

# Public Disclosure

September 20, 1999

## Community Reinvestment Act Performance Evaluation

Sunflower Bank, National Association  
Charter Number: 4742

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Office of the Comptroller of the Currency

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NOTE: 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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## **General Information**

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institutions 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institutions record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of Sunflower Bank, National Association (Sunflower) prepared by the **Office of the Comptroller of the Currency (OCC)**, the institutions supervisory agency, as of **September 20, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institutions branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Community Development (CD)** - Affordable 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.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**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 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**Limited-Scope 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, branch distribution).

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Tier 1 Capital** - The total of common shareholders=equity, perpetual preferred shareholders=equity with noncumulative

dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Outstanding.**

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

Performance Levels	Sunflower Bank, N.A. 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:

- < The distribution of loans by income level of the borrower is excellent. Sunflower does an excellent job lending to businesses and farms of different revenue sizes. HMDA lending reflects good penetration among borrowers of different income levels, including LMI individuals.
- < The distribution of loans by income level of the geography is good. HMDA and small farm loans reflect excellent penetration throughout the AAs, including low- and moderate-income areas. The geographic distribution of lending to small businesses is adequate.
- < Sunflower has a high level of community development loans and uses innovative and/or flexible lending practices to serve the credit needs of LMI individuals.
- < Performance under the Investment Test is good considering the limited opportunities available.
- < Sunflower's delivery systems are accessible to geographies and individuals of different income levels. Business hours are flexible. The level of community development services is relatively high considering the limited opportunities.

## Description of Institution

Sunflower Bank, National Association (Sunflower) is a \$671 million full-service bank headquartered in Salina, Kansas. The bank has 22 branches located in 13 communities across central and western Kansas. Historically, the bank has experienced growth by acquiring financial institutions in new markets. In the past two years, the bank expanded into one new market by acquiring Bank of the Southwest in Dodge City, Kansas in April 1997. In 1999, the bank opened a branch in Wichita, Kansas, an existing market.

Sunflower Banks, Inc. (SBI), a one-bank holding company, owns 100% of the bank. SBI is located in Salina, Kansas and has total assets of \$671 million as of June 30, 1999. This represents SBI's total investment in the bank. The bank has two subsidiaries which are currently inactive and have no impact on the bank's capacity for community reinvestment.

Sunflower has eleven assessment areas (AA) all within the state of Kansas. For evaluation purposes, examiners combined contiguous non-MSA AA's which received a full-scope review. Other remaining non-MSA AA's were combined for a limited scope review. Wichita is the only MSA AA. Other AA's consist of non-MSA geographies.

The Central AA has the largest percentage of total outstanding bank portfolio loans at 40 percent with the Other Rural and Western AAs following at 24 percent and 23 percent, respectively. The Wichita AA has 13 percent of outstanding bank loans.

The Western AA has the largest portion of the bank's total deposits at 33 percent with the Central and Other Rural AAs following at 30 percent and 28 percent respectively. The Wichita AA has 9 percent of total deposits.

There are no legal, financial or other factors impeding Sunflower's ability to help meet the credit needs in its AA. All bank locations offer a full range of credit and deposit products. The bank's primary business focus is residential real estate and commercial loans. As of June 30, 1999, Sunflower's loan portfolio consists of commercial (44 percent), 1-4 family residential (36 percent), consumer (13 percent), and agriculture (7 percent) credits. In addition, Tier one capital is \$54 million and net loans represent 68 percent of total assets. The OCC assigned a rating of Asatisfactory@ during the last CRA evaluation dated October 20, 1997.



## **Scope of the Evaluation**

Our evaluation period is from August 4, 1997 (the start date of the last CRA examination) to September 20, 1999. For the lending test, we reviewed HMDA and CRA data for the calendar years 1997 and 1998. In addition, we reviewed community development lending, investments, and services for the entire evaluation period:

### **Data Integrity:**

We verified the accuracy of HMDA and CRA data used during our evaluation in June 1999 based on a review of 30 files for each category. We concluded the bank's data is accurate. The OCC can rely on this data to conduct analyses and form conclusions.

### **Selection of Areas for Full-Scope Review:**

We performed a full-scope review on the following AA's: Wichita MSA, Central, and Western. These AA's combined consist of 76% and 72% of the bank's loan and deposit activity, respectively. The Central and Western AA's include a majority of the bank's activity. We included the Wichita AA in the full-scope review since it is located in an MSA. We performed a limited-scope review on the Other Rural AA.

### **Ratings:**

Our ratings are primarily based on results of those areas that received full-scope reviews with emphasis on the Central and Western AA's. Sunflower does not have a large presence in the Wichita AA as the bank's deposit market share is less than one percent. In addition, the bank's share of deposits and loans in Wichita is not significant. Refer to Appendix A for additional information.

Our lending analysis placed more weight on the bank's borrower distribution than its geographic distribution. Geographic distribution analysis is less meaningful since there were no low-income geographies and few moderate-income geographies in the bank's AA's.

