021 lending based on a slightly higher volume of loans.

Table 11

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Saint Joseph Metropolitan													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg	Bank			Agg		Bank		Agg		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Low	1	5.3	5.4	17	0.6	2.9	1	4.5	7.6	24	1.1	4.2	22.1
Moderate	0	0.0	18.4	0	0.0	13.1	5	22.7	21.6	439	20.8	16.1	17.4
Middle	5	26.3	21.4	787	27.8	19.6	3	13.6	19.4	507	24.0	19.8	24.1
Upper	11	57.9	35.1	1,896	66.9	45.2	5	22.7	29.4	380	18.0	39.3	36.4
Unknown	2	10.5	19.7	135	4.8	19.2	8	36.4	21.9	759	36.0	20.6	0.0
Total	19	100.0	100.0	2,835	100.0	100.0	22	100.0	100.0	2,109	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.

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank’s lending to businesses with gross annual revenues of \$1 million or less is comparable to the demographic figure. Additionally, 92.9 percent of business loans were made in amounts of \$100,000 or less, which demonstrates the bank’s willingness to originate lower loan amounts that are typically demanded by smaller business entities.

Table 12

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Saint Joseph Metropolitan					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	9	64.3	189	17.6	88.4
Over \$1 Million	4	28.6	845	78.8	10.7
Revenue Unknown	1	7.1	39	3.6	0.9
Total	14	100.0	1,073	100.0	100.0
By Loan Size					
\$100,000 or Less	13	92.9	443	41.3	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	1	7.1	630	58.7	
Total	14	100.0	1,073	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	9	100.0	189	100.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	9	100.0	189	100.0	
<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>					

COMMUNITY DEVELOPMENT TEST

The bank’s CD performance demonstrates excellent responsiveness. As previously noted, this is a relatively new market to the bank, and there were no investments, few donations, and only one CD service. However, the rating is based on the relatively high level of CD loans, comprised mostly of PPP loans, in consideration of the bank’s deposit market share and lending volume in this AA.

Table 13

Community Development Activity									
Assessment Area: Saint Joseph Metropolitan									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	2	3	2	3	1
Economic Development	0	0	0	0	0	0	0	0	0
Revitalization and Stabilization	16	5,437	0	0	0	0	0	0	0
Totals	16	5,437	0	0	2	3	2	3	1

STATE OF KANSAS

CRA rating for Kansas: ***Satisfactory***
The Lending Test is rated: ***Satisfactory***
The Community Development Test is rated: ***Outstanding***

This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- An excellent distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including LMI, and businesses of different sizes.
- CD activity reflects excellent responsiveness to CD needs of the AA.

SCOPE OF EXAMINATION

The scope of the review for the state of Kansas was consistent with the overall scope for the institution. A full-scope review was conducted for the Kansas City Metropolitan AA, while a limited-scope review was conducted for the Northeast Kansas AA, to ascertain if the bank's performance in this area was generally consistent with its performance in the overall state evaluation. The review in the state of Kansas included 424 home mortgage loans and 74 small business loans originated in the two AAs.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN KANSAS

The bank delineates two of its three AAs and operates six of its nine branches in the state of Kansas. Five of the six branches in the state are located in the Kansas City Metropolitan AA, including branches in the towns of Osawatomie, La Cygne, Louisburg, Paola, and Spring Hill. This AA includes Linn, Miami, and Johnson Counties in their entirety, and one census tract in Franklin County. The bank's Northeast Kansas AA includes Brown County in its entirety, where the bank operates one branch in the town of Horton. A detailed description of the bank's operations in the Kansas City Metropolitan AA is provided in the analysis for that AA, followed by a brief discussion of bank operations in the Northeast Kansas AA.

A community contact recently conducted as part of the CRA evaluation of another financial institution with offices in the AA was reviewed to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The community contact represented a local housing organization.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS

LENDING TEST

The bank’s overall lending test performance in the state of Kansas is satisfactory.

Geographic Distribution of Loans

The bank’s overall geographic distribution of loans within Kansas reflects excellent distribution among the different census tracts and dispersion throughout the AAs.

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

The bank’s lending has an overall reasonable distribution among individuals of different income levels and businesses of different sizes.

COMMUNITY DEVELOPMENT TEST

The bank’s overall CD test performance in the state of Kansas is outstanding and demonstrates excellent responsiveness. The majority of CD activity occurred in the state of Kansas, which is consistent with the bank’s deposit market share and lending volume in the state.

Table 14

Community Development Activity State of Kansas									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#
Affordable Housing	0	0	0	0	0	0	0	0	4
Community Services	13	19,699	1	640	35	354	36	994	29
Economic Development	0	0	0	0	0	0	0	0	23
Revitalization and Stabilization	102	3,942	0	0	0	0	0	0	0
Totals	115	23,641	1	640	35	354	36	994	56

**KANSAS CITY METROPOLITAN ASSESSMENT AREA
METROPOLITAN AREA
(Full-Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN KANSAS CITY
METROPOLITAN AA**

The bank's Kansas City Metropolitan AA consists of Miami, Linn, and Johnson Counties in their entirety and one census tract in Franklin County (see Appendix A for an AA map and Appendix B for additional demographic data).

