



PUBLIC DISCLOSURE

October 16, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**GREAT AMERICAN BANK
RSSD# 698957**

**33050 WEST 83RD STREET
DE SOTO, KANSAS 66018**

**Federal Reserve Bank of Kansas City
925 Grand Boulevard
Kansas City, Missouri 64198**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

I. Institution’s Overall CRA Rating 2

 a. Scope of Examination..... 2

 b. Description of Institution 3

 c. Description of the Bank's Overall Assessment Area..... 4

 d. Conclusions with Respect to Performance Criteria..... 5

II. Multistate Metropolitan Area Rating..... 9

 a. State of Kansas Write-up..... 9

 i. Description of the Bank’s Kansas Assessment Area..... 9

 ii. Conclusions with Respect to the Performance Criteria 10

 b. State of Missouri Write-up 12

 i. Description of the Bank’s Missouri Assessment Area 12

 ii. Conclusions with Respect to Performance Criteria 14

III. Glossary 16

INSTITUTION'S CRA RATING: *This institution is rated **Satisfactory***

Great American Bank (the bank) has a satisfactory record of helping to meet the credit needs of its assessment area (AA), including LMI families, in a manner consistent with its resources, operating philosophy, and credit needs of the community. Four of the five criteria used in evaluating small bank lending performance were relevant to this review and are listed as follows:

- Loan-to-Deposit Ratio (LTD)
- Lending Inside the AA
- Lending to Borrowers of Different Income Levels and Businesses of Different Revenue Sizes
- Geographic Distribution of Loans

The bank's responsiveness to complaints under the CRA, the fifth core criterion used to assess small bank performance, was not evaluated because the bank has not received any such complaints.

The bank's LTD ratio is excellent considering AA credit needs and the bank's financial position, and a majority of the bank's loans were originated to borrowers within its AA. In addition, the bank's distribution of loans among borrowers of different income levels and businesses of different revenue sizes reflected a reasonable lending performance by the bank. Furthermore, the geographic distribution of loans was generally consistent with the demographics of the area.

SCOPE OF EXAMINATION

To assess the bank's performance under the CRA, the bank was evaluated using the interagency small bank examination procedures. Conclusions regarding the four performance criteria were based on data compiled from the bank's two major product lines, which included commercial and home mortgage loans. The commercial sample included 45 loans from a universe of 57 loans that were originated between February 14, 2006 and August 14, 2006. The home mortgage sample included all of the bank's originated loans from its Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for the years 2004, 2005 and year-to-date 2006, which comprised 49 loans.

For banks with branches located in more than one state of a multistate Metropolitan Statistical Area (MSA), the interagency small bank examination procedures require an overall rating for the institution, as well as a rating for each multistate MSA where the institution has two or more branches. Because all of the bank's offices are located within a multistate MSA, the overall rating for the bank mirrors the multistate MSA rating. The multistate MSA rating will follow the overall section of this evaluation and will contain a description of the AA along with a discussion of the respective performance criteria.

DESCRIPTION OF INSTITUTION

Clayco Banc Corporation is a one-bank holding company that owns 100 percent of the bank. Great American Bank in De Soto, Kansas, was formerly known as CSB Bank, with headquarters in Claycomo, Missouri. On October 24, 2005, Great American Bank merged with De Soto State Bank of De Soto, Kansas. With the merger, Great American Bank acquired De Soto's Kansas charter, and converted to a state-member bank. The De Soto location now serves as the bank's new main facility, and the facility in Claycomo will continue to operate as a full service branch. Each location has a deposit-accepting automated teller machine (ATM) and offers both lobby and drive-through services. In addition, all products and services are offered throughout the AAs.

As of the June 30, 2006 Consolidated Reports of Condition and Income (Call Report), the bank's assets totaled \$202,006M, of which net loans comprised \$175,835M, or 87.0 percent. Based on its financial condition, size, resources, and credit product offerings, the bank has the ability to meet the credit needs of its AA. As illustrated in Table 1, commercial and real estate loans comprise the majority of the bank's loan portfolio by dollar volume.