### **Community Contacts:**

We reviewed fourteen community contacts made within the last year in all AA's. We made three additional contacts in the Other Rural AA. Contacts included information from local government officials, community and economic development organizations, and affordable housing groups. Primary credit needs include affordable housing, small business, and agriculture loans.

## **Fair Lending Review**

We found no violations of substantive provisions of the anti-discrimination laws and regulations. Using gender as our prohibited basis group, we compared the terms on home improvement loans originated between January 1, 1999 and June 30, 1999. Our sample included 18 loans to individual males and 24 loans to individual females.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test is rated Outstanding. Based on full-scope reviews, the bank's lending to borrowers of different income levels and businesses of different sizes is excellent. Sunflower's penetration of loans throughout the AAs, including low- and moderate-income (LMI) CTs/BNAs, is good. Lending volumes are excellent. The level of community development lending is high considering limited opportunities in non-MSA AAs. Sunflower uses several innovative and/or flexible lending practices to serve the credit needs of LMI applicants.

Primary focus is placed on performance in Central and Western AAs as 65 percent of loans reported during the evaluation period and 63 percent of deposits are in these geographies. The Wichita MSA is not a major market for the bank as 14 percent of loans reported during the evaluation period and 9 percent of deposits are in this area.

#### **Lending Activity**

Sunflower's volume of lending in the Central and Western AAs reflects excellent responsiveness to identified credit needs. Home purchase loan originations (excluding refinancings) represent the largest loan category in the Central AA at 24 percent of the total number of loans reported (market share is 26 percent). By dollar amount, small business loan originations are the primary product at 27 percent of loans reported (market share is 17 percent). The overall market share in the Central AA for home improvement, home mortgage refinance, and small farm loans is 50 percent, 28 percent, and 29 percent, respectively. Sunflower is ranked first in the market for home improvement lending and second in the market for all other loan categories. Primary credit needs are affordable housing and small business loans. The bank's deposit market share in the Central AA is 9 percent. Primary loan products in the Western AA are small business loans by both number (36 percent) and dollar amount (40 percent) of total loans reported. Sunflower is ranked first in the market for small business lending with an overall market share of 32 percent. The overall market share for home purchase, home

improvement, home mortgage refinance, and small farm loans is 27 percent, 63 percent, 23 percent, and 39 percent, respectively. Sunflower is ranked first in the market in all loan categories. Credit needs are small farm, small business, and affordable housing loans. The bank is first in the market for the number of deposits with a market share of 15 percent.

In the Wichita MSA AA, small business loans are the primary loan product by both number (39 percent) and dollar volume (45 percent) of total loans reported. The overall market share for small business loans is 5 percent and Sunflower is ranked seventh in the market. The market share for all other loan categories is insignificant at 1 percent or less. Primary credit needs are affordable housing and small business loans in low-income geographies. Lending subject to HMDA in the Wichita MSA AA is not significant due to the bank's limited locations and strong competition in the market. Deposit market share in the Wichita MSA AA is 0.66 percent.

For the State of Kansas, Sunflower ranks first in its asset size class for small business lending in 1997. This information is provided by the U.S. Small Business Administration (SBA) office in Wichita, KS. The report compares the bank to all other commercial banks filing consolidated Reports of Condition and Income. Sunflower is in the \$500 million to under \$1 billion asset size class. SBA program loans allow customers to obtain loans outside normal lending practices. In addition, assistance is provided to developing businesses. During our evaluation period, the bank made 10 loans totaling \$1.2 million.

Refer to Table 1 - Lending Volume in the Appendix of this document regarding the total number and dollar volume of home mortgage, small business, and small farm loan originations in 1997 and 1998. Sunflower did not originate any multi-family loans during this time period.

Sunflower originated a substantial majority of loans within its AA in 1997 and 1998. Overall, 82 percent of total loans, by number, and 81 percent, by dollar volume, were originated within the bank's AAs during our evaluation period.

## **Distribution of Loans by Income Level of the Borrower**

Sunflower's overall distribution of lending by borrower income level is excellent. Strong performance is demonstrated in the bank's lending to small businesses and small farms of different revenue sizes. Since the primary loan product, in both the Western and Wichita AAs, is small business lending, by both number and dollar volume, more weight is given to the bank's performance in this category. By dollar volume, small business lending is also the primary loan product in the Central AA. Strong performance is also noted in the bank's home improvement lending to LMI borrowers.

### ***Home Mortgage Loans***

Sunflower shows excellent penetration in home improvement loan originations to LMI borrowers. Performance is above demographics (percent of families in AA) regarding loans to moderate-income persons in the Central and Wichita MSA AAs. In the Western AA, performance is comparable to demographics. The penetration of loans to low-income persons is good in the Central, Western, and Wichita MSA AAs considering the percentage of families below the poverty level is 7 percent, 10 percent, and 8 percent, respectively. In the Wichita MSA, penetration among LMI borrowers is especially noteworthy as performance is significantly above demographics. In the Central AA, the market share of loans to both LMI borrowers is comparable to the overall market share. In the Western AA, the market share to moderate-income persons is above the overall market share.

