



LARGE BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**Landmark National Bank
Charter Number: 23038**

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Manhattan, KS 66502**

Office of the Comptroller of the Currency

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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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The following table indicates the performance level of **Landmark National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Landmark National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Landmark National Bank’s (LNB) lending levels reflect an adequate responsiveness in relation to area credit needs. The geographic distribution of loans is good and the borrower distribution is adequate.
- Community development lending activity was positively considered in the lending test rating. LNB’s responsiveness is good given its size, lending capacity, and opportunities.
- LNB provided an excellent level of qualified investments in the Manhattan/Wamego assessment area. Qualified investments made by LNB during this evaluation period promote economic development, affordable housing, community services targeted to low- and moderate-income individuals, and revitalization of low- and moderate-income areas.
- LNB’s service delivery systems are accessible to geographies and individuals of different income levels throughout the assessment area. Bank personnel provided their financial expertise to organizations that promote community development initiatives in the assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): 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 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.

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

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 non-relatives 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 household and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan 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 (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing 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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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) and the Thrift Financial Reporting (TFR) 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.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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.

Description of Institution

Landmark National Bank (LNB) is a \$478 million intrastate financial institution located in Manhattan, Kansas. The bank is a wholly owned subsidiary of Landmark Bancorp, Inc. (LBI), a one-bank holding company.

A number of merger and acquisition activities occurred during this evaluation period. At the last CRA evaluation, LNB operated under the name Security National Bank (SNB). SNB was a wholly owned subsidiary of MNB Bancshares, Inc. (MNBBI). In January 2000, SNB opened a new branch office in a grocery store in Manhattan and in July 2000, SNB acquired two branches from Commercial Federal Savings Bank in Wamego and Osage City, Kansas. At the time of the acquisition, SNB immediately consolidated the Osage City location into its existing branch location in the same city. In October 2001, MNBBI and Landmark Bancshares, Inc. did a merger of equals of the two holding companies. Landmark Bancshares, Inc. owned Landmark Federal Savings Bank (LFSB). LFSB merged into SNB and the resulting bank was renamed LNB and the holding company was named LBI. The merger resulted in six new branch offices primarily located in western Kansas. In April 2004, LBI acquired First Kansas Financial Corporation, who owned First Kansas Federal Savings Bank (FKFSB), which was merged into LNB. The merger resulted in six new branch offices located in north central and eastern Kansas. LNB subsequently sold two of the branches acquired in the merger with FKFSB.

LNB is a full-service banking institution offering a wide range of products for individuals and businesses. The bank's primary business focus is commercial, including commercial real estate, and residential real estate lending. The bank operates sixteen offices in fourteen communities within the state of Kansas. Four branch offices, located in Miami and Bourbon Counties, are the result of the recent acquisition of FKFSB. This evaluation does not contain any analysis of LNB's performance in these new markets.

The following financial information is reported as of June 30, 2004: The loan portfolio totaled \$292 million and is comprised of 53 percent residential real estate loans, 36 percent commercial and commercial real estate loans, 8 percent agriculture loans, and 3 percent loans to individuals. Net loans represent 85 percent of total deposits and 61 percent of total assets. Tier 1 capital is \$46.9 million.

LNB has the financial capacity to assist in meeting the credit needs of its assessment areas. There are no known legal or financial constraints that could impede its CRA efforts. The bank received a "Satisfactory" on its last CRA evaluation dated September 27, 1999 under the name Security National Bank.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the lending test, excluding community development loans, is January 1, 2000 through December 31, 2002. Products reviewed in the lending test include home mortgage and small business loans. Our analysis does not include multifamily home mortgage or small farm lending, as these loan products do not have sufficient volume for a meaningful analysis. We used 2002 peer lending data for home mortgage loans to compare LNB's performance to other reporting lenders in the assessment areas (AAs).

The evaluation period for community development activities (loans, investments, and services) is September 27, 1999 through October 4, 2004. We also considered community development activities attributed to the former LFSB from January 1, 1998 up to the date of merger with SNB. At the bank's request, we considered qualified investments made by LBI.

We used deposit information, reported to the Federal Deposit Insurance Corporation annually, to determine the bank's deposit market share and market presences within its AAs. The most recent deposit information available is as of June 30, 2003.

Data Integrity

LNB was subject to the data collection and reporting requirements for home mortgage lending for the entire evaluation period. The bank was not subject to small business and small farm lending until January 1, 2003. However, the bank voluntarily collected its small business loan data in calendar year 2002. A computer conversion in 2002 resulted in the loss of historical loan origination information and the bank was unable to provide small business loan information for the entire evaluation period. Therefore, our analysis of small business lending is based on 2002 loan data only.

