



PUBLIC DISCLOSURE

NOVEMBER 06, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**BANK OF COMMERCE
RSSD #: 862057**

**101 WEST MAIN STREET
CHANUTE, KANSAS 66720**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
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.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Bank of Commerce (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size and financial condition, as well as the credit needs of the assessment area (AA).
- A majority of the bank's loans are originated inside the AA.
- A reasonable dispersion of loans occurs throughout the bank's AA.
- A reasonable distribution of loans extended among individuals of different income levels, including low- and moderate-income (LMI), and businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered 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. Lending performance was assessed within the bank's Southeast Kansas AA. The following data was reviewed:

- The bank's 16-quarter average NLTD ratio;
- A statistical sample of 69 residential real estate loans from a universe of 104 loans originated between October 19, 2015 and December 31, 2018;
- A statistical sample of 61 small business loans from a universe of 88 loans originated between October 19, 2015 and December 31, 2018;
- A statistical sample of 51 small farm loans from a universe of 69 loans originated between January 1, 2018 and December 31, 2018; and,
- All loan products were weighted equally as they make up a near even distribution of the bank's loan portfolio by dollar volume.

While conclusions with respect to residential real estate and small business lending performance were evaluated for multiple years, only 2017-2018 lending tables are reflected in the body of the report, with comparisons made to 2015-2016 performance. Appendix B contains the tables with the bank's 2015-2016 lending data.

DESCRIPTION OF INSTITUTION

The bank’s characteristics include:

- The bank is headquartered in Chanute, Kansas.
- The bank is a wholly owned subsidiary of Southeast Bancshares Inc.
- The bank has two affiliates: First Neodesha Bank in Neodesha, Kansas, and Chetopa State Bank & Trust Company in Chetopa, Kansas.
- The bank has total assets of \$ 182.6 million (MM) as of June 30, 2019, with commercial, agricultural, and residential real estate lending comprising the 93.0 percent of the bank’s total loan portfolio.
- The bank operates four full-service locations, including its main office in Chanute, and two limited-service drive-through locations. The bank’s full-service branches are located in Chanute, Thayer, and Erie, Kansas, while its limited-service branches are located in Grant and Santa Fe, Kansas.
- The bank maintains three cash-dispensing only automated teller machines (ATMs) in Chanute.
- The bank’s primary business lines include commercial, agricultural, and residential real estate lending.
- The bank was rated Satisfactory under the CRA at its October 19, 2015 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.

**TABLE 1
COMPOSITION OF LOAN PORTFOLIO AS OF JUNE 30, 2019**

Loan Type	\$(000)	%
Commercial	34,400	34.4
Agricultural	31,750	31.7
Residential Real Estate	26,942	26.9
Consumer	5,070	5.1
Other	1,868	1.9
Gross Loans	100,030	100.0

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

DESCRIPTION OF ASSESSMENT AREA

The bank’s AA, the Southeast Kansas AA, is comprised of the counties of Allen, Neosho, and Woodson in their entirety, along with one census tract in the eastern portion of Wilson County. Refer to Appendix A for AA maps.

- The Southeast Kansas AA consists of 13 census tracts: 2 moderate- and 11 middle-income census tracts.
- The AA’s two moderate-income census tracts are located in the northern portion of

Allen County; whereas, all of the bank’s branches are located in Neosho County, approximately 20 miles from the moderate-income census tracts. The distance may hinder the bank’s ability to reach residents, businesses, and farms in Allen County.

- Since the previous evaluation, the bank amended its AA boundaries, taking Allen County in its entirety and removing Crawford County.
- Based on the 2006-2010 American Community Survey (ACS) data, a moderate-income tract was located in northern Neosho County near the bank’s headquarters. Census tract designations changed after release of the 2011-2015 ACS data. Based on the new designations, the tract in Neosho County is now considered a middle-income tract and two tracts in northern Allen County were designated as moderate-income.
- According to the June 30, 2019 Federal Deposit Insurance Corporation’s (FDIC’s) Deposit Market Share Report, the bank ranks 2nd out of 15 FDIC-insured institutions operating in the counties of Allen, Neosho, Wilson, and Woodson, with 17.0 percent of the deposit market share.
- A representative of an economic development organization operating with the bank’s AA was interviewed to augment the evaluation and ascertain the AA economic conditions, credit needs, and the ability of area banks to meet such needs.