- The bank's AA at the prior CRA evaluation included one census tract in the southcentral portion of Johnson County and one census tract in northern Linn County, while the delineated areas of Miami and Franklin Counties remain unchanged.
- Miami, Linn, and Johnson Counties are included in the Kansas City, Missouri-Kansas MSA, and Franklin County is currently designated as a nonmetropolitan area.
- The bank's revised AA is comprised of 2 low-, 14 moderate-, 48 middle-, 74 upper-, and 3 unknown-income census tracts. This represents a change since the prior CRA evaluation when the AA included one moderate-, eight middle-, and two upper-income census tracts.
- According to the June 30, 2022 FDIC Summary of Deposits Market Share Report, the bank ranked 17th of 69 FDIC-insured depository institutions operating from 268 locations in the AA, with a total deposit market share of 1.6 percent.
- One community contact recently conducted as part of the CRA evaluation of another financial institution with offices in the AA was reviewed to ascertain the credit needs of area communities, the responsiveness of area banks in meeting those credit needs, and for perspectives on local economic conditions. The community member was a representative from a housing agency with an office in the AA.

Table 15

Population Change			
Assessment Area: Kansas City Metropolitan			
Area	2015 Population	2020 Population	Percent Change
Kansas City Metropolitan	634,783	679,641	7.1
Franklin County, Kansas	25,753	25,996	0.9
Johnson County, Kansas	566,814	609,863	7.6
Linn County, Kansas	9,528	9,591	0.7
Miami County, Kansas	32,688	34,191	4.6
Kansas City, MO-KS MSA	2,055,675	2,192,035	6.6
NonMSA Kansas	922,403	892,006	(3.3)
Kansas	2,892,987	2,937,880	1.6

*Source: 2020 U.S. Census Bureau: Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey*

- Population growth in Johnson County outpaced the other AA counties, as well as growth in the state of Kansas, although it was comparable to growth in the Kansas City, MO-KS MSA (Kansas City MSA).
- According to 2021 Census Bureau data, the largest cities in the AA are Overland Park and Olathe, with respective populations of 197,106 and 143,014. The town of Osawatomie, where the bank is headquartered, has a population of 4,280.

Table 16

Median Family Income Change			
Assessment Area: Kansas City Metropolitan			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Kansas City Metropolitan	98,589	107,153	8.7
Franklin County, Kansas	67,125	69,375	3.4
Johnson County, Kansas	103,631	111,766	7.9
Linn County, Kansas	63,534	64,986	2.3
Miami County, Kansas	81,671	87,341	6.9
Kansas City, MO-KS MSA	79,346	86,562	9.1
Non-MSA Kansas	62,527	65,467	4.7
Kansas	72,535	77,620	7.0

*Source: 2011-2015 U.S. Census Bureau: American Community Survey
2016-2020 U.S. Census Bureau: American Community Survey*

Note: MFIs have been inflation-adjusted and are expressed in 2020 dollars.

- Median family income (MFI) growth in the AA outpaced NonMSA Kansas (nonmetropolitan areas statewide) and the state of Kansas.
- The portion of LMI families to total families in the AA, at 26.6 percent, was significantly lower than figures for the Kansas City MSA and the state of Kansas, at 38.9 percent and 36.5 percent, respectively.

- The percentage of AA families living below the poverty level, at 4.2 percent, was considerably lower than figures for the Kansas City MSA and the state of Kansas, at 9.1 percent for each respective area.

Table 17

Housing Cost Burden						
Assessment Area: Kansas City Metropolitan						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Kansas City Metropolitan	80.2	36.0	36.0	68.1	35.4	15.3
Franklin County, Kansas	83.8	29.3	39.7	50.5	35.6	16.9
Johnson County, Kansas	81.7	37.3	36.1	69.5	36.5	14.7
Linn County, Kansas	54.1	2.1	31.5	64.5	9.3	25.7
Miami County, Kansas	61.5	23.1	33.4	70.7	35.8	20.8
Kansas City, MO-KS MSA	73.2	27.8	39.0	59.0	26.4	16.4
Non-MSA 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 cost burden for LMI renters and homeowners was higher in the AA, when compared to the Kansas City MSA and the state of Kansas. For LMI renters in the AA, the higher cost burden was primarily driven by statistics for Franklin and Johnson Counties, when compared to the remaining AA counties.
- The housing affordability ratio in the AA, at 35.4 percent, is slightly lower than the ratio for the Kansas City MSA, at 36.0 percent, and lower than the state of Kansas ratio of 39.6 percent.
- Based on 2015 American Community Survey (ACS) data, median gross rent for the AA was \$936, compared to \$844 for the Kansas City MSA and \$757 for the state of Kansas. Figures in the AA ranged from \$947 in Johnson County to a low of \$630 in Linn County.
- A community contact discussed the lack of affordable housing, the high cost of land, and the high cost of affordable housing in Johnson County.