To assess the accuracy of the data, we conducted an independent test of data for home mortgage and small business loans. We found the loan data to be substantially accurate and it is used without exception in this evaluation.

We reviewed 100 percent of the bank's community development loans, investments, and services. Only those activities that qualified are presented and considered in this evaluation.

Selection of Areas for Full-Scope Review

We selected the Manhattan/Wamego AA for a full scope review. This AA contains the highest volume of deposits and loans and the bank is headquartered in this AA. We performed limited-scope reviews in the Auburn/Topeka, Dodge City, Garden City, Great Bend/Hoisington, LaCrosse, and Osage City AAs. We did not identify any significant performance differences in these AAs to warrant expanding our review. The Dodge City, Garden City, Great Bend/Hoisington, and LaCrosse AAs represent new markets resulting from the merger with LFSB. Refer to appendix A for more information.

Ratings

The bank's overall rating is based primarily on performance in the Manhattan/Wamego AA. By product type, we gave the most weight to home mortgage lending, as the bank was able to provide its loan data for each year in the analysis. The bank's inability to provide historical origination information on its small business loans precludes it from consideration for receiving a rating of Outstanding.

Other

We contacted the Director of Finance for the city of Manhattan to discuss primary credit needs, Manhattan's unique housing situation, and the overall lending performance of area financial institutions. Our contact stated affordable housing and small business loans are the primary credit needs of this AA. Our contact did not identify any unmet credit needs in the AA.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the lending test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Manhattan/Wamego AA is good.

Lending Activity

Refer to Table 1 Lending Volume, in appendix C for the facts and data used to evaluate the bank's lending activity.

LNB's lending volume is adequate in relation to area credit needs and deposit market share. Affordable housing and small business loans were identified as primary credit needs in this AA. LNB ranks fifth among 20 financial institutions with six percent of the deposit market share as of June 30, 2003.

Home mortgage lending represents the largest volume of loans originated during the evaluation period. Lending market share data is presented in the analysis; however, it has only limited use. The majority of institutions in the AA are not subject to data collection and reporting requirements.

During the evaluation period, the bank originated 689 loans totaling \$68 million. Our analysis gave the most weight to the bank's home mortgage lending activity. Home mortgage loans represent 89 percent by number and 85 percent by dollar of total loans originated. Small loans to businesses represented eight percent by number and seven percent by dollar. We did not evaluate the bank's farm lending activity due to the low volume of loans originated during this evaluation period. Agriculture lending is not a primary business focus of the bank.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans is good. For home mortgage loans, the geographic distribution is good and for small loans to businesses, the geographic distribution is adequate.

Geographic distribution did not carry substantial weight in the Lending Test analysis. There are one low-income and two moderate-income tracts in the AA. Kansas State University comprises a majority the low-income tract and one of the two moderate-income tracts is comprised entirely of the Fort Riley military installation.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans is good. Performance in the moderate-income tracts for home purchase and home refinance loans substantially exceeds area demographics and for home improvement is lower than demographics. Based on the 2002 market share data, LNB ranks fifth in market share for home purchase loans, third for home refinancing, and second for home improvement loan in the AA. Market share performance in the moderate-income tracts exceeds the bank's overall performance.

LNB did not originate any home mortgage loans in the low-income tract. The percentage of owner occupied units in this tract is less than one-half of one percent. Demographic information shows approximately 84 percent of the total housing units are rental units. Students at Kansas State University primarily occupy the rental units. Market share information shows only three home mortgage loans were made in the low-income tract in 2002.

We did not perform an analysis of multifamily loans. Due to the limited number of originations, an analysis of this product type would not be meaningful.

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is adequate. The percentage of loans in moderate-income tracts is slightly below area demographics. In low-income tracts, performance is less than demographics. Market share information is not available for this product. LNB was not subject to data collection requirements in calendar year 2002.

Lending Gap Analysis

Our geographic distribution analysis included a review for any unexplained lending gaps in the AA, particularly in the low- and moderate-income tracts. We performed this analysis using maps and reports showing the bank's lending activity in each tract. Our analysis found LNB achieved penetration in all low- and moderate-income tracts. We did not identify any conspicuous gaps or underserved geographies within the AA.

Inside/Outside Ratio

For the geographic distribution analysis, we performed an inside/outside ratio analysis at the bank level. A majority of the bank's loans, 79 percent by both number and dollar originated to borrowers in the bank's AAs. By number of loans for each product type, the bank originated 80 percent of its home mortgage loans and 69 percent of its small business loans to borrowers in its AAs. We viewed this as a neutral characteristic in our assessment of lending performance.