**TABLE 2
POPULATION CHANGE**

Area	2010 Population	2015 Population	Percent Change
Woodson County, Kansas	3,309	3,211	(3.0)
Wilson County, Kansas	9,409	9,061	(3.7)
Allen County, Kansas	13,371	13,081	(2.2)
Neosho County, Kansas	16,512	16,423	(0.5)
State of Kansas	2,853,118	2,892,987	1.4

Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey

- The community member attributed the AA population decline to area residents relocating to other communities due to the lack of affordable, quality housing in the area.

**TABLE 3
MEDIAN FAMILY INCOME CHANGE**

Area	2010 Median Family Income	2015 Median Family Income-	Percent Change
Woodson County, Kansas	45,219	50,162	10.9
Wilson County, Kansas	48,207	49,007	1.7
Allen County, Kansas	51,855	50,368	(2.9)
Neosho County, Kansas	48,652	50,868	4.6
State of Kansas	62,424	66,389	6.4

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey

- The community member noted that many of the jobs available in the AA are high-wage occupations and are difficult to fill. According to this community member, the area is experiencing a worker shortage in high-wage employment primarily caused by a lack of quality housing in the area.

TABLE 4 HOUSING COSTS CHANGE						
Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Woodson County, Kansas	47,800	48,300	1.0	450	558	24.0
Wilson County, Kansas	58,500	60,100	2.7	491	596	21.4
Allen County, Kansas	64,400	68,200	5.9	476	531	11.6
Neosho County, Kansas	71,100	69,800	(1.8)	463	589	27.2
State of Kansas	122,600	132,000	7.7	671	757	12.8

*Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey*

- The community member indicted the significant increase in AA rental costs corresponds to the lack of habitable, affordable housing for LMI individuals. Most of the affordable housing in the AA is in disrepair, requiring extensive repairs that are not affordable for LMI individuals; as such, many resort to renting. The increased demand for rental properties has driven up the median gross rent in the AA.

TABLE 5 UNEMPLOYMENT RATES					
Region	2014	2015	2016	2017	2018
Woodson County, Kansas	5.3	5.0	6.2	4.4	4.3
Wilson County, Kansas	6.7	6.6	6.4	4.7	4.4
Allen County, Kansas	5.0	5.1	5.9	4.9	4.0
Neosho County, Kansas	7.2	7.5	7.5	5.3	4.9
State of Kansas	4.5	4.2	4.2	3.7	3.4

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Neosho Memorial Regional Medical Center, Orizon Aerospace Manufacturing, and Chanute Public Schools are the largest employers in the AA.
- The community member stated the higher unemployment rate in the AA compared to the statewide unemployment rate is partly due to a low supply of qualified workers to fill high skill job openings available.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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 FDIC-insured institutions. The similarly situated institutions were selected based on location and portfolio composition. The bank's average NLTD ratio is reasonable as it is within the range of similarly situated banks.

TABLE 6 COMPARATIVE NLTD RATIOS			
Institution	Location	Asset Size (\$000s)	NLTD Ratio (%)
			16-Quarter Average
Bank of Commerce	Chanute, Kansas	\$182,641	55.4
Exchange State Bank	Saint Paul, Kansas	\$72,739	62.4
First National Bank of Kansas	Burlington, Kansas	\$90,413	32.6
First National Bank in Fredonia	Fredonia, Kansas	\$90,674	39.1

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. Overall, the majority of the bank's lending occurred within the AA. However, the majority of residential real estate and small business loans by dollar volume were extended outside of the AA.