Table 18

Unemployment Rates					
Assessment Area: Kansas City Metropolitan					
Area	2017	2018	2019	2020	2021
Kansas City Metropolitan	3.1	2.9	2.8	4.9	2.7
Franklin County, Kansas	3.7	3.5	3.3	5.2	3.1
Johnson County, Kansas	3.0	2.8	2.7	4.9	2.7
Linn County, Kansas	5.9	5.8	5.9	7.0	4.3
Miami County, Kansas	3.7	3.5	3.3	4.8	2.9
Kansas City, MO-KS MSA	3.8	3.3	3.1	6.1	4.2
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 spike in unemployment resulting from the onset of the 2020 pandemic was less pronounced in the AA when compared to the Kansas City MSA and the state of Kansas and recovered more quickly when compared to the Kansas City MSA.
- Major employers in the AA are primarily located in Johnson County and include T-Mobile (6,000 employees), Garmin International (5,005), Blue Valley School District (3,313), United Parcel Service (2,838), Shawnee Mission School District (2,554), Black & Veatch (2,160), and Quest Diagnostics (1,833).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS CITY METROPOLITAN AA

LENDING TEST

The bank’s performance under the lending test in the Kansas City Metropolitan AA is reasonable. The lending review in this AA included 420 home mortgage loans and 74 small business loans. Home improvement and multifamily loans were not evaluated at the product level based on lending volumes too low to conduct meaningful analyses. The lending test rating for the geographic distribution of HMDA lending was excellent and small business lending was reasonable, while both HMDA and small business lending were reasonable for the evaluation of the borrower distribution test.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects excellent distribution among the different census tracts and dispersion throughout the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. The bank had no loan originations in the AA's low-income census tracts for any loan product, although the distribution by aggregate lenders and the demographic figure were extremely low, as noted in Table 19. Lending in moderate-income census tracts was above aggregate lending data by number and dollar volume, as well as the demographic figure.

Total home mortgage lending in 2020 was consistent with 2021 performance. In addition, an evaluation of the dispersion of home mortgage loans revealed significant lending gaps and lapses in Johnson County's LMI tracts, although the bank's branch in northern Miami County is not in close proximity to the areas in Johnson County with lending gaps. Accordingly, the overall rating was not impacted.

Home Purchase Lending

The geographic distribution of home purchase lending is excellent. The bank had no originations in area low-income tracts. Lending in moderate-income census tracts was above aggregate data by number and dollar volume, and above the demographic figure.

Home purchase lending in 2020 was consistent with 2021 performance. In addition, an evaluation of the dispersion of home purchase loans revealed significant lending gaps and lapses in Johnson County's LMI census tracts, although there were only 56 home purchase loans originated in 2021 and 46 loans in 2020 that were dispersed in an AA consisting of 141 tracts. Moreover, as previously stated, the bank's branch in Miami County may not be able to aptly serve the cluster of LMI tracts in contiguous Johnson County based on the distance between the two, which resulted in no impact on the overall conclusion.

Home Refinance Loans

The geographic distribution of home refinance lending is excellent. The bank had no refinance lending in the AA's low-income tracts. Lending in moderate-income census tracts was above both aggregate lending figures and the demographic figure.

Home refinance lending in 2020 was consistent with 2021 performance. In addition, an evaluation of the dispersion of home refinance loans revealed significant gaps and lapses based on the relatively high number of census tracts in the area and the distance of the nearest branch from the LMI tracts in Johnson County. However, the gaps identified did not ultimately impact the overall conclusion.

Table 19

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Kansas City Metropolitan													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$ (000)	\$ %	\$ %	#	%	%	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Lo w	0	0.0	0.3	0	0.0	0.2	0	0.0	0.3	0	0.0	0.2	0.3
Mo d e r a t e	11	23.4	5.3	1,745	15.7	3.1	16	28.6	5.7	2,814	19.7	3.4	6.0
M i d d l e	24	51.1	31.9	5,492	49.6	24.2	19	33.9	32.0	4,087	28.7	23.9	33.0
U p p e r	12	25.5	62.5	3,844	34.7	72.5	21	37.5	62.0	7,360	51.6	72.5	60.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	47	100.0	100.0	11,081	100.0	100.0	56	100.0	100.0	14,261	100.0	100.0	100.0
Refinance Loans													
Lo w	0	0.0	0.1	0	0.0	0.1	0	0.0	0.2	0	0.0	0.1	0.3
Mo d e r a t e	30	16.0	3.2	4,327	11.4	1.9	21	16.4	3.8	2,588	9.5	2.3	6.0
M i d d l e	89	47.3	25.2	16,754	44.1	18.8	64	50.0	28.4	12,638	46.2	21.2	33.0
U p p e r	69	36.7	71.4	16,874	44.5	79.2	43	33.6	67.6	12,134	44.3	76.3	60.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	188	100.0	100.0	37,955	100.0	100.0	128	100.0	100.0	27,360	100.0	100.0	100.0
Home Improvement Loans													
Lo w	0	0.0	0.1	0	0.0	0.0	0	0.0	0.1	0	0.0	0.0	0.3
Mo d e r a t e	0	0.0	2.9	0	0.0	2.3	0	0.0	2.6	0	0.0	1.5	6.0
M i d d l e	0	0.0	24.8	0	0.0	18.4	0	0.0	24.3	0	0.0	19.2	33.0
U p p e r	0	0.0	72.2	0	0.0	79.2	0	0.0	73.0	0	0.0	79.3	60.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Lo w	0	0.0	4.8	0	0.0	10.9	0	0.0	1.5	0	0.0	0.1	4.3
Mo d e r a t e	0	0.0	22.6	0	0.0	7.2	0	0.0	25.8	0	0.0	8.6	14.0
M i d d l e	0	0.0	38.7	0	0.0	26.3	0	0.0	50.0	0	0.0	48.2	40.7
U p p e r	0	0.0	33.9	0	0.0	55.5	0	0.0	22.7	0	0.0	43.0	41.1
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Lo w	0	0.0	0.2	0	0.0	0.3	0	0.0	0.2	0	0.0	0.1	0.3
Mo d e r a t e	41	17.4	4.0	6,072	12.4	2.5	37	20.0	4.5	5,402	12.9	2.9	6.0
M i d d l e	113	48.1	27.5	22,246	45.4	20.9	83	44.9	29.5	16,725	40.0	23.0	33.0
U p p e r	81	34.5	68.3	20,718	42.3	76.3	65	35.1	65.8	19,709	47.1	73.9	60.7
U n k n o w n	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
T r a c t - U n k	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
T o t a l	235	100.0	100.0	49,036	100.0	100.0	185	100.0	100.0	41,836	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.