Loan Type	Amount (\$000)	Percent of Total
Commercial	163,513	92.2
Real Estate	10,650	6.0
Consumer	2,181	1.2
Other	840	0.5
Agricultural	211	0.1
Total Gross Loans	177,395	100

No legal or financial impediments exist that would significantly impact the bank's ability to meet the credit needs of its AA. The bank's CRA performance was last assessed on October 7, 2002, when a satisfactory rating was assigned.

DESCRIPTION OF THE BANK'S OVERALL ASSESSMENT AREA

As previously mentioned, Great American Bank's geographical area and markets have changed since the last examination due to the merger with De Soto State Bank. The main bank is now located in the city of De Soto, Kansas (Johnson County), with the facility in Claycomo, Missouri (Clay County) operating as a full-service branch. The bank's revised AA consists of Clay and Platte Counties in Missouri and Johnson County in Kansas. Clay and Platte Counties are contiguous to one another, while Johnson County is separated from the Missouri AA counties by Wyandotte County in Kansas and Jackson County in Missouri.

Although Johnson County is considered one of the most affluent counties within the 15-county Kansas City Missouri-Kansas (KC MO-KS) multistate MSA, the bank's location in De Soto, on the western side of Johnson County, is more rural in nature and somewhat removed from the concentrated population areas of greater Kansas City, including Lenexa and Olathe, Kansas. However, a community contact indicated that De Soto will eventually be enveloped in urban sprawl as the eastern portions of Johnson County expand to the south and west.

The overall AA is comprised of 162 tracts, including 9 moderate-, 70 middle- and 83 upper-income tracts; there were no low-income tracts in the bank's AA. The AA median family income (MFI) equaled \$66,959, which is higher than the multi-state MSA figure of \$55,031. Of the three AA counties, Johnson County had the highest MFI (\$72,987) when compared to Clay (\$56,772) and Platte (\$65,236) Counties. The AA's percentage of LMI families (25 percent) is substantially lower, when compared to the multistate MSA (37 percent). In addition, the percentage of families living below the poverty level in the AA, at 2.7 percent, was low when compared to the multistate MSA figure of 6.2 percent.

The AA unemployment rate was 2.6 percent, which was lower than the multistate MSA unemployment rate of 4.3 percent, the state of Missouri rate of 5.3 percent, and the state of Kansas rate of 4.2 percent. Federal Deposit Insurance Corporation (FDIC) Regional Economics (RECON) information revealed that the MSA economy relied heavily on government, service, retail and manufacturing industries. Federal, state and local governments were the largest employers. Among the MSA's largest nongovernmental employers in March 2004 were Sprint Corporation, several health-related companies (including Community Health Group, Saint Luke's Health System, Children's Mercy Hospital and Clinics, University of Kansas Hospital, and Truman Medical Center), DST Systems, Ford Motor Company, Hallmark Cards, UPS, Cerner Corporation, AT&T Corporation, and General Motors Corporation.

The overall AA housing stock consisted of a higher concentration of single-family, owner-occupied housing units (68.3 percent) and a lower percentage of rental units (27.4 percent) when compared to the multi-state MSA (63.8 percent and 29.7 percent, respectively). The median housing value in the AA was \$136,721 or 32.9 percent higher than the value reported in the multistate MSA, at \$102,876. The AA affordability ratio for the AA of 40 was lower when compared to the ratio of 44 for the multistate MSA. The affordability ratio is calculated by dividing the median household income by the median housing value, and a higher ratio generally indicates greater affordability.

Table 2 summarizes the characteristics of the bank's overall AA based on 2000 Census data and 2005 Dun & Bradstreet (D&B) business information.