TABLE 7 LENDING INSIDE AND OUTSIDE THE AA								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Residential Loans	49	4,198	71.0	45.2	20	5,081	29.0	54.8
Small Business Loans	46	3,414	75.4	44.0	15	4,344	24.6	56.0
Small Farm Loans	50	3,487	98.0	95.9	1	150	2.0	4.1
Total Loans	145	11,090	80.1	53.7	36	9,575	19.9	46.3

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

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts. The bank's geographic distribution of loans reflects reasonable dispersion among the different census tracts within the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable, including the loan dispersion throughout the AA. The bank’s lending in moderate-income census tracts was below the percentage of owner-occupied homes in the same tracts in 2017-2018. However the bank’s lending in the moderate-income census tract exceeded the demographic figure in 2015-2016. The bank’s lending in middle-income census tracts exceeded the demographic figure. The community member noted the lack of sufficient affordable housing in the moderate-income census tracts, limiting the bank’s opportunity to extend mortgage loans in these areas. Additionally, the affordable housing available in the AA’s moderate-income census tracts generally requires costly repairs, with residents opting to rent instead of purchasing a residence. Lastly, both moderate-income census tracts are located in Allen County, where the bank does not have a physical presence and the closest location is about 20 miles away.

**TABLE 8
DISTRIBUTION OF 2017-2018 HOME MORTGAGE LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	1	34	3.8	1.6	15.4
Middle	25	2,051	96.2	98.4	84.6
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source 2018 FFIEC Census Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable, including the loan dispersion throughout the AA. The bank’s lending to businesses in moderate-income census tracts was below the percentage of businesses operating in such geographies while the volume of small business loans extended in middle-income census tracts exceeded the demographic figure. Moreover, the bank did not extend any small business loans in the moderate-income census tracts in 2017-2018, which is a decline from the two small business loans extended in moderate-income tracts in 2015-2016. The community member noted the AA offers few incentives to attract and retain businesses in the area, including in moderate-income census tracts. Moreover, the decline in performance is mostly due to changes to the location of the moderate-income tracts. In 2015-2016, the AA moderate-income census tract was in Neosho County, where the bank has all of its locations. However, the AA’s moderate-income tracts in the 2017-2018 are located in Allen County about 20 miles from the closest bank location.

**TABLE 9
DISTRIBUTION OF 2017-2018 SMALL BUSINESS LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	0	0	0.0	0.0	15.8
Middle	35	2,110	100.0	100.0	84.2
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable, as well as the loan dispersion throughout the AA. While the bank’s small farm lending in moderate-income census tracts was below the percentage of farms in moderate-income census tracts, lending opportunities are scarce due to the limited number of farms operating in these census tracts. Additionally, the main concentration of the bank’s lending is in Neosho County where all the bank’s branches and ATMs are located. The moderate-income census tracts are located in the northern portion of Allen County, where there is typically less lending activity due to distance from the bank branches. The bank’s lending in middle-income census tracts exceeded the demographic figure.

**TABLE 10
DISTRIBUTION OF 2018 SMALL FARM LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Farms
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	1	28	2.0	0.8	6.4
Middle	49	3,459	98.0	99.2	93.1
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

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

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses and farms of different revenue sizes. The bank’s lending has a reasonable penetration among individuals of different income levels and businesses and farms of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. While the bank’s lending to low-income borrowers was below the percentage of low-income families in the AA for 2017-2018. Similarly, the bank’s lending in 2015-2016 was below the demographic figure. The community member noted that individuals in that income category can not usually afford housing that is in need of extensive repairs. Due to limited housing options, low-income borrowers are more likely to rent instead of purchase a home. Additionally, the bank’s lending to moderate-income borrowers exceeded demographic data for 2017-2018, demonstrating a willingness to lend to low and moderate-income individuals. The bank’s lending to moderate-income borrowers in 2015-2016 was comparable to the demographic figure. The bank’s lending to middle-income borrowers was below the demographic figure, while lending to upper-income borrowers exceeded the demographic figure.