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank’s small business lending in low-income census tracts by number was comparable to the percentage of small businesses located in the AA’s low-income census tracts (demographic figure). Lending in moderate-income census tracts by number was above the demographic figure.

An evaluation of the dispersion of small business lending revealed conspicuous lending gaps and lapses in Johnson County’s LMI census tracts. The dispersion did not adversely impact the overall rating when considering the number of census tracts in the AA and the distance of the LMI census tracts in Johnson County from the bank’s nearest branch in Miami County.

Table 20

Distribution of 2021 Small Business Lending By Income Level of Geography					
Assessment Area: Kansas City Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	1	1.4	172	6.5	1.2
Moderate	9	12.2	314	11.9	8.0
Middle	40	54.1	1,227	46.3	29.3
Upper	24	32.4	936	35.3	58.5
Unknown	0	0.0	0	0.0	3.1
Tract-Unk	0	0.0	0	0.0	
Total	74	100.0	2,649	100.0	100.0

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.

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

The bank’s lending demonstrates a reasonable distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. The bank’s 2021 lending to low-income borrowers by number and dollar volume was comparable to both aggregate lending data figures, but below the percentage of low-income families in the AA (demographic figure). Lending to moderate-income borrowers was comparable to aggregate lending data by number and dollar volume, as well as the demographic figure. Home mortgage lending in 2020 was consistent with 2021 performance.

Home Purchase Lending

The borrower distribution of home purchase lending is reasonable. The bank's 2021 home purchase lending to low-income borrowers by number and dollar volume was comparable to aggregate lending data, but below the demographic figure. Lending to moderate-income borrowers by number and dollar volume was comparable to aggregate lending data and above the demographic figure. Home purchase lending in 2020 was consistent with 2021 performance.

Home Refinance Loans

The borrower distribution of home refinance lending is reasonable. The bank's 2021 lending to low-income borrowers by number and dollar volume was comparable to both aggregate lending data figures but below the demographic figure. Lending to moderate-income borrowers was comparable to both aggregate data figures and to the demographic figure. Total home mortgage lending in 2020 was consistent with 2021 performance.

Table 21

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Kansas City Metropolitan													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$ %	\$ %	#	%	%	\$(000)	\$ %	\$ %	
Home Purchase Loans													
Lo w	3	6.4	4.5	168	1.5	2.3	3	5.4	3.9	344	2.4	1.9	12.5
Mo d e r a t e	6	12.8	18.3	749	6.8	12.7	12	21.4	14.9	1,415	9.9	10.1	14.1
M i d d l e	9	19.1	23.0	1,628	14.7	19.8	8	14.3	21.2	1,813	12.7	18.0	19.4
U p p e r	27	57.4	45.0	8,149	73.5	56.1	31	55.4	45.1	10,360	72.6	55.8	54.0
U n k n o w n	2	4.3	9.2	387	3.5	9.1	2	3.6	14.8	329	2.3	14.2	0.0
T o t a l	47	100.0	100.0	11,081	100.0	100.0	56	100.0	100.0	14,261	100.0	100.0	100.0
Refinance Loans													
Lo w	9	4.8	2.7	796	2.1	1.3	5	3.9	4.0	502	1.8	2.1	12.5
M o d e r a t e	23	12.2	11.8	3,609	9.5	7.8	25	19.5	13.0	2,838	10.4	8.8	14.1
M i d d l e	43	22.9	21.1	7,335	19.3	17.5	26	20.3	20.0	5,265	19.2	16.5	19.4
U p p e r	105	55.9	50.4	24,665	65.0	58.8	69	53.9	45.6	18,350	67.1	54.6	54.0
U n k n o w n	8	4.3	14.1	1,550	4.1	14.6	3	2.3	17.4	405	1.5	18.0	0.0
T o t a l	188	100.0	100.0	37,955	100.0	100.0	128	100.0	100.0	27,360	100.0	100.0	100.0
Home Improvement Loans													
Lo w	0	0.0	2.7	0	0.0	1.6	0	0.0	2.9	0	0.0	1.4	12.5
M o d e r a t e	0	0.0	7.7	0	0.0	4.7	0	0.0	8.7	0	0.0	6.1	14.1
M i d d l e	0	0.0	19.2	0	0.0	15.4	0	0.0	17.4	0	0.0	12.7	19.4
U p p e r	0	0.0	66.4	0	0.0	71.9	0	0.0	66.4	0	0.0	73.2	54.0
U n k n o w n	0	0.0	4.0	0	0.0	6.4	0	0.0	4.6	0	0.0	6.6	0.0
T o t a l	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Lo w	12	5.1	3.2	964	2.0	1.6	8	4.3	3.9	846	2.0	2.0	12.5
M o d e r a t e	29	12.3	13.4	4,358	8.9	9.4	37	20.0	13.5	4,253	10.2	9.3	14.1
M i d d l e	52	22.1	21.3	8,963	18.3	18.1	34	18.4	20.1	7,078	16.9	16.9	19.4
U p p e r	132	56.2	48.9	32,814	66.9	57.7	100	54.1	46.4	28,710	68.6	55.6	54.0
U n k n o w n	10	4.3	13.2	1,937	4.0	13.1	6	3.2	16.0	949	2.3	16.2	0.0
T o t a l	235	100.0	100.0	49,036	100.0	100.0	185	100.0	100.0	41,836	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.													