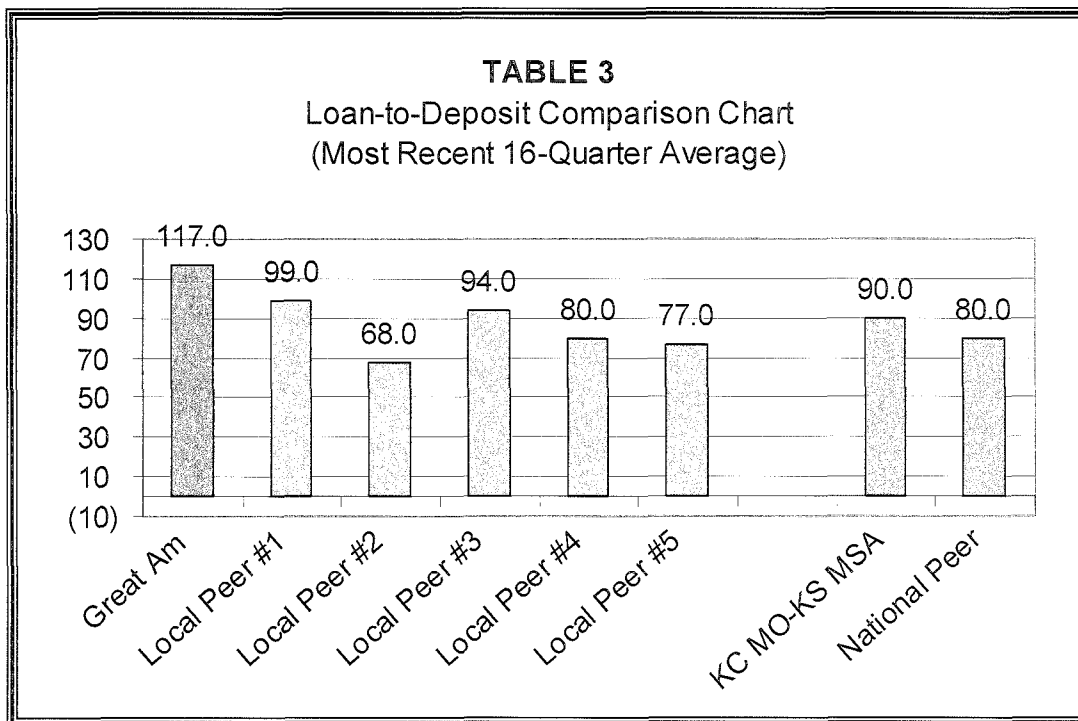
TABLE 2 BANK'S ASSESSMENT AREA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	20,017	10.4
Moderate-income	9	5.6	7,479	3.9	653	8.7	28,258	14.6
Middle-income	70	43.2	86,604	44.8	3,221	3.7	44,400	23.0
Upper-income	83	51.2	99,081	51.3	1,326	1.3	100,489	52.0
Total Assessment Area	162	100.0	193,164	100.0	5,200	2.7	193,164	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Moderate-income	14,146	5,868	3.0	41.5	7,382	52.2	896	6.3
Middle-income	139,200	84,950	43.0	61.0	48,263	34.7	5,987	4.3
Upper-income	135,398	106,439	54.0	78.6	23,504	17.4	5,455	4.0
Total Assessment Area	288,744	197,257	100.0	68.3	79,149	27.4	12,338	4.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Moderate-income	1,821	6.3	1,347	5.4	421	12.4	53	6.7
Middle-income	11,932	41.0	10,455	42.0	1,143	33.6	334	42.1
Upper-income	15,356	52.7	13,117	52.6	1,833	54.0	406	51.2
Total Assessment Area	29,109	100.0	24,919	100.0	3,397	100.0	793	100.0
Percentage of Total Businesses:				85.6		11.7		2.7

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The factors considered in evaluating the bank's overall CRA performance include a review of the bank's level of lending in relation to its deposits and those of other comparable financial institutions; the penetration of loan originations inside and outside the bank's designated AA; the bank's level of lending to borrowers of different income levels and to businesses of different revenue sizes; and, the level of lending across geographies of different income classifications. The bank has not received any complaints relative to its performance under the CRA since the last examination; therefore, the bank's responsiveness to CRA complaints was not included in this evaluation. In addition, one member of the community was interviewed to assess the availability of credit and the commitment of area financial institutions to meet local credit needs.

Loan-to-Deposit Ratio

Based on the bank's size, financial condition, local economic conditions, and credit demand of the area, the bank's average loan-to-deposit ratio is considered excellent, as it relates to the CRA. During the 16-quarter period since the previous CRA evaluation, the net LTD ratio averaged 117 percent. Over the most recent eight quarters, the bank's net LTD averaged 123 percent. The bank's LTD ratio was compared to five similarly situated competitor banks operating in the bank's AA. The competitor ratios ranged between 68 and 99 percent, as noted in the chart below. In addition, the bank's LTD ratio was significantly higher than its MSA and national peer group ratios of 90 percent and 80 percent, respectively. The MSA peer group includes all banks operating in the Kansas City Missouri-Kansas multistate MSA with assets between \$100 and \$300 million. The bank's national peer group is composed of all insured commercial banks having assets between \$100 and \$300 million in a metro area with two or fewer full-service offices.