**TABLE 12
DISTRIBUTION OF 2017-2018 HOME MORTGAGE LENDING
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				Families by Family Income %
	#	\$(000)	#%	\$%	
Low	1	21	3.8	1.0	23.6
Moderate	7	218	26.9	10.5	19.2
Middle	5	370	19.2	17.7	23.9
Upper	13	1,476	50.0	70.8	33.3
Unknown	0	0	0.0	0.0	0.0

Source 2018 FFIEC Census Data
2011 – 2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

Small Business Lending

The borrower distribution of small business lending is excellent. All small business loans originated in 2017-2018 were to businesses with revenues of \$1MM or less. Of those loans, 85.7 percent were in amounts of \$100M or less, which are typically needed by smaller entities. In addition, all of the bank’s small business loans in 2015-2016 were to businesses with revenues of \$1MM or less.

**TABLE 13
DISTRIBUTION OF 2017-2018 SMALL BUSINESS LENDING
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	35	2,109	100.0	100.0	88.3
Over \$1 Million	0	0	0.0	0.0	9.1
Not Known	0	0	0.0	0.0	2.6
Total	35	2,109	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	30	1222	85.7	57.9	
\$100,001 – \$250,000	5	887	14.3	42.1	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	35	2109	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	30	1222	85.7	57.9	
\$100,001 – \$250,000	5	887	14.3	42.1	
\$250,001 – \$1 Million	0	0	0.0	0.0	
Total	35	2109	100.0	100.0	

Source: 2018 FFIEC Census Data
 2018 Dun & Bradstreet Data
 2011-2015 U.S. Census Bureau: American Community Survey
 NOTE: Percentages may not add up to 100.0 due to rounding.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. The lending is comparable to the percentage of small farms operating in the AA.

**TABLE 14
DISTRIBUTION OF 2018 SMALL FARM LENDING
BY REVENUE SIZE OF FARMS**

	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	50	3,487	100.0	100.0	98.6
Over \$1 Million	0	0	0.0	0.0	0.9
Not Known	0	0	0.0	0.0	0.5
Total	50	3,487	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	39	846	78.0	24.3	
\$100,001 – \$250,000	7	1,176	14.0	33.7	
\$250,001 – \$500,000	4	1,465	8.0	42.0	
Total	50	3,487	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	39	846	78.0	24.3	
\$100,001 – \$250,000	7	1,176	14.0	33.7	
\$250,001 – \$500,000	4	1,465	8.0	42.0	
Total	50	3,487	100.0	100.0	

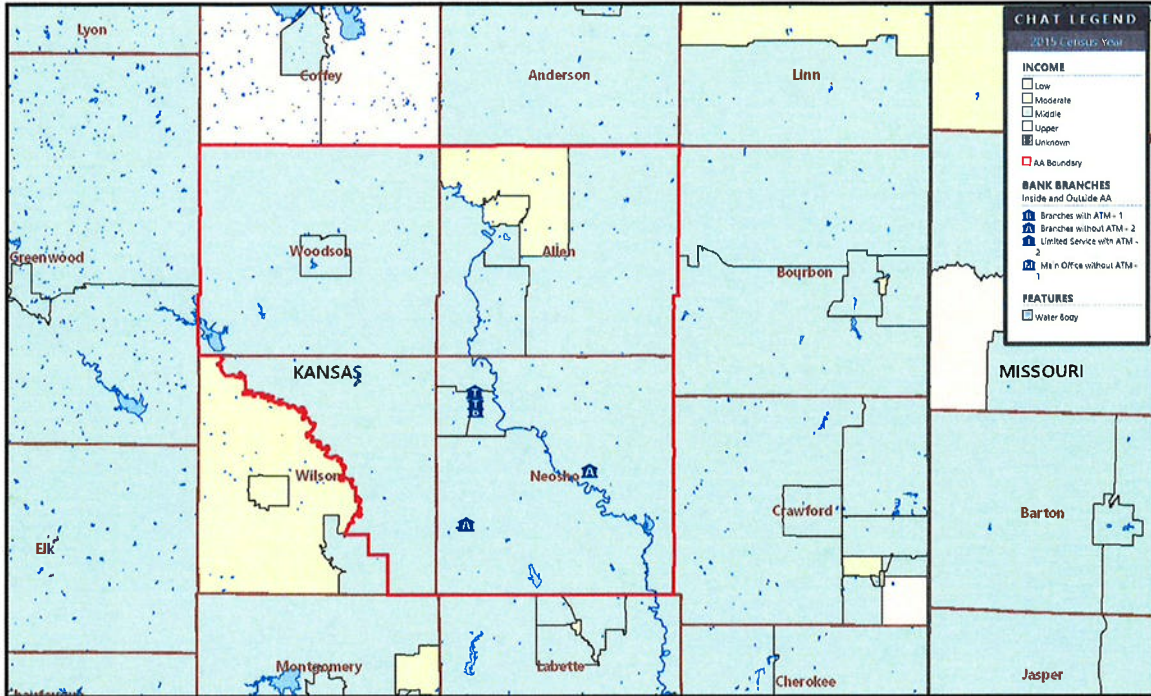
Source: 2018 FFIEC Census Data
2018 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