The volume of home purchase loans to LMI borrowers is good. Regarding loans to moderate-income persons, Sunflower's performance is comparable to demographics in the Central AA and below demographics in the Western and Wichita MSA AAs. The bank's penetration of loans to low-income persons is good in the Central and Western AAs considering the percentage of families below the poverty level. In the Wichita MSA AA, loans to low-income persons is adequate. In the Central and Western AAs, the bank's market share to both low- and moderate income borrowers is above the overall market share.

Sunflower's penetration in home mortgage refinance loans originations to LMI individuals is adequate. Performance is comparable to demographics regarding loans to moderate-income borrowers in the Central AA and below demographics in the Western and Wichita AAs. The penetration of loans to low-income individuals is adequate in all AAs considering the percentage of families below the poverty level. In the Central and Western AAs, the market share to moderate-income borrowers is above the overall market share.

Refer to Table 7 - Borrower Distribution of Home Purchase Loan Originations, Table 8 - Borrower Distribution of Home Improvement Loan Originations, and Table 9 - Borrower Distribution of Home Mortgage Refinance Loan Originations in the Appendix of this document for information used to evaluate the borrower distribution of the bank's home mortgage loan originations.

### ***Small Business Loans***

Sunflower shows excellent distribution of lending to businesses of different revenue sizes, with a majority of loans to businesses with revenues of \$1 million or less. Income information is collected on all loans. In the Central and Western AA's, penetration to businesses with revenues of \$1 million or less is above demographics (121 percent). In addition, the market share to businesses with annual revenues of \$1 million or less is above the overall market share. In the Wichita MSA AA, performance is below demographics to these businesses; however, this is mitigated as the bank's performance is above the market, which consists of all other bank's that report CRA data in this AA. Also, the Wichita MSA AA is not a major market for the bank. A significant majority of the bank's small business loans are made in original amounts of \$100 thousand or less.

Refer to Table 10 - Borrower Distribution of Small Business Loan Originations in the Appendix of this document for information used to evaluate the borrower distribution of the bank's small business loan originations.

### ***Small Farm Loans***

Sunflower shows excellent distribution of lending to farms of different revenue sizes, with a significant majority of loans to farms with revenues of \$1 million or less. Income information is collected on all loans. Performance is above demographics in the Western (101 percent) and Wichita MSA (105 percent) AA's. Performance in the Central AA is slightly below demographics (95 percent). Little weight is placed on performance in the Wichita MSA AA since the number of loans is only 1 percent of total small farm loan originations. A majority of the bank's small farm loans are in original amounts of \$100 thousand or less.

In the Central AA, the market share of loans to farms with annual revenues of \$1 million or less is below the overall market share. In the Western AA, market share to these farms is above the overall market share.

Refer to Table 11 - Borrower Distribution of Small Farm Loan Originations in the Appendix of this document for information used to evaluate the borrower distribution of the bank's small business loan originations.

## **Distribution of Loans by Income Level of the Geography**

Sunflower's overall distribution of loans is good. The penetration of home purchase and small farm loans in moderate-income areas is excellent. Sunflower has good penetration of home improvement loans in moderate-income geographies. Small business loan penetration in moderate-income areas is good in the Central AA and adequate in the Western AA. In the Central and Western AAs, there are no low-income CTs/BNAs. Each of these AAs have only three moderate-income geographies. Examiners did not identify any groups of contiguous geographies with no loans or low penetration relative to other geographies.

### ***Home Mortgage Loans***

Sunflower's HMDA loans reflect excellent penetration throughout the AAs, including in low- and moderate-income (LMI) CTs/BNAs. There are no low-income CTs/BNAs in the Central and Western AAs.

There are ten low-income tracts in the Wichita MSA AA. Both the Central and Western AAs each have three moderate-income CTs/BNAs. In the Wichita MSA AA, there are twenty-five moderate-income tracts.

The penetration of home purchase loans in moderate-income tracts is excellent and above demographics (number of owner-occupied units in AA) in both the Central and Western AAs. In the Western AA, the market share in moderate-income areas is above the overall market share. In the Central AA, the market share in moderate-income areas is 25 percent compared to an overall market share of 26 percent. In the Wichita MSA, the volume of home purchase loans in LMI tracts is significantly below peer. However, this is not a major market for the bank.

The level of home improvement loans in moderate-income tracts is good and comparable to demographics in both the Central (93 percent) and Western (80 percent) AAs. Market share in moderate-income areas is less than the overall market share in both AAs. In the Wichita MSA AA, the bank is performing above demographics in both the low- and moderate-income tracts. The market share in these tracts is above the overall market share.