Distribution of Loans by Income Level of the Borrower

The distribution of loans by income level is adequate. For home mortgage loans, borrower distribution is adequate and for small loans to businesses is good.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

LNB's distribution of home mortgage loans by borrower income level is adequate. Performance in lending to moderate-income borrowers is strongest with home purchase loans, although less than demographics. Performance for home improvement and home refinance loans is weaker and significantly less than demographics. When considering the family poverty level of 11 percent in the AA, performance in lending to low-income borrowers for home purchase and home refinance is lower than demographics, and performance for home improvement loans is near to demographics. LNB ranks first in overall market share for home refinance, second for home improvement, and third for home purchase loans. Market share to low- and moderate-income borrowers for each home mortgage products is less than the overall market share.

A significant mitigating factor impacting the bank's ability to lend to low- and moderate-income borrowers is that approximately 17 percent of the population in the AA resides in group quarters (i.e. military barracks and college dormitories). This segment of the population, generally comprised of military personnel and college students, are considered low- or moderate-income and do not have a need for home mortgage loan products.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

LNB's distribution of loans to businesses of different sizes is good. The percentage of loans to businesses with revenues of \$1 million or less exceeds area demographics. The bank originated 79 percent of its loans in amounts of \$100,000 or less with an average loan size of \$27 thousand. Market share information is not available for this product. LNB was not subject to data collection requirements in calendar year 2002.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 however, does not separately list CD loans.

Community development lending had a positive impact on the Lending Test conclusions. During the evaluation period, LNB originated or refinanced 15 community development loans totaling \$5 million. The purpose of all of the community development loans was for the purchase of, or improvements to, multifamily housing targeted to low- and moderate-income individuals. This activity addresses the community need for affordable housing in the AA.

Product Innovation and Flexibility

LNB actively participates in flexible housing programs that help low- and moderate-income individuals qualify for home loans. These programs primarily consist of subsidized down payments, grants, and closing cost assistance offered by federal, state, and local authorities. Examples of the types of statewide and local programs include:

- **Guaranteed Rural Housing Loan Program** – Offered through the U.S. Department of Agriculture’s (USDA) Rural Housing Services, the program allows qualified low- and moderate-income individuals to qualify for a mortgage with no down payment. The USDA guarantees the loans. LNB originated 216 loans totaling \$10 million during the evaluation period.
- **Rural First Time Homebuyer Program** – Offered through the Federal Home Loan Bank, qualified borrowers can receive funds up to \$4 thousand to use toward down payment, closing costs, or rehabilitation costs. Qualified borrowers must have an income level of less than 80 percent of the median family income. LNB originated 55 loans totaling \$240 thousand.
- **HOME** – First time homebuyer program offered by the State of Kansas. The state offers cash assistance in the form of a grant to applicants with income of less than 80 percent of the median family income for the county in which they reside. LNB originates the first mortgage and the HOME funds can be used for down payment or closing cost assistance. The grant is forgiven at the end of a ten-year period. LNB originated 24 loans totaling \$1.4 million.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the lending test in the Auburn/Topeka, Dodge City, Garden City, Great Bend/Hoisington, and Osage City AAs is not inconsistent with the bank’s overall “High Satisfactory” performance under the lending test. In the LaCrosse AA, the bank’s performance is weaker than the bank’s overall rating. Performance is weaker based on the low volume of loans originated in the AA. Performance in the LaCrosse AA did not impact the bank’s overall lending test rating. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Manhattan/Wamego AA is excellent. Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

LNB's level of qualified investments demonstrates an excellent responsiveness to opportunities in the Manhattan/Wamego AA. Community contacts and contextual research identified a need for affordable housing and small business development.

During the evaluation period, LNB and its affiliate LBI, made 47 qualified investments totaling \$2 million. Investment activity is comprised of the following:

- \$1.6 million in industrial revenue bonds issued by the city of Manhattan for the expansion of a manufacturing company. The investment promotes economic development by financing the expansion of a small business and retention of one of the largest employers in the city. Because of the expansion, the company was able to create approximately 200 new jobs at the moderate-income wage level.
- \$318 thousand equity investment in an organization that constructs affordable housing for persons with less than 60% of the median family income.
- \$56 thousand in charitable contributions to organizations that provide social services to low- and moderate-income individuals.
- \$31 thousand in charitable contributions to organizations that focus on downtown revitalization activities that help stabilize low- and moderate-income tracts in the AA.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Dodge City and Osage City AAs is not inconsistent with the bank's overall "Outstanding" performance under the investment test. In the Auburn/Topeka, Garden City, Great Bend/Hoisington, and LaCrosse AAs, the bank's performance is weaker than the bank's overall performance due to the limited number and amount of investments made in the AAs. Performance in these AAs did not adversely impact the overall investment test rating.