Small Business Lending

The borrower distribution of small business lending is reasonable. The bank's small business lending to businesses with revenues of \$1 million or less by number was comparable to the percentage of small businesses (demographic figure) in the AA. Furthermore, a review of the most recent 3-year aggregate data submitted by CRA reporters noted an average distribution of 44.2 percent of lending to businesses with revenues of \$1 million or less.

Table 22

Distribution of 2021 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Kansas City Metropolitan					
	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	50	67.6	1,148	43.3	89.8
Over \$1 Million	13	17.6	1,285	48.5	9.4
Revenue Unknown	11	14.9	215	8.1	0.9
Total	74	100.0	2,649	100.0	100.0
By Loan Size					
\$100,000 or Less	68	91.9	1,617	61.0	
\$100,001 - \$250,000	5	6.8	732	27.6	
\$250,001 - \$1 Million	1	1.4	300	11.3	
Total	74	100.0	2,649	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	49	98.0	1,017	88.6	
\$100,001 - \$250,000	1	2.0	131	11.4	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	50	100.0	1,148	100.0	
<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>					

COMMUNITY DEVELOPMENT TEST

The bank’s CD performance demonstrates excellent responsiveness. This is the bank’s primary and well-established market where an overwhelming majority of CD activity occurred, consisting primarily of PPP loans. The bank also originated several large loans to school districts within the AA where the majority of students at the benefitting schools qualify for free or reduced lunch programs. Bank employees also served on the boards of directors of several economic development organizations within the AA.

Table 23

Community Development Activity									
Assessment Area: Kansas City Metropolitan									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	
Affordable Housing	0	0	0	0	0	0	0	0	4
Community Services	13	19,699	1	640	34	353	35	993	29
Economic Development	0	0	0	0	0	0	0	0	23
Revitalization and Stabilization	102	3,942	0	0	0	0	0	0	0
Totals	115	23,641	1	640	34	353	35	993	56

**NORTHEAST KANSAS ASSESSMENT AREA
NONMETROPOLITAN AREA
(Limited-Scope Review)**

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN NORTHEAST KANSAS AA

The bank's delineated AA is comprised of Brown County in its entirety and is contiguous to Doniphan County, which is part of the St. Joseph, Missouri-Kansas MSA and one of two counties that combine to form the St. Joseph Metropolitan AA (see Appendix A for an AA map).