Note: The KC MO-KS MSA average is based on the most recent four quarters.

Summary of Lending Performance

TABLE 4 SUMMARY OF LENDING PERFORMANCE								
Lending within the Overall Assessment Area								
	Inside AA				Outside AA			
	#	%	\$(000)	%	#	%	\$(000)	%
HMDA-related Loans	27	55.1	8,536	51.7	22	44.9	7,973	48.3
Small Business	23	51.1	8,392	31.0	22	48.9	18,676	69.0
TOTAL	50	53.2	16,928	38.8	44	46.8	26,649	61.2
Distribution by Income Level of Geographies								
	% of Bank Loans			% of Owner-Occupied Units				
	Moderate	Middle	Upper	Moderate	Middle	Upper		
HMDA-related Loans	0.0	77.8	22.2	3.0	43.0	54.0		
	% of Bank Loans			% of Businesses				
	Moderate	Middle	Upper	Moderate	Middle	Upper		
Small Business	4.4	56.5	39.1	6.3	41.0	52.7		
Distribution by Borrower Income Level and Revenue Size of Businesses								
	% of Bank Loans¹				% of Families			
	Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
HMDA-related Loans	11.2	18.5	7.4	14.7	10.4	14.6	23.0	52.0
	% of Bank Loans²				% of Small Businesses			
	47.8				85.6			

¹Borrower income was unknown for 48.2 percent of the HMDA-related loans.

²Business revenue was unknown for 4.3 percent of the commercial loans.

Lending in the Bank's Assessment Area

As illustrated in Table 4, a majority of the bank's HMDA-related and commercial loans were originated within the overall AA. Of the total loans sampled, 53.2 percent or 50 loans were originated within the bank's overall AA. The bank originates loans in a number of the 14 counties that comprise the Kansas City Missouri-Kansas multistate MSA, although the majority of its lending occurs in the three-county AA. Therefore, the bank's performance was considered satisfactory.

Geographic Distribution of Loans

The evaluation of the bank's lending distribution by income level of census tract places emphasis on LMI tracts. There are no low-income tracts in the AA; therefore, the review will

focus on the bank's lending to moderate-income tracts. As Table 4 indicates, the bank did not make any HMDA-related loans in the moderate-income tracts, which contained three percent of the area's owner-occupied housing units. Although opportunity for improvement exists, the bank's performance is adequate, considering the bank's two locations are in middle-income tracts that are not contiguous to any of the AA's moderate-income tracts. Furthermore, a majority of the AA's moderate-income tracts are located in close proximity to Kansas City's downtown area, where numerous financial service providers are located.

The bank's geographic distribution of lending for business loans reflected a satisfactory performance. Of the 23 commercial loans originated within the bank's AA, 4.4 percent were in moderate-income tracts. This compares adequately to the demographic of 6.3 percent of businesses located in the AA's moderate-income tracts, according to 2005 D&B data.

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

The bank's lending performance to borrowers of different income levels is considered satisfactory. As revealed in Table 4, the bank's percentage of HMDA-related loans to LMI borrowers is somewhat higher than the percentage of LMI families residing in the overall AA, respectively. It should be noted that borrower income was unknown for 48.2 percent of the loans reviewed, although this would not negatively impact the percentage of loans to LMI borrowers.

Table 4 shows that the bank's percentage of lending to small businesses is significantly lower than the percentage of small businesses in the overall AA. Although this performance is not considered strong, it is adequate and consistent with the bank's business strategy of establishing and maintaining lending relationships with larger business entities. Of the loans to businesses with revenues less than \$1 million, 63.6 percent were for amounts of \$100,000 or less, which are typically amounts needed by smaller businesses.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations. A review of bank policies, credit applications, and loans and denials revealed no prohibited practices designed to discourage applicants. In addition, the bank has not engaged in other illegal credit practices inconsistent with helping to meet the credit needs of the community.