Refer to Table 2 - Geographic Distribution of Home Purchase Loan Originations, Table 3 - Geographic Distribution of Home Improvement Loan Originations, and Table 4 Geographic Distribution of Home Mortgage Refinance Loan Originations in the Appendix of this document for information used to evaluate the geographic distribution of the Sunflower's home mortgage loan originations.

### ***Small Business Loans***

Sunflower's geographic distribution of lending to small businesses reflects adequate penetration throughout the AAs, including LMI CTs/BNAs. Performance is good and comparable to demographics (percent of businesses in the AA) in moderate-income tracts in the Central AA. The market share in moderate-income areas is above the overall market share and penetration is 100 percent of demographics. Performance is adequate and below demographics in LMI tracts in both the Western (69 percent) and Wichita MSA (52 percent) AAs. In the Western AA, the market share in moderate-income areas is significantly below the overall market share.

Refer to Table 5 - Geographic Distribution of Small Business Loan Originations in the Appendix of this document for information used to evaluate the geographic distribution of the bank's small business loan originations.

### ***Small Farm Loans***

Sunflower's geographic distribution of lending to small farms reflects excellent penetration throughout the AAs, including LMI CTs/BNAs. Penetration in moderate-income tracts in the Western and Wichita MSA AAs is significantly above demographics (percent of farms in AA). In the Western AA, the market share in moderate-income areas is above the overall market share and penetration is 189 percent of demographics. The volume of loans in moderate-income tracts in the Central AA is significantly below demographics. However, this is mitigated by the limited number of small farms located in these geographies. Sunflower did not make any small farm loans in low-income tracts in the Wichita MSA AA. However, the number of farms located in low-income areas is less than 1 percent of the total farms in the Wichita MSA AA.

Refer to Table 6 - Geographic Distribution of Small Farm Loan Originations in the Appendix of this document for information used to evaluate the geographic distribution of the bank's small farm loan originations.

### **Community Development Lending**

Sunflower has a high level of community development loans in its AAs, considering the limited opportunities in Central and Western AAs. The bank made six loans during our evaluation period totaling \$16.2 million in AAs receiving a full-scope review. These loans are to small businesses that meet the size eligibility standards of the Small Business Administration's Development Company programs.

Based on information from community contacts, community development opportunities are limited. The type of lending needed to address AA credit needs is usually already reported in CRA or HMDA data. Per the CRA, loans already reported in another loan category can not also be reported as community development loans, with the exception of multi-family loans.

Central AA:

- < \$5 million loan for a new building to a business that created new jobs for LMI people.
- < \$851 thousand loan for a new building located in a moderate-income area. The building will serve as a medical clinic for the area. The city of Salina provides industrial revenue bonds and tax incentives to businesses that locate in this area.

Western AA:

- < \$4 million loan to fund the expansion of a business that created new jobs for LMI people.
- < \$1.2 million business loan that created jobs for LMI people.

Wichita MSA AA:

- < \$4 million loan which allowed a local business to continue normal operations through debt restructuring. The business is a significant employer of LMI people and the loan helped the business retain these positions.
- < \$1.2 million loan to build a business located in a moderate-income area. Approximately 50 percent of the jobs will benefit LMI people in this AA.

Refer to Table 1 - Lending Volume in the Appendix of this document for information used to evaluate the bank's level of community development lending.

## **Product Innovation and Flexibility**

Sunflower uses the following innovative and/or flexible lending practices to serve the credit needs of LMI applicants for various lending products. These products are offered in all AAs.

- < Affordable Housing Program: Implemented by the bank in March 1992. The program is specifically designed to assist LMI first-time home buyers. A borrower can receive up to 100 percent of the home's value at a purchase price of \$45 thousand or less. There are reduced closing costs and documentation fees are waived. During our evaluation period, the bank funded 22 loans totaling \$642 thousand.
- < No Closing Cost@Mortgage Loan: In March 1997, the bank implemented this program to allow those persons short on cash



to purchase a home. There are no income or home cost limitations, however, 76 of 274 loans made during our evaluation period were for \$45 thousand or less. The maximum loan-to-value is 97 percent. Sunflower pays fees for the appraisal, credit report, flood certification, documentation preparation, title insurance, recording, and mortgage registration. The total dollar amount of loans made during our evaluation period is \$21 million.

- < 3% Down Home Loan: In October 1996, Sunflower implemented this program to enable LMI persons to obtain home loans with minimal down payment. During our evaluation period, the bank originated 69 loans totaling \$4.3 million.
- < State of Kansas First Time Home Buyers Program: Allows customers to obtain a home while borrowing up to 30 percent of the down payment over five years. This loan may be forgiven. During our evaluation period, the bank made 18 loans under this program totaling \$394 thousand.
- < Beginning Farmer Loans - Kansas Development Finance Authority: This is a loan program specifically designed for beginning farmers that qualify as LMI individuals. Customers are given a lower rate during the beginning stages of developing farm operations. During our evaluation period, the bank made six loans totaling \$465 thousand.
- < FmHA Guaranteed Loan Program: This loan program allows struggling farmers to obtain financing. These farmers qualify as LMI individuals. Sunflower made four loans during our evaluation period totaling \$391 thousand.
- < Beginning Farmer Loans - Farmers Home Administration (FHA): Allows beginning farmers, who qualify as LMI individuals, to purchase real estate with less down payment than normal loan programs. The down payment is 10 percent of the purchase price (in cash) compared to 30 percent for similar loans. The interest rate is also subsidized by the FHA with 30 percent of the purchase price at 4 percent interest. The bank made three loans totaling \$218 thousand during our evaluation period.