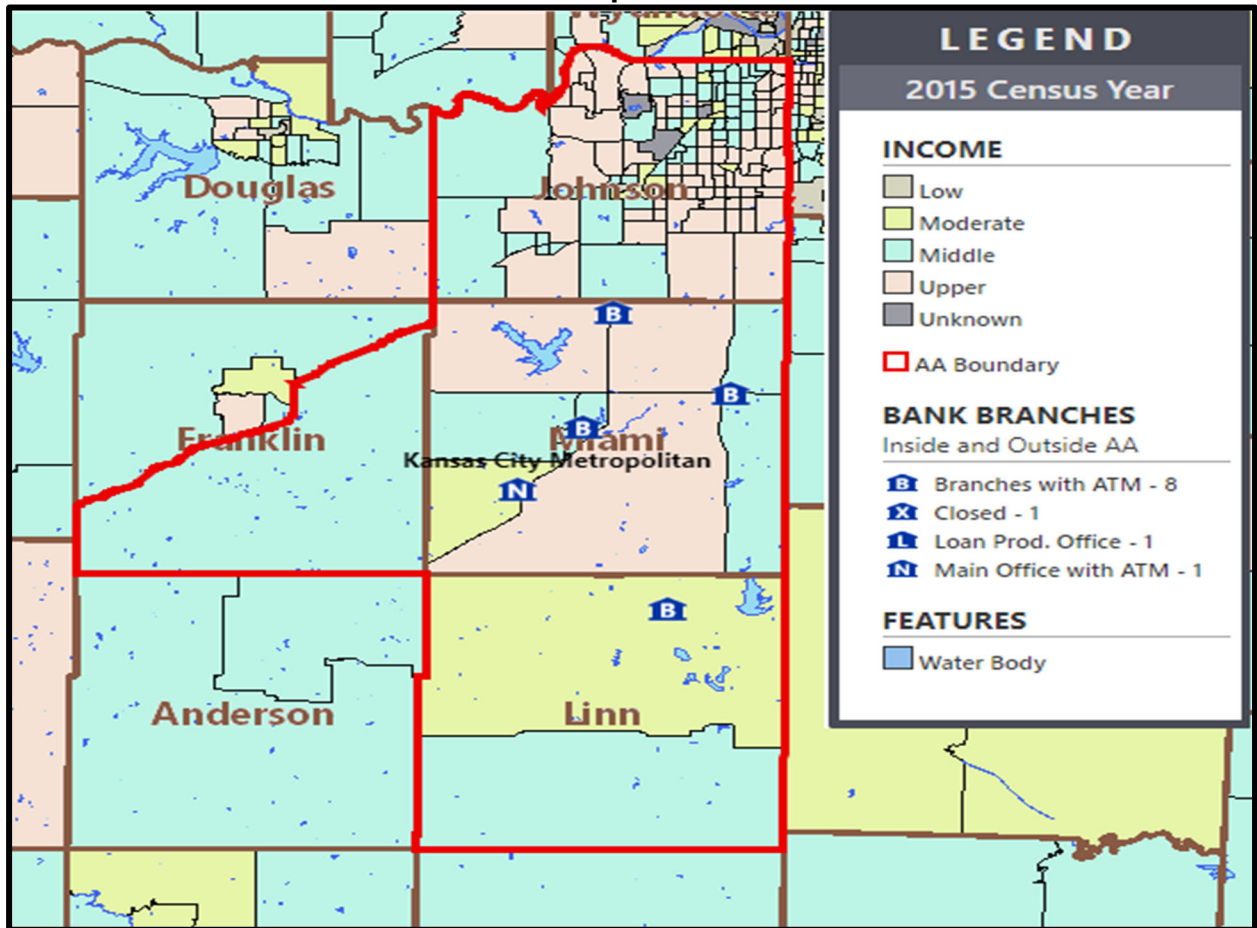
- The Northeast Kansas AA is comprised of three middle-income census tracts and was delineated after the prior CRA evaluation when the bank acquired a financial institution with offices in the greater St Joseph, Missouri area.
- The distribution of families by MFI in the AA includes 19.6 percent low-, 21.1 percent moderate-, 24.6 percent middle-, and 34.7 percent upper-income.
- The bank operates one full-service branch in Holton, Kansas, which offers lobby services, drive-through access, and a full-service ATM.
- According to the 2015 ACS, the AA population was 9,880.
- Based on the June 30, 2022 FDIC Deposit Market Share Report, the bank has a 6.7 percent market share of area deposits, ranking 5th of 6 FDIC-insured depository institutions operating from 10 offices in the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHEAST KANSAS AA

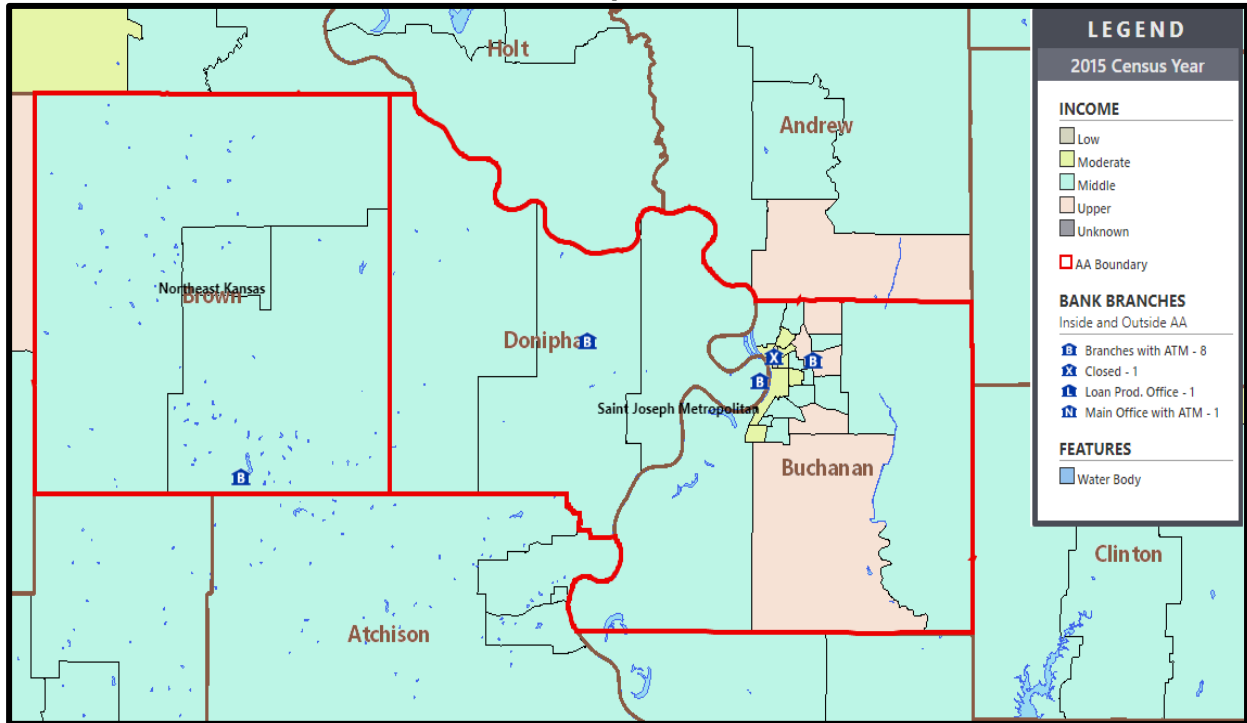
The institution's lending and CD performance in the area is below the institution's lending and CD performance for the state; however, this performance does not change the rating for the state.