SERVICE TEST

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the service test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Manhattan/Wamego AA is good.

Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

LNB's delivery systems are accessible to geographies and individuals of different income levels throughout the AA. There are one low- and two moderate-income tracts in the bank's AA. The percentage of branches and ATMs in moderate-income tracts exceeds the percentage of population living in those tracts. There are no branch locations in the low-income tract. The Kansas State University substantially makes up the entire low-income tract. The Fort Riley Military Installation encompasses one of the two moderate-income tracts. The remaining moderate-income tract is located in the downtown area of the city of Manhattan.

LNB operates one branch and two ATMs in the moderate-tract in downtown Manhattan, adjacent to the low-income tract. Additionally, one branch office in a grocery store located in an upper-income tract is also adjacent to the low-income tract. Further, this branch is located in one of only two grocery stores on the west side of Manhattan and therefore draws customers from a larger geographic area. LNB opened two branches during the evaluation period; one in the above mentioned grocery store and the other, acquired from Commercial Federal Savings Bank in 2000, in a middle-income tract in Wamego.

There are no material differences in services offered at branch locations. Banking hours do not vary in a way that inconveniences its AA, particularly low- and moderate-income geographies and individuals. The branch located in the grocery store has extended hours during the week and on Saturday. The drive-up facilities offer extended hours on Friday and Saturday.

LNB operates a mobile branch in the Manhattan/Wamego, Auburn/Topeka, and Osage City AAs. The mobile branch services include picking up deposits and delivering currency to businesses and performing loan closings offsite. The bank offers a payroll card program to its commercial customers to help reduce the costs associated with preparing and distributing paper checks each payday. While the payroll card can be used by anyone, the program is targeted to unbanked individuals and provides a secure delivery channel through ATMs and point of sale terminals. The bank also offers free 24-hour telephone and Internet access to bank services. Customers may inquire about account balances, transfer funds, and apply for loans using either service. Bill payment is offered for a fee.

The bank does not maintain information to demonstrate the effectiveness or impact of the alternative delivery systems in low- or moderate-income geographies or use of these systems by low- and moderate-income individuals. Therefore, these services did not influence the service test performance.

Community Development Services

LNB provided an adequate level of community development services in Manhattan/Wamego AA. LNB staff provided their financial expertise to 11 different organizations that promote community development initiatives in the AA. Ninety-one percent of the organizations provide community services to low- and moderate-income individuals. Other community development services provided by bank staff were to organizations that promote economic development through the financing of small businesses.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Auburn/Topeka, Dodge City, Garden City, Great Bend/Hoisington, LaCrosse, and Osage City AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the Service Test. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/2000 to 12/31/2002 Investment and Service Tests and CD Loans: 09/27/1999 to 10/04/2004	
Financial Institution	Products Reviewed	
Landmark National Bank (LNB) Manhattan, Kansas	Home Mortgage, Small Business, and Community Development Loan Data; Qualified Investments; Retail and Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Landmark Bancorp, Inc. (LBI)	Holding Company	Qualified Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Manhattan/Wamego AA Auburn/Topeka AA Dodge City Garden City AA Great Bend/Hoisington AA LaCrosse AA Osage City AA	Full-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope	The Auburn/Topeka AA includes a portion of the Topeka MSA #8440. The Dodge City, Garden City, Great Bend/Hoisington, and LaCrosse AAs represent new AAs since the last examination resulting from the merger with the former Landmark Federal Savings Bank.

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Manhattan/Wamego AA	B-2
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Manhattan / Wamego AA

Demographic Information for Full-Scope Area: Manhattan / Wamego AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	12	8%	17%	50%	25%	n/a
Population by Geography	76,418	6%	27%	40%	27%	n/a
Owner-Occupied Housing by Geography	12,032	<1%	7%	56%	37%	n/a
Businesses by Geography	3,716	4%	28%	40%	28%	n/a
Farms by Geography	279	4%	6%	47%	43%	n/a
Family Distribution by Income Level	16,205	17%	20%	22%	41%	n/a
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,971	7%	30%	46%	17%	n/a
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$30,385 = \$44,200 = 20%	Median Housing Value Unemployment Rate (August 2004)				= \$53,629 = 3.63%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI, Bureau of Labor Statistics

The Manhattan/Wamego AA is located in north central Kansas and includes all of Riley County and a portion of Pottawatomie County. There are one low- and two moderate-income tracts in this AA. The AA complies with the regulation and does not arbitrarily exclude any low- or moderate-income areas. LNB operates three bank offices and four ATMs in the AA. Two offices are located in Manhattan, and the third in Wamego. In this AA, the primary business focus is residential real estate and commercial lending. As of June 30, 2003, LNB's deposit market share ranks fifth among 20 financial institutions with six percent of the market. Primary competitors in the AA include Kansas State Bank, Capitol Federal Savings, and Community First National Bank.