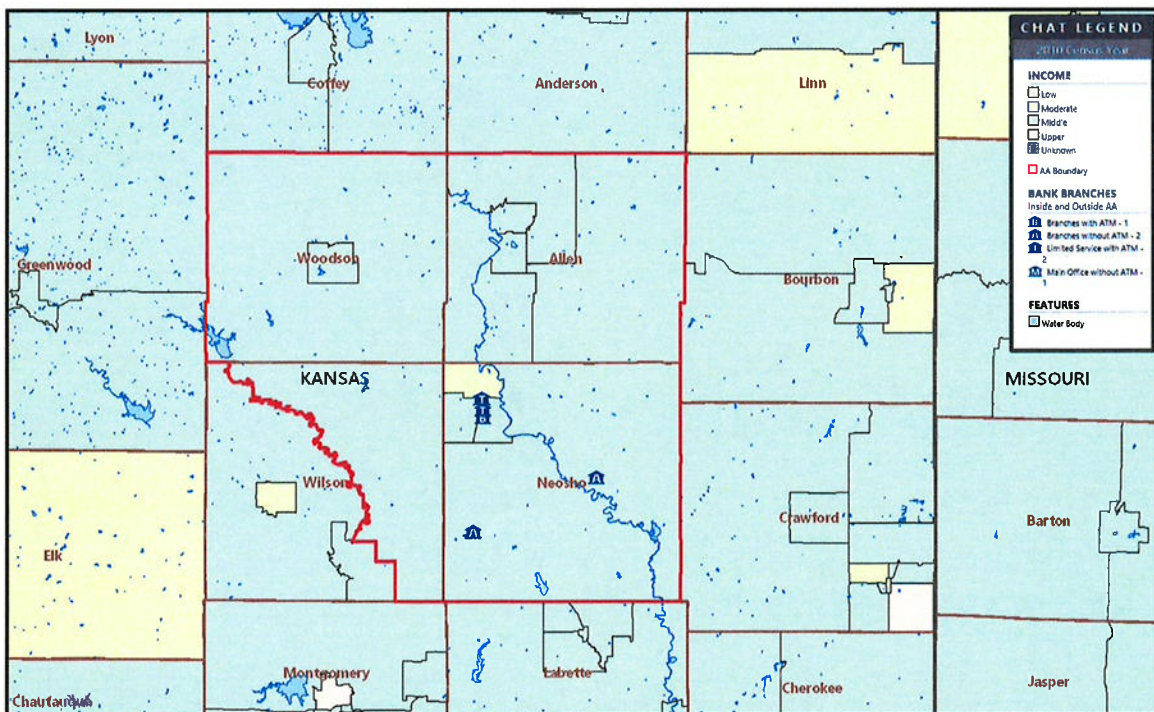
An evaluation of the bank’s fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