INSTITUTION'S KANSAS CITY MISSOURI-KANSAS MULTISTATE MSA RATING: *This institution is rated **Satisfactory***

Great American Bank's overall and multistate MSA assessment areas are identical. As previously mentioned, the bank's AA consists of Clay and Platte Counties in Missouri and Johnson County in Kansas. Clay and Platte Counties are contiguous to one another, while Johnson County is separated from the Missouri AA counties by Wyandotte County in Kansas and Jackson County in Missouri. Because the bank's assessment areas in the multistate MSA are not contiguous, the bank's performance is written up individually for each state, as each area has unique demographic characteristics and somewhat different credit markets.

DESCRIPTION OF THE BANK'S KANSAS ASSESSMENT AREA

The Kansas AA consists of Johnson County, one of the six Kansas and nine Missouri counties that comprise the Kansas City Missouri-Kansas multistate MSA. The bank operates one main bank in De Soto, Kansas with a deposit-accepting ATM, as well as lobby and drive-through services. According to 2000 Census data, the population of De Soto was 4,561. The town is located on the western side of Johnson County, which is rural in nature and separate from the highly concentrated population of the county's eastern portion.

The 2000 Census data indicates that the Kansas AA has a total population of 451,086. The area is comprised of 2 moderate-income tracts, 41 middle-income tracts and 64 upper-income tracts, with the main bank located in a middle-income tract. Banking competition in Johnson County is strong, with 59 FDIC-Insured institutions in operation as of June 30, 2005. Due to the bank merger in 2005, market share figures were not available for Great American Bank.

Figures from the U.S. Bureau of Labor Statistics indicate the July unemployment rate in Johnson County was 4.4 percent compared to 5.0 percent for the entire state of Kansas. The county's large urban area has continued to encroach on land once devoted to agricultural production, although data from the United States Department of Agriculture indicate that in 2002, there were 659 farms in operation on 148,606 acres of land. According to a member of the community that was contacted in conjunction with this evaluation, the city of De Soto has engaged in numerous planning initiatives to proactively manage anticipated growth as Lenexa, Olathe and Shawnee, Kansas push westward into the more sparsely populated areas of the county.

The Housing Market and Needs Analysis study was prepared for Johnson County's Community Development Department in March 2004 by a Colorado consulting company. The study found that families above the poverty level, but below 80 percent of the county's median family income, are unlikely to find an affordable, quality housing unit in Johnson County. The county's average home value exceeded \$200,000 in 2003, up from \$149,300 in 2000. Furthermore, the study indicated that few units are available for less than \$150,000 in the county's five largest cities. Countywide, less than 25 percent of units sold for less than

\$150,000, and only 3 percent sold for less than \$100,000 at the time the study was conducted. This data suggests that banks would find it difficult to make home purchase loans to LMI families in Johnson County, given the lack of available affordable housing.

Table 5 summarizes the characteristics of the bank's Johnson County AA based on 2000 Census data and 2005 D&B business information.

TABLE 5 BANK'S KANSAS ASSESSMENT AREA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	10,159	8.3
Moderate-income	2	1.9	1,753	1.4	117	6.7	15,557	12.7
Middle-income	41	38.3	43,420	35.5	1,565	3.6	26,411	21.6
Upper-income	64	59.8	77,107	63.1	939	1.2	70,153	57.4
Total Assessment Area	107	100.0	122,280	100.0	2,621	2.1	122,280	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Moderate-income	3,364	1,223	1.0	36.4	1,976	58.7	165	4.9
Middle-income	73,110	42,165	33.4	57.7	28,095	38.4	2,850	3.9
Upper-income	105,138	82,843	65.6	78.8	18,268	17.4	4,027	3.8
Total Assessment Area	181,612	126,231	100.0	69.5	48,339	26.6	7,042	3.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Moderate-income	507	2.4	358	2.0	131	5.2	18	3.2
Middle-income	7,311	35.3	6,297	35.8	797	31.6	217	38.1
Upper-income	12,880	62.3	10,951	62.2	1,594	63.2	335	58.7
Total Assessment Area	20,698	100.0	17,606	100.0	2,522	100.0	570	100.0
Percentage of Total Businesses:				85.1		12.2		2.7

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The factors considered in evaluating the bank's CRA performance in the Kansas AA include the bank's level of lending to borrowers of different income levels and to businesses of different revenue sizes, and the level of lending across geographies of different income classifications. A review of the bank's level of lending in relation to its deposits and those of other comparable financial institutions, and the penetration of loan originations inside and

outside the bank's designated AA was conducted in the analysis of the overall AA and will not be included in the individual write-ups of each state.