In addition to the above programs, loan officers help find options for persons with non-standard loan needs. These loans are originated and sold as B paper (loans to borrowers who exhibit characteristics indicating a significantly higher risk of default than traditional bank lending customers). During our evaluation period, loan officers have helped ten people obtain home loans, six of whom purchased homes for \$50 thousand or less.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in the Other Rural AA is consistent with the bank's overall Outstanding performance under the Lending Test.

Refer to the Tables 1 through 11 in the Appendix of this document for information to support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated ~~High~~ Satisfactory. Based on full-scope reviews, the bank's performance in the Central and Western AAs is good considering the limited opportunities available, other than monetary contributions. Community contacts were not aware of any specific community development investment vehicles. A majority of the bank's AAs consist of rural geographies where there is a lack of non-profit or community group organizations. Based on extensive information gathered by both the bank and regulators, there are no statewide or broader regional area investment vehicles available in the rural AAs. A majority of the grants provided by Sunflower help provide community services targeted to LMI individuals. Performance in the Wichita MSA AA is adequate considering it is not a major market for the bank.

During our evaluation period, the bank made 64 qualified investments and grants totaling \$152 thousand. A majority of these investments and grants are in the Central AA at 53 percent, by both number and dollar volume. The Western AA has 31 percent by number and 24 percent by dollar volume. The remaining portions are in the Wichita MSA AA.

In the Western AA, the bank was innovative in providing office space in two locations for a local tax preparer to provide assistance to LMI individuals. Other significant investments include:

- < \$34 thousand to United Way agencies that primarily benefit LMI people.
- < \$29 thousand to the Mennonite Housing Fund and its related ~~Paint the Town~~ project in the Wichita MSA AA. The fund is used to refurbish homes in LMI areas.
- < \$17 thousand to the Salina Boy Scouts (Central AA) for a program to provide computers to children who can not afford one. This donation helped provide 176 computers to LMI families with children.
- < \$12.5 thousand to help expand the local hospital in Great Bend, KS. (Western AA). Approximately 36 percent of people in Barton County are LMI. The hospital routinely provides services to LMI individuals at little or no cost. In

addition, the hospital is a source of employment for LMI people in this AA.

In addition, the bank has three qualified equity investments outstanding from the previous evaluation period totaling \$123 thousand. The bank originated the investment in Kansas Venture Capital, Inc. in 1977. The amount outstanding is \$90 thousand and continues to benefit all AAs by providing equity capital, loans, and management assistance to small businesses in the state of Kansas.

The remaining two investments benefit the Western AA and total \$33 thousand. One of the investments is in a limited liability corporation formed to build two duplexes which continue to provide housing for LMI individuals. The bank invested an additional \$6 thousand in 1999 to help build a third duplex for LMI people. The remaining investment consists of bank ownership in an economic development company that is active in assisting small businesses and helping expand existing industries.

The total dollar amount of qualified investments and grants represents 0.51 percent of Tier 1 capital as of June 30, 1999.

Refer to Table 12 - Qualified Investments in the Appendix of this document for information used to evaluate the bank's level of qualified investments.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Other Rural AA is consistent with the bank's overall High Satisfactory@ performance under the Investment Test.

Refer to the Tables 12 - Qualified Investments in the Appendix of this document for the information to support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated High Satisfactory@. Based on full-scope reviews, the bank's

performance in the Central and Western AA's is excellent. Delivery systems are accessible to geographies and individuals of different income levels. The level of community development services provided by bank employees is high and related to needs of the bank's AA population. The bank has not taken a leadership position in providing community development services. Performance in the Wichita MSA AA is adequate.

### **Retail Banking Services**

Sunflower's delivery systems are accessible to geographies and individuals of different income levels within its AA's. The bank has full-service branches in 13 communities across central and western Kansas. The total number of branches located in the Central, Western, and Wichita MSA AAs is five, seven, and three, respectively. There is one branch located in a moderate-income geography. Hours of operation are flexible and vary based on customer needs. All drive-up facilities offer extended hours from Monday through Saturday. Sunflower has one supermarket location in the Western AA which provides an added convenience to customers and is open until 8:00 P.M. on Monday to Friday and 5:00 P.M. on Saturday. During our evaluation period, the bank opened one branch in the Wichita MSA AA in June 1999. Sunflower has not closed any branches since the last CRA examination.