APPENDIX A – MAP OF THE ASSESSMENT AREA

2017-2018 Southeast Kansas AA



2015-2016 Southeast Kansas AA



APPENDIX B – DEMOGRAPHIC INFORMATION AND LENDING TABLES

TABLE B-1 2018 SOUTHEAST 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	2,191	23.6
Moderate	2	15.4	1,456	15.7	217	14.9	1,778	19.2
Middle	11	84.6	7,818	84.3	1,000	12.8	2,217	23.9
Upper	0	0.0	0	0.0	0	0.0	3,088	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	9,274	100.0	1,217	13.1	9,274	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	2,671	1,609	15.4	60.2	666	24.9	396	14.8
Middle	14,245	8,830	84.6	62.0	3,051	21.4	2,364	16.6
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	16,916	10,439	100.0	61.7	3,717	22.0	2,760	16.3
	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	204	15.8	179	15.7	21	17.8	4	12.1
Middle	1,089	84.2	963	84.3	97	82.2	29	87.9
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	1,293	100.0	1,142	100.0	118	100.0	33	100.0
Percentage of Total Businesses:				88.3		9.1		2.6
	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	15	6.9	15	7.0	0	0.0	0	0.0
Middle	202	93.1	199	93.0	2	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	217	100.0	214	100.0	2	100.0	1	100.0
Percentage of Total Farms:				98.6		0.9		0.5
Source: 2018 FFIEC Census Data 2018 Dun & Bradstreet Data 2011 – 2015 U.S. Census Bureau: American Community Survey NOTE: Percentages may not add up to 100.0 due to rounding.								

**TABLE B-2
2017 SOUTHEAST 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	2,191	23.6
Moderate	2	15.4	1,456	15.7	217	14.9	1,778	19.2
Middle	11	84.6	7,818	84.3	1,000	12.8	2,217	23.9
Upper	0	0.0	0	0.0	0	0.0	3,088	33.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	9,274	100.0	1,217	13.1	9,274	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	2,671	1,609	15.4	60.2	666	24.9	396	14.8
Middle	14,245	8,830	84.6	62.0	3,051	21.4	2,364	16.6
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	16,916	10,439	100.0	61.7	3,717	22.0	2,760	16.3
	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	192	15.5	166	15.3	21	17.5	5	14.3
Middle	1,047	84.5	918	84.7	99	82.5	30	85.7
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	1,239	100.0	1,084	100.0	120	100.0	35	100.0
Percentage of Total Businesses:			87.5		9.7		2.8	
	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	12	5.8	12	5.8	0	0.0	0	0.0
Middle	196	94.2	194	94.2	2	100.0	0	0.0
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	208	100.0	206	100.0	2	100.0	0	0.0
Percentage of Total Farms:			99.0		1.0		0.0	

Source: 2017 FFIEC Census Data
2017 Dun & Bradstreet Data
2011 – 2015 U.S. Census Bureau; American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-3
2016 SOUTHEAST 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	2,058	21.0
Moderate	1	7.7	605	6.2	223	36.9	1,888	19.3
Middle	12	92.3	9,186	93.8	896	9.8	2,214	22.6
Upper	0	0.0	0	0.0	0	0.0	3,631	37.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	9,791	100.0	1,119	11.4	9,791	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	1,222	633	5.5	51.8	438	35.8	151	12.4
Middle	15,648	10,874	94.5	69.5	2,846	18.2	1,928	12.3
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	16,870	11,507	100.0	68.2	3,284	19.5	2,079	12.3
	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	90	6.5	80	6.5	10	8.2	0	0.0
Middle	1,305	93.5	1,156	93.5	112	91.8	37	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	1,395	100.0	1,236	100.0	122	100.0	37	100.0
Percentage of Total Businesses:				88.6		8.7		2.7
	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	4	1.6	4	1.7	0	0.0	0	0.0
Middle	240	98.4	238	98.3	2	100.0	0	0.0
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	244	100.0	242	100.0	2	100.0	0	0.0
Percentage of Total Farms:				99.2		0.8		0.0