Economic conditions in the AA are good. The area has enjoyed a surge of retail growth. More than 500,000 square feet of new retail spaced has opened in the last two years. The August 2004 area unemployment rate of 3.6 percent is lower than the state rate of 4.8 percent and national rate of 5.4 percent for the same time-period. Riley County's economy is heavily dependent upon Kansas State University and the Fort Riley military installation for employment. Affordable rental housing units are in demand to meet the needs of the large military and student population. This has caused a housing shortage in the homes that are moderately priced. Other major employers include a division of Quaker Food & Beverages, Parker Hannifin, McCall Pattern Company, the Kansas Farm Bureau, Manko Window Systems, and public school district #383.

We contacted the Director of Finance for the city of Manhattan to discuss primary credit needs, Manhattan's unique housing situation, and the overall lending performance of area financial institutions. Our contact stated affordable housing and small business loans are the primary credit needs of this AA. Our contact did not identify any unmet credit needs in the AA.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the assessment area (AA). Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by AA. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic

areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each AA.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each AA. The table also presents data on branch openings and closings in each AA.

Table 1. Lending Volume

LENDING VOLUME												
Geography: KANSAS												
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Scope:												
Manhattan/Wamego	41.99	614	58,113	58	4,558	2	195	15	5,332	689	68,198	29.11
Limited Scope:												
Auburn/Topeka	9.45	105	9,567	23	1,789	14	444	13	5,146	155	16,946	11.78
Dodge City	20.60	268	19,747	53	8,859	5	1,050	12	8,326	338	37,980	21.21
Garden City	4.99	68	5,370	13	979	1	125	0	0	82	6,474	2.32
Great Bend/Hoisington	14.75	234	14,136	4	240	2	488	2	4,000	242	18,864	19.68
LaCrosse	0.24	3	193	1	16	0	0	0	0	4	209	6.36
Osage City	7.98	78	4,649	25	1,265	26	1,070	2	866	131	7,850	9.54

* Loan Data as of December 31, 2002. Rated area refers to the state rating area.

** The evaluation period for Community Development Loans is From September 27, 1999 to October 4, 2004.

*** Deposit Data as of June 30, 2003. Rated Area refers to the state of Kansas.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: KANSAS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography [*]				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Scope:																
Manhattan/Wamego	224	43.16	0.49	0.00	6.60	11.16	55.94	52.23	36.97	36.61	5.82	0.00	5.95	6.57	4.64	
Limited Scope:																
Auburn/Topeka	45	8.67	n/a	n/a	n/a	n/a	59.25	57.78	40.75	42.22	1.39	n/a	n/a	3.52	0.22	
Dodge City	117	22.54	n/a	n/a	n/a	n/a	41.39	29.06	58.61	70.94	28.54	n/a	n/a	25.76	29.86	
Garden City	12	2.31	n/a	n/a	n/a	n/a	64.53	75.00	35.47	25.00	3.00	n/a	n/a	4.19	1.62	
Great Bend/Hoisington	100	19.27	n/a	n/a	n/a	n/a	89.13	85.00	10.87	15.00	46.08	n/a	n/a	46.45	44.12	
LaCrosse	0	0.00	n/a	n/a	n/a	n/a	100.00	0.00	n/a	n/a	0.00	n/a	n/a	0.00	n/a	
Osage City	21	4.05	n/a	n/a	n/a	n/a	100.00	100.00	n/a	n/a	10.45	n/a	n/a	10.45	n/a	

^{*} Based on 2002 Peer Mortgage Data: Midwest Region.