APPENDIX A – MAPS OF THE ASSESSMENT AREAS

Kansas City Metropolitan
Map A-1



Northeast Kansas and Saint Joseph Metropolitan
Map A-2



APPENDIX B – DEMOGRAPHIC INFORMATION

**Saint Joseph Metropolitan AA
Table B-1**

2021 Saint Joseph Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	3.6	307	1.3	141	45.9	5,084	22.1
Moderate	7	25.0	5,379	23.4	1,161	21.6	3,997	17.4
Middle	15	53.6	12,188	52.9	1,562	12.8	5,552	24.1
Upper	5	17.9	5,144	22.3	265	5.2	8,385	36.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	28	100.0	23,018	100.0	3,129	13.6	23,018	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,080	183	0.8	16.9	645	59.7	252	23.3
Moderate	10,903	4,807	20.6	44.1	3,694	33.9	2,402	22.0
Middle	21,854	12,558	53.8	57.5	6,695	30.6	2,601	11.9
Upper	8,206	5,784	24.8	70.5	1,919	23.4	503	6.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	42,043	23,332	100.0	55.5	12,953	30.8	5,758	13.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	222	7.0	191	6.9	28	8.3	3	11.1
Moderate	531	16.8	452	16.2	74	21.8	5	18.5
Middle	1,477	46.8	1,325	47.5	137	40.4	15	55.6
Upper	924	29.3	820	29.4	100	29.5	4	14.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,154	100.0	2,788	100.0	339	100.0	27	100.0
Percentage of Total Businesses:				88.4	10.7	0.9		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1	0.6	1	0.6	0	0.0	0	0.0
Moderate	7	3.9	7	3.9	0	0.0	0	0.0
Middle	150	82.9	150	83.3	0	0.0	0	0.0
Upper	23	12.7	22	12.2	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	181	100.0	180	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.4	0.6	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-2

2020 Saint Joseph Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	3.6	307	1.3	141	45.9	5,084	22.1
Moderate	7	25.0	5,379	23.4	1,161	21.6	3,997	17.4
Middle	15	53.6	12,188	52.9	1,562	12.8	5,552	24.1
Upper	5	17.9	5,144	22.3	265	5.2	8,385	36.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	28	100.0	23,018	100.0	3,129	13.6	23,018	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,080	183	0.8	16.9	645	59.7	252	23.3
Moderate	10,903	4,807	20.6	44.1	3,694	33.9	2,402	22.0
Middle	21,854	12,558	53.8	57.5	6,695	30.6	2,601	11.9
Upper	8,206	5,784	24.8	70.5	1,919	23.4	503	6.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	42,043	23,332	100.0	55.5	12,953	30.8	5,758	13.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	216	6.7	184	6.4	29	8.3	3	11.5
Moderate	549	17.0	468	16.4	78	22.3	3	11.5
Middle	1,512	46.8	1,357	47.5	139	39.7	16	61.5
Upper	954	29.5	846	29.6	104	29.7	4	15.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,231	100.0	2,855	100.0	350	100.0	26	100.0
Percentage of Total Businesses:				88.4		10.8		0.8
	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	5	2.6	5	2.6	0	0.0	0	0.0
Middle	162	84.4	162	84.8	0	0.0	0	0.0
Upper	25	13.0	24	12.6	1	100.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	192	100.0	191	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.5		0.5		0.0
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Kansas City Metropolitan AA
Table B-3**

2021 Kansas City Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	1.4	1,043	0.6	275	26.4	20,396	12.5
Moderate	14	9.9	12,998	8.0	1,416	10.9	22,969	14.1
Middle	48	34.0	55,176	33.9	3,383	6.1	31,574	19.4
Upper	74	52.5	93,761	57.5	1,772	1.9	88,039	54.0
Unknown	3	2.1	0	0.0	0	0.0	0	0.0
Total AA	141	100.0	162,978	100.0	6,846	4.2	162,978	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,786	428	0.3	15.4	2,127	76.3	231	8.3
Moderate	24,576	10,051	6.0	40.9	11,840	48.2	2,685	10.9
Middle	92,622	55,381	33.0	59.8	31,532	34.0	5,709	6.2
Upper	132,330	101,799	60.7	76.9	25,595	19.3	4,936	3.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	252,314	167,659	100.0	66.4	71,094	28.2	13,561	5.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	383	1.2	346	1.2	34	1.1	3	1.1
Moderate	2,564	8.0	2,245	7.8	301	10.0	18	6.3
Middle	9,416	29.3	8,501	29.5	818	27.2	97	34.0
Upper	18,803	58.5	17,157	59.5	1,488	49.4	158	55.4
Unknown	982	3.1	604	2.1	369	12.3	9	3.2
Total AA	32,148	100.0	28,853	100.0	3,010	100.0	285	100.0
Percentage of Total Businesses:				89.8		9.4		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2	0.4	2	0.4	0	0.0	0	0.0
Moderate	49	10.3	48	10.3	1	8.3	0	0.0
Middle	181	37.9	178	38.4	3	25.0	0	0.0
Upper	245	51.3	235	50.6	8	66.7	2	100.0
Unknown	1	0.2	1	0.2	0	0.0	0	0.0
Total AA	478	100.0	464	100.0	12	100.0	2	100.0
Percentage of Total Farms:				97.1		2.5		0.4
<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 B-4