Summary of Lending Performance

TABLE 6 SUMMARY OF LENDING PERFORMANCE FOR KANSAS AA								
Distribution by Income Level of Geographies								
	% of Bank Loans			% of Owner-Occupied Units				
	Moderate	Middle	Upper	Moderate	Middle	Upper		
HMDA-related Loans	0.0	92.9	7.1	1.0	33.4	65.6		
	% of Bank Loans			% of Businesses				
	Moderate	Middle	Upper	Moderate	Middle	Upper		
Small Business	0.0	45.5	54.5	2.4	35.3	62.3		
Distribution by Borrower Income Level and Revenue Size of Businesses								
	% of Bank Loans ¹				% of Families			
	Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
HMDA-related Loans	14.3	7.1	14.3	14.3	8.3	12.7	21.6	57.4
	% of Bank Loans ²				% of Small Businesses			
	45.5				85.1			
Small Business								

¹Borrower incomes were unknown for 50.0 percent of the bank's HMDA-related loans.

²Business revenue was unknown for 9.1 percent of the commercial loans.

Geographic Distribution of Loans

The evaluation of the bank's lending distribution by income level of census tract within the Kansas AA places emphasis on LMI tracts. There are no low-income tracts in the AA; therefore, the review will focus on the bank's lending to moderate-income tracts. As Table 6 indicates, the bank did not make any HMDA-related loans in the moderate-income tracts, which contained one percent of the area's owner-occupied housing units. Although opportunity for improvement exists, the bank's performance is considered adequate, considering its location in a middle-income tract is not in close proximity to the AA's two moderate-income tracts.

The bank's geographic distribution of lending for business loans reflected an adequate performance. Of the 11 commercial loans originated within the Kansas AA, none were located in moderate-income tracts, although 2005 D&B data indicates that only 2.4 percent of Johnson County's businesses are located in moderate-income tracts, some distance from the bank's De Soto location.

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

The bank's lending performance to borrowers of different income levels is considered satisfactory. As noted in Table 6, the bank's percentage of HMDA-related loans to low-income borrowers is higher than the percentage of low-income families in the Kansas AA. Comparative performance for loans to moderate-income borrowers was lower at 7.1 percent, compared to the demographic of 12.7 percent, but considered adequate. In addition, borrower income was unknown for 50.0 percent of the loans reviewed, although this would not negatively impact the percentage of loans to LMI borrowers.

Table 6 reveals that the bank's percentage of lending to small businesses is significantly lower than the percentage of small businesses in the overall AA. This is generally consistent with the bank's business strategy of establishing and maintaining lending relationships with larger business entities, as discussed in the evaluation of the bank's overall AA. Accordingly, performance in this area is considered adequate. Of the loans to businesses with revenues less than \$1 million, 60.0 percent were for amounts of \$100,000 or less, which are typically amounts needed by smaller businesses.

DESCRIPTION OF THE BANK'S MISSOURI ASSESSMENT AREA

The bank has one location in Clay County near the intersection of U.S. Highway 69 and Interstate 435, in Claycomo, Missouri. The branch has a deposit-taking ATM, in addition to drive-through and lobby services. Competition is strong, with 36 FDIC-Insured institutions operating in both Clay and Platte Counties. Prior to the bank's 2005 merger, Great American Bank ranked 12th in market share with 3.3 percent of the area deposits.

The bank's Missouri AA consists of Clay and Platte Counties, which include 7 moderate-, 29 middle-, and 19 upper-income tracts. The branch is located in a middle-income tract near the urban core of downtown Kansas City, Missouri. The two AA counties are part of the Kansas City Missouri-Kansas multistate MSA, which is comprised of nine Missouri counties and six Kansas counties. According to 2000 Census data, the AA population was 257,787, compared to the MSA population of 1,836,038.

The area was somewhat more affluent, when compared to the entire MSA and the state of Missouri. The Missouri AA had a median family income of \$59,494, which was higher than the MSA figure of \$55,031 and the state figure of \$46,044. In addition, the percentage of families living below the poverty level was lower in the AA (3.6 percent), when compared to the MSA (6.2 percent) and state of Missouri (8.6 percent).