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															
Geography: KANSAS															
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002															
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Scope:															
Manhattan/Wamego	65	58.04	0.49	0.00	6.60	4.62	55.94	55.38	36.97	40.00	17.50	0.00	22.22	17.19	17.02
Limited Scope:															
Auburn/Topeka	11	9.82	n/a	n/a	n/a	n/a	59.25	72.73	40.75	27.27	4.67	n/a	n/a	6.25	3.39
Dodge City	9	8.04	n/a	n/a	n/a	n/a	41.39	55.56	58.61	44.44	29.03	n/a	n/a	38.46	22.22
Garden City	3	2.68	n/a	n/a	n/a	n/a	64.53	66.67	35.47	33.33	7.89	n/a	n/a	8.70	6.67
Great Bend/Hoisington	5	4.46	n/a	n/a	n/a	n/a	89.13	100.00	10.87	0.00	9.62	n/a	n/a	10.20	0.00
LaCrosse	0	0.00	n/a	n/a	n/a	n/a	100.00	0.00	n/a	n/a	0.00	n/a	n/a	0.00	n/a
Osage City	19	16.96	n/a	n/a	n/a	n/a	100.00	100.00	n/a	n/a	21.05	n/a	n/a	21.05	n/a

* Based on 2002 Peer Mortgage Data: Midwest Region.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: KANSAS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Scope:																								
Manhattan/Wamego	321	43.79	0.49	0.00	6.60	7.79	55.94	41.74	36.97	50.47	9.08	0.00	17.65	7.71	9.44									
Limited Scope:																								
Auburn/Topeka	49	6.68	n/a	n/a	n/a	n/a	59.25	77.55	40.75	22.45	1.38	n/a	n/a	2.77	0.44									
Dodge City	142	19.37	n/a	n/a	n/a	n/a	41.39	21.13	58.61	78.87	28.34	n/a	n/a	23.44	30.03									
Garden City	53	7.23	n/a	n/a	n/a	n/a	64.53	52.83	35.47	47.17	8.03	n/a	n/a	6.93	9.77									
Great Bend/Hoisington	127	17.33	n/a	n/a	n/a	n/a	89.13	83.46	10.87	16.54	31.36	n/a	n/a	33.13	24.71									
LaCrosse	3	0.41	n/a	n/a	n/a	n/a	100.00	100.00	n/a	n/a	10.71	n/a	n/a	10.71	n/a									
Osage City	38	5.18	n/a	n/a	n/a	n/a	100.00	100.00	n/a	n/a	9.09	n/a	n/a	9.09	n/a									

* Based on 2002 Peer Mortgage Data: Midwest Region.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY																
Geography: KANSAS																
Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
Full Scope:																
Manhattan/Wamego	4	66.67	10.92	0.00	31.07	0.00	26.51	0.00	31.50	100.00	6.25	0.00	0.00	0.00	16.67	
Limited Scope:																
Auburn/Topeka	0	0.00	n/a	n/a	n/a	n/a	47.77	0.00	52.23	0.00	0.00	n/a	n/a	0.00	0.00	
Dodge City	0	0.00	n/a	n/a	n/a	n/a	34.43	0.00	65.57	0.00	0.00	n/a	n/a	0.00	0.00	
Garden City	0	0.00	n/a	n/a	n/a	n/a	36.88	0.00	63.12	0.00	0.00	n/a	n/a	0.00	0.00	
Great Bend/Hoisington	2	33.33	n/a	n/a	n/a	n/a	77.96	50.00	22.04	50.00	100.00	n/a	n/a	100.00	100.00	
LaCrosse	0	0.00	n/a	n/a	n/a	n/a	100.00	0.00	n/a	n/a	0.00	n/a	n/a	0.00	n/a	
Osage City	0	0.00	n/a	n/a	n/a	n/a	100.00	0.00	n/a	n/a	0.00	n/a	n/a	0.00	n/a	

* Based on 2002 Peer Mortgage Data: Midwest Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: KANSAS		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ⁷										
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Scope:																					
Manhattan/Wamego	58	32.77	4.12	1.72	27.72	25.86	40.20	58.62	27.96	13.79	n/a	n/a	n/a	n/a	n/a						
Limited Scope:																					
Auburn/Topeka	23	12.99	n/a	n/a	n/a	n/a	52.20	68.18	47.80	31.82	n/a	n/a	n/a	n/a	n/a						
Dodge City	53	29.94	n/a	n/a	n/a	n/a	56.42	73.58	43.58	26.42	n/a	n/a	n/a	n/a	n/a						
Garden City	13	7.34	n/a	n/a	n/a	n/a	65.53	84.62	34.47	15.38	n/a	n/a	n/a	n/a	n/a						
Great Bend/Hoisington	4	2.26	n/a	n/a	n/a	n/a	90.47	75.00	9.53	25.00	n/a	n/a	n/a	n/a	n/a						
LaCrosse	1	0.56	n/a	n/a	n/a	n/a	100.00	100.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a						
Osage City	25	14.12	n/a	n/a	n/a	n/a	100.00	100.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a						

⁷ Market Share information is not applicable; the bank was not subject to small business data collection in calendar year 2002.