2020 Kansas City Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	1.4	1,043	0.6	275	26.4	20,396	12.5
Moderate	14	9.9	12,998	8.0	1,416	10.9	22,969	14.1
Middle	48	34.0	55,176	33.9	3,383	6.1	31,574	19.4
Upper	74	52.5	93,761	57.5	1,772	1.9	88,039	54.0
Unknown	3	2.1	0	0.0	0	0.0	0	0.0
Total AA	141	100.0	162,978	100.0	6,846	4.2	162,978	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,786	428	0.3	15.4	2,127	76.3	231	8.3
Moderate	24,576	10,051	6.0	40.9	11,840	48.2	2,685	10.9
Middle	92,622	55,381	33.0	59.8	31,532	34.0	5,709	6.2
Upper	132,330	101,799	60.7	76.9	25,595	19.3	4,936	3.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	252,314	167,659	100.0	66.4	71,094	28.2	13,561	5.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	413	1.2	370	1.2	40	1.3	3	1.0
Moderate	2,674	8.0	2,341	7.9	314	9.9	19	6.6
Middle	9,733	29.3	8,768	29.4	866	27.3	99	34.4
Upper	19,410	58.4	17,709	59.4	1,543	48.7	158	54.9
Unknown	1,015	3.1	602	2.0	404	12.8	9	3.1
Total AA	33,245	100.0	29,790	100.0	3,167	100.0	288	100.0
Percentage of Total Businesses:				89.6		9.5		0.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2	0.4	2	0.4	0	0.0	0	0.0
Moderate	51	10.4	50	10.5	1	8.3	0	0.0
Middle	188	38.4	185	38.8	3	25.0	0	0.0
Upper	248	50.6	239	50.1	8	66.7	1	100.0
Unknown	1	0.2	1	0.2	0	0.0	0	0.0
Total AA	490	100.0	477	100.0	12	100.0	1	100.0
Percentage of Total Farms:				97.3		2.4		0.2
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Northeast Kansas AA
Table B-5

2021 Northeast 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	518	19.6
Moderate	0	0.0	0	0.0	0	0.0	556	21.1
Middle	3	100.0	2,638	100.0	313	11.9	649	24.6
Upper	0	0.0	0	0.0	0	0.0	915	34.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	2,638	100.0	313	11.9	2,638	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle	4,768	2,809	100.0	58.9	1,293	27.1	666	14.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	4,768	2,809	100.0	58.9	1,293	27.1	666	14.0
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	544	100.0	480	100.0	43	100.0	21	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	544	100.0	480	100.0	43	100.0	21	100.0
Percentage of Total Businesses:				88.2		7.9		3.9
	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	127	100.0	125	100.0	1	100.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	127	100.0	125	100.0	1	100.0	1	100.0
Percentage of Total Farms:				98.4		0.8		0.8
<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 B-6

2020 Northeast 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	518	19.6
Moderate	0	0.0	0	0.0	0	0.0	556	21.1
Middle	3	100.0	2,638	100.0	313	11.9	649	24.6
Upper	0	0.0	0	0.0	0	0.0	915	34.7
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	2,638	100.0	313	11.9	2,638	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle	4,768	2,809	100.0	58.9	1,293	27.1	666	14.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	4,768	2,809	100.0	58.9	1,293	27.1	666	14.0
	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	0	0.0	0	0.0	0	0.0	0	0.0
Middle	556	100.0	489	100.0	45	100.0	22	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	556	100.0	489	100.0	45	100.0	22	100.0
Percentage of Total Businesses:				87.9		8.1		4.0
	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	132	100.0	130	100.0	1	100.0	1	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	132	100.0	130	100.0	1	100.0	1	100.0
Percentage of Total Farms:				98.5		0.8		0.8
Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

APPENDIX C –
LIMITED-SCOPE REVIEW ASSESSMENT AREA TABLES

Northeast Kansas AA³

Table C-1

Distribution of 2020 and 2021 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Northeast Kansas													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Middle	1	100.0	100.0	136	100.0	100.0	3	100.0	100.0	328	100.0	100.0	100.0
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	136	100.0	100.0	3	100.0	100.0	328	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-2

Distribution of 2020 and 2021 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Northeast Kansas													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2020						2021						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Low	0	0.0	4.3	0	0.0	2.3	0	0.0	5.6	0	0.0	3.1	19.6
Moderate	0	0.0	17.4	0	0.0	11.5	1	33.3	22.2	30	9.1	16.1	21.1
Middle	0	0.0	23.2	0	0.0	20.6	0	0.0	22.7	0	0.0	20.7	24.6
Upper	1	100.0	35.5	136	100.0	47.4	1	33.3	30.1	155	47.3	39.6	34.7
Unknown	0	0.0	19.6	0	0.0	18.2	1	33.3	19.4	143	43.6	20.5	0.0
Total	1	100.0	100.0	136	100.0	100.0	3	100.0	100.0	328	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.

³ Tables for small business lending were not included as there were no loans in the sample that were originated in the Northeast Kansas AA.

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.