The bank has 28 automated teller machines (ATMs) in its AA's. The total number of ATMs located in Central, Western, and Wichita MSA AAs is eleven (5 deposit-taking), five (2 deposit-taking), and four (3 deposit-taking), respectively. Five ATMs in the Central AA and one ATM in the Wichita MSA AA are located in moderate-income geographies.

A bilingual teller is located at a Salina office in the Central AA to assist Spanish speaking customers who are primarily LMI individuals.

Sunflower provides toll-free telephone banking to all customers.

Through this system, customers are able to access accounts, check balances, make loan payments, and transfer money. The bank has a home page on the Internet describing product and service offerings. We could not place significant weight on these alternative delivery systems when drawing our CRA conclusions since no data was available regarding the effectiveness of delivering these services in LMI geographies and to LMI individuals.

Refer to Table 13 - Distribution of Branch and ATM Delivery System in the Appendix of this document for information used to evaluate the distribution of the bank's branch and ATM delivery system.

### **Community Development Services**

Sunflower has provided a high level of community development services considering the limited opportunities in the Central and Western AAs. Based on community contact information, services needed include financial planning and credit counseling.

Services provided in all AAs include:

- < Personal checking account with no minimum balance requirements, service charges, or limits on check writing.
- < Small business checking account with no minimum balance requirements, per check/deposited item charges, or service charges. This account is also available to nonprofit and civic organizations.
- < Savings program for children twelve and younger.

Services provided in individual markets include:

- < The bank submitted Federal Home Loan Bank applications for matching grants to benefit community development organizations in the Central AA. The grants were approved and each organization received \$250.
- < A lender serves on the Board of a health care foundation in the Central AA. The foundation provides free physicals to LMI individuals and conducts educational meetings for children about drugs, diets, etc. The lender reviews applications for financial aid and assists with the budget.
- < A branch President is advisory director of a small business association. His responsibilities include reviewing applications and helping small businesses obtain financing.

- < A loan officer gave a consumer loan presentation to college students. These students were wives of low-ranking enlisted soldiers who qualify as LMI individuals. The loan officer discussed how to apply for a loan and how to maintain a clean credit bureau report.
- < A branch President serves on the Board of an economic development organization. He reviews financial information on small businesses trying to relocate to the area.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Other Rural AA is consistent with the bank's overall High Satisfactory performance under the Service Test. Seven branches and eight ATMs are located in the AA. Hours are flexible and there are two supermarket locations. One branch and one ATM is located in a moderate-income area. Bilingual tellers are located at three offices in Dodge City to assist Spanish speaking customers.

Refer to Table 13 - Distribution of Branch and ATM Delivery System in the Appendix of this document for information supporting 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 nonmetropolitan 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@**).

<b>Time Period Reviewed</b>	Lending Test: HMDA and CRA Data - January 1, 1997 to December 31, 1998. Community Development Loans and Innovative/Flexible Loan Products - August 4, 1997 to September 20, 1999 Investment Test: Service Test: August 4, 1997 to September 20, 1999	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Sunflower Bank, N.A. (Sunflower) Salina, Kansas	HMDA and CRA Data, Community Development Loans, Investments, and Services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not applicable		
List of Assessment Areas and Type of Examination		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Wichita MSA #9040 Central	Full-Scope Full Scope	Includes entire Wichita MSA Includes Saline and McPherson Counties
Western	Full Scope	Includes Barton, Osborne, Russell, and Ellis Counties
Other Rural	Limited Scope	Includes Thomas, Ford, Geary, Riley, and one census tract in Pottawatomie County

# Appendix B: Market Profiles for Full-Scope Areas

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<b>Market Profiles for Areas Receiving Full-Scope Reviews</b>	
Wichita AA .....	B-2
Central .....	B-3
Western .....	B-4



**Wichita MSA**

Demographic Information for Full-Scope Area: Wichita MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	118	8.47%	21.19%	54.24%	16.10%	0.00%
Population by Geography	485,270	5.44%	17.21%	57.37%	19.99%	0.00%
Owner-Occupied Housing by Geography	121,606	3.27%	13.83%	60.63%	22.28%	0.00%
Businesses by Geography	17,260	8.15%	24.40%	48.95%	18.51%	0.00%
Farms by Geography	525	2.29%	7.05%	71.24%	19.43%	0.00%
Family Distribution by Income Level	131,435	18.22%	18.32%	25.69%	37.77%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	131,435	4.66%	15.90%	58.49%	20.94%	0.00%
Median Family Income	\$35,931	Median Housing Value		=\$57,805		
HUD Adjusted Median Family Income for 1998	\$50,700	*Unemployment Rate (July 1999)		= 3.7%		
Households Below the Poverty Level	10.71%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

\* Kansas Labor Market Information

This AA includes the entire Wichita MSA. The percentage of the bank's deposits and evaluation period loan originations in this AA is 9 percent and 14 percent, respectively. Market share is not significant. There are three branches and four ATMs in the Wichita MSA AA. Economic conditions are good. Service, manufacturing, and retail industries are major employers. Based on our review of five community contacts made within the last year, primary credit needs are affordable housing and small business loans that benefit LMI people and geographies.