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: KANSAS					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans	% of Farms ^{**}	% BANK Loans	% of Farms ^{**}	% BANK Loans	% of Farms ^{**}	% BANK Loans	% of Farms ^{**}	% BANK Loans	Overall	Low	Mod	Mid	Upp							
Full Scope:																								
Manhattan/Wamego	2	4.00	4.30	0.00	6.45	0.00	46.59	50.00	42.65	50.00	n/a	n/a	n/a	n/a	n/a									
Limited Scope:																								
Auburn/Topeka	14	28.00	n/a	n/a	n/a	n/a	82.81	100.00	17.19	0.00	n/a	n/a	n/a	n/a	n/a									
Dodge City	5	10.00	n/a	n/a	n/a	n/a	42.86	40.00	57.14	60.00	n/a	n/a	n/a	n/a	n/a									
Garden City	1	2.00	n/a	n/a	n/a	n/a	72.26	100.00	27.74	0.00	n/a	n/a	n/a	n/a	n/a									
Great Bend/Hoisington	2	4.00	n/a	n/a	n/a	n/a	97.03	100.00	2.97	0.00	n/a	n/a	n/a	n/a	n/a									
LaCrosse	0	0.00	n/a	n/a	n/a	n/a	100.00	0.00	0.00	0.00	n/a	n/a	n/a	n/a	n/a									
Osage City	26	52.00	n/a	n/a	n/a	n/a	100.00	100.00	0.00	0.00	n/a	n/a	n/a	n/a	n/a									

^{*} Market Share information is not applicable; the bank was not subject to small farm data collection in calendar year 2002.

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: KANSAS				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
Full Scope:															
Manhattan/Wamego	224	43.16	17.05	3.60	19.80	16.22	21.73	18.92	41.42	61.26	8.22	3.70	6.90	5.26	10.42
Limited Scope:															
Auburn/Topeka	45	8.67	9.14	4.44	12.20	20.00	24.53	28.89	54.14	46.67	1.51	5.41	1.36	1.53	1.06
Dodge City	117	22.54	15.25	6.84	18.76	38.46	21.83	26.50	44.16	28.21	35.14	28.57	41.67	34.07	31.13
Garden City	12	2.31	11.69	8.33	19.05	25.00	24.44	41.67	44.82	25.00	4.53	4.17	5.08	5.32	3.41
Great Bend/Hoisington	100	19.27	16.41	11.00	19.38	32.00	23.79	29.00	40.42	28.00	53.48	57.89	64.00	50.88	45.90
LaCrosse	0	0.00	21.48	0.00	23.83	0.00	25.95	0.00	28.75	0.00	0.00	0.00	0.00	0.00	0.00
Osage City	21	4.05	18.14	23.81	19.98	28.57	25.38	23.81	36.50	23.81	11.48	33.33	21.05	4.55	5.88

* Based on 2002 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available. No information was available for 0.39% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT															Geography: KANSAS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp							
Full Scope:																								
Manhattan/Wamego	65	58.04	17.05	6.15	19.80	7.69	21.73	23.08	41.42	63.08	17.80	0.00	10.00	26.09	16.87									
Limited Scope:																								
Auburn/Topeka	11	9.82	9.14	36.36	12.20	18.18	24.53	45.45	54.14	0.00	5.21	11.11	11.11	10.00	0.00									
Dodge City	9	8.04	15.25	0.00	18.76	44.44	21.83	33.33	44.16	22.22	31.03	0.00	57.14	50.00	12.50									
Garden City	3	2.68	11.69	33.33	19.05	0.00	24.44	0.00	44.82	66.67	8.11	20.00	0.00	0.00	10.53									
Great Bend/Hoisington	5	4.46	16.41	0.00	19.38	20.00	23.79	60.00	40.42	20.00	9.62	0.00	9.09	17.65	4.35									
LaCrosse	0	0.00	21.48	0.00	23.83	0.00	25.95	0.00	28.75	0.00	0.00	0.00	0.00	0.00	0.00									
Osage City	19	16.96	18.14	15.79	19.98	31.58	25.38	21.05	36.50	31.58	23.53	100.00	25.00	20.00	14.29									

* Based on 2002 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available.