Source: 2016 FFIEC Census Data
2016 Dun & Bradstreet Data
2006 - 2010 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-4
2015 SOUTHEAST 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	2,058	21.0
Moderate	1	7.7	605	6.2	223	36.9	1,888	19.3
Middle	12	92.3	9,186	93.8	896	9.8	2,214	22.6
Upper	0	0.0	0	0.0	0	0.0	3,631	37.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	13	100.0	9,791	100.0	1,119	11.4	9,791	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	1,222	633	5.5	51.8	438	35.8	151	12.4
Middle	15,648	10,874	94.5	69.5	2,846	18.2	1,928	12.3
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	16,870	11,507	100.0	68.2	3,284	19.5	2,079	12.3
	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	101	6.5	92	6.6	9	7.9	0	0.0
Middle	1,452	93.5	1,312	93.4	105	92.1	35	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	1,553	100.0	1,404	100.0	114	100.0	35	100.0
Percentage of Total Businesses:				90.4		7.3		2.3
	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	4	1.4	4	1.4	0	0.0	0	0.0
Middle	291	98.6	290	98.6	1	100.0	0	0.0
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	295	100.0	294	100.0	1	100.0	0	0.0
Percentage of Total Farms:				99.7		0.3		0.0

Source: 2015 FFIEC Census Data
2015 Dun & Bradstreet Data
2006 - 2010 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-5
DISTRIBUTION OF 2015-2016 HOME MORTGAGE LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Owner- Occupied Units
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	3	205	13.0	9.7	5.5
Middle	20	1,900	87.0	90.3	94.5
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2016 FFIEC Census Data
2006-2010 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-6
DISTRIBUTION OF 2015-2016 SMALL BUSINESS LENDING
BY INCOME LEVEL OF GEOGRAPHY**

Census Tract Income Level	Bank Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	2	51	18.2	3.9	6.5
Middle	9	1,253	81.8	96.0	93.5
Upper	0	0	0.0	0.0	0.0
Unknown	0	0	0.0	0.0	0.0
Not Reported	0	0	0.0	0.0	0.0

Source: 2016 FFIEC Census Data
2016 Dun & Bradstreet Data
2006-2010 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-7
DISTRIBUTION OF 2015-2016 HOME MORTGAGE LENDING
BY BORROWER INCOME LEVEL**

Borrower Income Level	Bank Loans				Families by Family Income %
	#	\$(000)	#%	\$%	
Low	3	76	13.0	3.6	21.0
Moderate	4	159	17.4	7.6	19.3
Middle	2	194	8.7	9.2	22.6
Upper	14	1,676	60.9	79.6	37.1
Unknown	0	0	0.0	0.0	0.0

Source: 2016 FFIEC Census Data
2006-2010 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-8
DISTRIBUTION OF 2015-2016 SMALL BUSINESS LENDING
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	11	1,305	100.0	100.0	88.6
Over \$1 Million	0	0	0.0	0.0	8.7
Not Known	0	0	0.0	0.0	2.7
Total	11	1,305	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	8	323	72.7	24.8	
\$100,001 – \$250,000	1	220	9.1	16.9	
\$250,001 – \$1 Million	2	762	18.2	58.4	
Total	11	1,305	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	8	323	72.7	24.8	
\$100,001 – \$250,000	1	220	9.1	16.9	
\$250,001 – \$1 Million	2	762	18.2	58.4	
Total	11	1,305	100.0	100.0	

Source: 2016 FFIEC Census Data
2016 Dun & Bradstreet Data
2006-2010 U.S. Census Bureau: American Community Survey
NOTE: Percentages may not add up to 100.0 due to rounding.

APPENDIX C – 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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.

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.

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 instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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.