**Central**

Demographic Information for Full-Scope Area: (Name of MSA or Nonmetropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	19	0.00%	15.79%	42.11%	42.11%	0.00%
Population by Geography	76,569	0.00%	18.48%	40.00%	41.52%	0.00%
Owner-Occupied Housing by Geography	20,699	0.00%	14.00%	39.35%	46.65%	0.00%
Businesses by Geography	3,159	0.00%	38.43%	35.80%	25.77%	0.00%
Farms by Geography	178	0.00%	13.48%	46.07%	40.45%	0.00%
Family Distribution by Income Level	21,056	13.44%	16.93%	23.85%	45.78%	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	21,056	0.00%	16.31%	39.43%	44.26%	0.00%
Median Family Income =		Median Housing Value =	\$45,2			
HUD Adjusted Median Family Income for 1998 =	\$28,068	*Unemployment Rate (July 1999) =	31			
Households Below the Poverty Level =	\$38,700		2.9%			
	= 10.9%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

\* Kansas Labor Market Information

This AA includes the contiguous Counties of Saline and McPherson. The percentage of the bank's deposits and evaluation period loan originations in this AA is 32 percent and 30 percent, respectively. Market share rankings are either first or second in home purchase, home improvement, home mortgage refinance, small business, and small farm loan originations. There are five branches and eleven ATMs in the Central AA. Economic conditions are good. Service, manufacturing, and retail industries are major employers. Based on our review of two community contacts made within the last year, primary credit needs are affordable housing and small business loans that benefit LMI people and geographies.

**Western**

Demographic Information for Full-Scope Area: (Name of MSA or Nonmetropolitan Area)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	18	0.00%	16.67%	72.22 %	11.11 %	0.00%
Population by Geography	68,088	0.00%	12.41%	72.92 %	14.67 %	0.00%
Owner-Occupied Housing by Geography	19,030	0.00%	9.69%	75.98 %	14.33 %	0.00%
Businesses by Geography	3,263	0.00%	16.46%	72.42 %	11.12 %	0.00%
Farms by Geography	214	0.00%	9.35%	86.45 %	4.21%	0.00%
Family Distribution by Income Level	18,494	17.86 %	18.78%	23.56 %	39.80 %	0.00%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	18,494	0.00%	10.22%	74.85 %	14.93 %	0.00%
Median Family Income	= \$28,068	Median Housing Value		=\$38,7		
HUD Adjusted Median Family Income for 1998	= \$38,700	*Unemployment Rate (July 1999)		11		
Households Below the Poverty Level	= 14.99%			= 2.5%		

Source: 1990 U.S. Census and 1998 HUD updated MFI.  
 \* Kansas Labor Market Information

This AA includes the contiguous Counties of Barton, Ellis, Osborne, and Russell. The cities within this AA are Ellinwood/Great Bend (Barton) and Hays/Victoria (Ellis). The percentage of the bank's deposits and evaluation period loan originations in this AA is both 33 percent, respectively. Market share rankings are either first or second in home purchase, home improvement, home mortgage refinance, small business, and small farm loan originations. There are seven branches and five ATMs in the Central AA. Economic conditions are declining in Barton and Russell Counties due to industry mergers and low oil and agriculture prices. The economy in Ellis County is good. Service, manufacturing, and retail industries are major employers in the AA. Based on our review of five community contacts made within the last year, primary credit needs are affordable housing, agriculture and loans to manufacturing businesses.



## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

The tables cover the entire CRA evaluation period. 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; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.

**Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated 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 rank and market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations** - See Table 2.

**Table 4. Geographic Distribution of HMDA Refinance Loan Originations** - See Table 2.

**Table 5. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated 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 rank and market share information based on the most recent aggregate market data available.

**Table 6. Geographic Distribution of Small Farm Loan Originations**

- The percentage distribution of the number of small loans (<\$500,000) to farms originated 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 rank and market share information based on the most recent aggregate market data available.

**Table 7. Borrower Distribution of HMDA Home Purchase Loan Originations**

- Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8. Borrower Distribution of HMDA Home Improvement Loan Originations** - See Table 7.