The area median housing value according to 2000 Census data was \$110,857, which is higher than the MSA value of \$102,876. The percentage of owner-occupied housing in the area (66.3 percent) was also higher than the multistate MSA (63.8 percent), which may indicate

higher demand for residential real estate loans in the Missouri AA, when compared to the entire MSA. The percentage of vacant housing units was also lower in the AA (4.9 percent), when compared to the MSA (6.5 percent) and the state of Missouri (10.1 percent), which could be indicative of higher demand for AA housing. Housing was equally affordable in the AA, when compared to the entire Kansas City Missouri-Kansas MSA, as the housing affordability ratio for both areas was 44.

The AA economy appeared strong, when compared to the MSA and state of Missouri. The unemployment rate in Clay and Platte Counties was 3.1 percent, while the MSA rate was 4.3 percent and the state figure was 5.3 percent, according to 2000 Census data. Furthermore, 72.6 percent of the area population comprised the labor force, compared to 68.8 percent in the multistate MSA and 65.2 percent in the state.

Table 7 summarizes the characteristics of the bank's Missouri AA area based on 2000 Census data and 2005 D&B business information.

TABLE 7 BANK'S MISSOURI ASSESSMENT AREA DEMOGRAPHICS								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	9,858	13.9
Moderate-income	7	12.7	5,726	8.1	536	9.4	12,701	17.9
Middle-income	29	52.7	43,184	60.9	1,656	3.8	17,989	25.4
Upper-income	19	34.6	21,974	31.0	387	1.8	30,336	42.8
Total Assessment Area	55	100.0	70,884	100.0	2,579	3.6	70,884	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Moderate-income	10,782	4,645	6.5	43.1	5,406	50.1	731	6.8
Middle-income	66,090	42,785	60.2	64.7	20,168	30.5	3,137	4.8
Upper-income	30,260	23,596	33.3	78.0	5,236	17.3	1,428	4.7
Total Assessment Area	107,132	71,026	100.0	66.3	30,810	28.8	5,296	4.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Moderate-income	1,314	15.6	989	13.5	290	33.2	35	15.7
Middle-income	4,621	54.9	4,158	56.9	346	39.5	117	52.5
Upper-income	2,476	29.5	2,166	29.6	239	27.3	71	31.8
Total Assessment Area	8,411	100.0	7,313	100.0	875	100.0	223	100.0
	Percentage of Total Businesses:			86.9		10.4		2.7

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The factors considered in evaluating the bank's CRA performance in the state of Missouri include the bank's level of lending to borrowers of different income levels and to businesses of different revenue sizes, and the level of lending across geographies of different income classifications.

Summary of Lending Performance

TABLE 8 SUMMARY OF LENDING PERFORMANCE FOR MISSOURI AA								
Distribution by Income Level of Geographies								
	% of Bank Loans			% of Owner-Occupied Units				
	Moderate	Middle	Upper	Moderate	Middle	Upper		
HMDA-related Loans	0.0	61.5	38.5	6.5	60.2	33.3		
	% of Bank Loans			% of Businesses				
	Moderate	Middle	Upper	Moderate	Middle	Upper		
Small Business	8.3	66.7	25.0	15.6	54.9	29.5		
Distribution by Borrower Income Level and Revenue Size of Businesses								
	% of Bank Loans ¹				% of Families			
	Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
HMDA-related Loans	7.7	30.8	0.0	15.4	13.9	17.9	25.4	42.8
	% of Bank Loans ²				% of Small Businesses			
	50.0				86.9			

¹Borrower incomes were unknown for 46.1 percent of the bank's HMDA-related loans.

Geographic Distribution of Loans

The evaluation of the bank's lending distribution by income level of census tract places emphasis on AA LMI tracts. There are no low-income tracts in the AA; therefore, the review will focus on the bank's lending to moderate-income tracts. As Table 8 indicates, the bank did not make any HMDA-related loans in the area's moderate-income tracts, which contained 6.5 percent of the area's owner-occupied housing units. The bank's performance is considered adequate, considering its location in a middle-income tract is not contiguous to the AA's seven moderate-income tracts.