*** Percentage of Families is based on the 1990 Census information.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: KANSAS					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Scope:																
Manhattan/Wamego	321	43.79	17.05	0.93	19.80	7.79	21.73	20.87	41.42	70.40	13.45	4.35	10.91	13.27	14.15	
Limited Scope:																
Auburn/Topeka	49	6.68	9.14	8.16	12.20	14.29	24.53	26.53	54.14	51.02	1.67	4.17	1.52	2.27	1.28	
Dodge City	142	19.37	15.25	4.23	18.76	17.61	21.83	22.54	44.16	55.63	31.70	24.00	29.76	27.12	35.75	
Garden City	53	7.23	11.69	1.89	19.05	5.66	24.44	26.42	44.82	66.04	10.08	2.78	4.35	8.28	13.89	
Great Bend/Hoisington	127	17.33	16.41	4.72	19.38	13.39	23.79	36.22	40.42	45.67	35.38	35.29	37.78	40.71	31.52	
LaCrosse	3	0.41	21.48	0.00	23.83	0.00	25.95	0.00	28.75	100.00	11.54	0.00	0.00	0.00	21.43	
Osage City	38	5.18	18.14	2.63	19.98	21.05	25.38	15.79	36.50	60.53	10.88	12.50	12.50	4.44	14.29	

* Based on 2002 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available.

*** Percentage of Families is based on the 1990 Census information.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: KANSAS					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Scope:									
Manhattan/Wamego	58	32.77	72.15	81.03	79.31	15.52	5.17	n/a	n/a
Limited Scope:									
Auburn/Topeka	23	12.99	64.11	86.96	91.30	4.35	4.35	n/a	n/a
Dodge City	53	29.94	77.85	45.28	69.81	9.43	20.75	n/a	n/a
Garden City	13	7.34	73.40	92.31	76.92	23.08	0.00	n/a	n/a
Great Bend/Hoisington	4	2.26	75.22	100.00	100.00	0.00	0.00	n/a	n/a
LaCrosse	1	0.56	57.96	100.00	100.00	0.00	0.00	n/a	n/a
Osage City	25	14.12	65.38	96.00	92.00	4.00	4.00	n/a	n/a

* Market Share information is not applicable; the bank was not subject to small business data collection in calendar year 2002.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: KANSAS					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share *	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Scope:									
Manhattan/Wamego	2	4.00	93.19	100.00	50.00	50.00	0.00	n/a	n/a
Limited Scope:									
Auburn/Topeka	14	28.00	96.09	92.86	92.86	7.14	0.00	n/a	n/a
Dodge City	5	10.00	87.91	100.00	20.00	60.00	20.00	n/a	n/a
Garden City	1	2.00	90.75	100.00	0.00	100.00	0.00	n/a	n/a
Great Bend/Hoisington	2	4.00	95.55	50.00	0.00	50.00	50.00	n/a	n/a
LaCrosse	0	0.00	97.40	0.00	0.00	0.00	0.00	n/a	n/a
Osage City	26	52.00	98.36	96.15	88.46	7.69	3.85	n/a	n/a

* Market Share information is not applicable; the bank was not subject to small farm data collection in calendar year 2002.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 2.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: KANSAS									
Evaluation Period: JANUARY 1, 2000 TO OCTOBER 4, 2004									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Scope:									
Manhattan/Wamego	0	0	47	2,011	47	2,011	74%	0	0
Limited Scope:									
Auburn/Topeka	1	13	9	2	10	15	< 1%	0	0
Dodge City	0	0	19	425	19	425	16%	0	0
Garden City	0	0	2	3	2	3	< 1%	0	0
Great Bend/Hoisington	0	0	10	32	10	32	1%	0	0
LaCrosse	0	0	0	0	0	0	0	0	0
Osage City	1	214	4	4	5	218	8%	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: KANSAS																	
Evaluation Period: JANUARY 1, 2000 TO OCTOBER 4, 2004*																	
Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope:																	
Manhattan/Wamego	29.11	3	25.00	0.00	33.33	33.33	33.33	2	0	0	0	+1	+1	5.82	26.83	40.13	27.23
Limited Scope:																	
Auburn/Topeka	11.78	2	17.00	n/a	n/a	50.00	50.00	0	0	0	0	0	0	n/a	n/a	55.76	44.24
Dodge City	21.21	2	17.00	n/a	n/a	50.00	50.00	2	0	0	0	+1	+1	n/a	n/a	46.37	53.63
Garden City	2.32	1	8.00	n/a	n/a	0.00	100.00	1	0	0	0	0	+1	n/a	n/a	69.28	30.72
Great Bend/Hoisington	19.68	2	17.00	n/a	n/a	100.00	0.00	2	0	0	0	+2	0	n/a	n/a	88.90	11.10
LaCrosse	6.36	1	8.00	n/a	n/a	100.00	0.00	1	0	0	0	+1	0	n/a	n/a	100.00	0.00
Osage City	9.54	1	8.00	n/a	n/a	100.00	0.00	0	0	0	0	0	0	n/a	n/a	100.00	0.00

* Table 15 does not include branches acquired through the merger activity with FKSFB in April 2004.