The bank's geographic distribution of lending for business loans reflected an adequate performance. Of the 12 commercial loans originated within the Missouri AA, one (8.3 percent)

was located in a moderate-income tract. According to 2005 D&B data, 15.6 percent of the area's businesses are located in moderate-income tracts.

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

The bank's lending performance to borrowers of different income levels is considered satisfactory. As noted in Table 8, the bank's percentage of HMDA-related loans to low-income borrowers (7.7 percent) is less than the percentage of low-income families in Clay and Platte Counties (13.9 percent). The level of lending to moderate-income borrowers, however, was significantly stronger. The bank's level of lending to moderate-income borrowers was 30.8 percent compared to 17.9 percent of AA moderate-income families, according to 2000 Census data. Borrower income was unknown for 46.1 percent of the loans reviewed, although this would not negatively impact the percentage of loans to LMI borrowers.

Table 8 reveals that the bank's percentage of lending to small businesses is significantly lower than the percentage of small businesses in the Missouri AA, as reported by D&B for 2005. As noted in other sections of this evaluation, the bank has focused its market strategy on lending to some of the area's larger commercial borrowers, although it does engage in an adequate amount of lending to businesses with gross annual revenues less than \$1 million. Of the loans to businesses with revenues less than \$1 million, 66.7 percent were in amounts of \$100,000 or less, which are typically amounts needed by smaller business entities.

GLOSSARY OF COMMON CRA TERMS

(For additional information, please see the Definitions section of Regulation BB at 12 CFR 228.12.)

Assessment Area – The geographic area(s) delineated by the bank and used in evaluating the bank's record of helping to meet the credit needs of its community. The assessment area must include the geographies where the main office, branches, and deposit-taking automated tellers machines are located. The assessment area must consist only of whole geographies, may not reflect illegal discrimination, and may not arbitrarily exclude low- or moderate-income geographies.

Census Tracts – Census tracts are small, relatively permanent geographic entities within counties delineated by a committee of local data users. Census tracts are designed to be homogenous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons and average about 4,000 inhabitants.

Community Development – Includes affordable housing (including multifamily rental housing) for low- and moderate-income individuals; community services targeted to low- and moderate-income individuals; activities that promote economic development by financing businesses or farms that have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, designated distressed or underserved nonmetropolitan middle-income areas or designated disaster areas.

Community Development Loan – A loan that has community development as its primary purpose and (except in the case of a wholesale or limited-purpose bank).

1. Has not been reported or collected by the bank or an affiliate as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan and
2. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service – A service that has as its primary purpose community development, is related to the provision of financial services, has not been considered in the evaluation of the bank's retail banking services, benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area and has not been claimed by other affiliated institutions.

Consumer Loans – Loans to individuals for household, family and other personal expenditures. These loans do not include real estate-secured loans.

Dun & Bradstreet Data – Data collected by Dun & Bradstreet regarding types of businesses and their respective gross annual revenues. The data can be sorted by geographies.

Geography – A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Income Level – Both geographies and individuals can be described in terms of their income levels. In MSAs, the level is based on the MSA median income. In nonMSA areas, the level is based on the statewide, nonMSA median income.

Low-Income – Less than 50 percent of the area median income

Moderate-Income – At least 50 percent and less than 80 percent of the area median income

Middle-Income – At least 80 percent and less than 120 percent of the area median income

Upper-Income – At least 120 percent or more of the area median income

Metropolitan Statistical Area (MSA) – The general concept of an MSA is that of a core area containing a large population nucleus, together with adjacent communities having a high degree of economic and social integration with that core. Generally, a single city with at least 50,000 inhabitants or an urbanized area with a total population of at least 100,000 would meet the definition of an MSA.

Qualified Investment – A lawful investment, deposit, membership share or grant that has as its primary purpose community development.

Small Business – A business with gross annual revenues of \$1 million or less.

Small Business Loan – A loan with an original amount of \$1 million or less that has been reported in the Consolidated Report of Condition and Income in the category “Loans secured by nonfarm nonresidential properties” or “Commercial and industrial loans.”

Small Farm – A farm with gross annual revenues of \$1 million or less.

Small Farm Loan – A loan with an original amount of \$500,000 or less that has been reported in the Consolidated Report of Condition and Income in the category “Loans secured by farmland” or “Loans to finance agricultural production and other loans to farmers.”