**Table 9. Borrower Distribution of HMDA Refinance Loan Originations** - See Table 7.

**Table 10. Borrower Distribution of Small Business Loan Originations**

- Compares the percentage distribution of the number of small loans (<\$1 million) originated 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. The table also presents the percentage distribution of the number of loans originated 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 11. Borrower Distribution of Small Farm Loan Originations**

- Compares the percentage distribution of the number of small loans (<\$500 thousand) originated 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. The table also presents the percentage distribution of the number of loans originated 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 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

**Table 13. Distribution of Branch and ATM Delivery System** -  
Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

**Table 1. Lending Volume**

LENDING VOLUME		State: KANSAS 20, 1999						Evaluation Period: AUGUST 4, 1997 TO SEPTEMBER				
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
Wichita MSA	8.58%	276	\$27,098	490	\$44,114	6	\$350	2	\$5,160	774	\$76,722	13.73%
Central	30.41%	1,267	\$73,812	298	\$33,584	237	\$9,395	2	\$5,851	1,804	\$122,642	32.00%
Western	32.84%	619	\$27,797	673	\$33,884	574	\$17,269	2	\$5,200	1,868	\$84,150	33.14%
Limited-Scope:												
Other Rural	28.17%	461	\$25,152	484	\$35,359	244	\$13,427	2	\$6,040	1,191	\$79,978	21.13%




**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE										State: KANSAS					Evaluation Period:	
AUGUST 4, 1997 TO SEPTEMBER 20, 1999																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all Market Rank *	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Over all	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Wichita MSA	3.27%	0.67%	13.83%	6.71%	60.63%	46.98%	22.28%	45.64%	**	< 1%	<1%	<1%	<1%	0.75%	149	15%
Central	0.00%	0.00%	14.00%	17.21%	39.35%	28.60%	46.65%	54.19%	2	26%	NA	25%	22%	29%	430	43%
Western	0.00%	0.00%	9.69%	14.17%	75.98%	59.58%	14.33%	26.25%	1	27%	NA	35%	27%	23%	240	24%
Limited-Scope:																
Other Rural	0.24%	5.29%	8.83%	12.35%	51.28%	47.65%	39.65%	34.71%	5	7%	30%	8%	8%	5%	170	17%



**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT																
										State: KANSAS			Evaluation Period:			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all Market Rank *	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Over all	Low	Mo d	Mid	Upp	#	% of Total
Full-Scope:																
Wichita MSA	3.27%	9.09%	13.83%	16.36%	60.63%	47.27%	22.28%	27.27%	21	1%	6%	2%	<1%	1%	55	9%
Central	0.00%	0.00%	14.00%	13.36%	39.35%	22.27%	46.65%	64.37%	1	50%	0%	48%	36%	58%	247	41%
Western	0.00%	0.00%	9.69%	8.47%	75.98%	73.02%	14.33%	18.52%	1	63%	0%	50%	64%	64%	189	31%
Limited-Scope:																
Other Rural	0.24%	3.51%	8.83%	10.53%	51.28%	52.63%	39.65%	33.33%	1	31%	100%	25%	36%	23%	114	19%

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(\*) Based on 1997 Aggregate HMDA Data only.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE										State: KANSAS					Evaluation Period:				
AUGUST 4, 1997 TO SEPTEMBER 20, 1999																			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all Market Rank *	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Over all	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
Wichita MSA	3.27%	1.39%	13.83%	12.50%	60.63%	38.89%	22.28%	47.22%	**	<1%	<1%	<1%	<1%	<1%	72	7%			
Central	0.00%	0.00%	14.00%	11.19%	39.35%	18.98%	46.65%	69.83%	2	28%	0%	30%	19%	31%	590	57%			
Western	0.00%	0.00%	9.69%	14.74%	75.98%	57.37%	14.33%	27.89%	1	23%	0%	36%	23%	18%	190	18%			
Limited-Scope:																			
Other Rural	0.24%	3.95%	8.83%	7.91%	51.28%	45.20%	39.65%	42.94%	2	9%	0%	11%	8%	9%	177	17%			


(\*) Based on 1997 Aggregate HMDA Data only.

\*\* not ranked in the top 25

**Table 5. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS																State: KANSAS		Evaluation Period:	
AUGUST 4, 1997 TO SEPTEMBER 20, 1999																			
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all Market Rank *	Market Share by Geography*					Total Small Business Loans				
	% of Busines sses	% BANK Loans	% of Busine sses	% BANK Loans	% of Busine sses	% BANK Loans	% of Busine sses	% BANK Loans		Over all	Lo w	Mod	Mid	Up p	#	% of Tot al			
Full-Scope:																			
Wichita MSA	8.15%	5.71%	24.40%	11.22 %	48.95%	24.90 %	18.51%	58.16 %	7	5%	3%	2%	3%	9%	490	25%			
Central	0.00%	0.00%	38.43%	37.92 %	35.80%	17.79 %	25.77%	44.30 %	2	17%	0%	18%	12%	19 %	298	15%			
Western	0.00%	0.00%	16.46%	11.00 %	72.42%	79.79 %	11.12%	9.21%	1	32%	0%	18%	37%	20 %	673	35%			
Limited-Scope:																			
Other Rural	0.35%	0.00%	27.44%	6.61%	46.50%	45.87 %	25.70%	47.52 %	2	20%	0%	5%	19%	35 %	484	25%			



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(\*) Based on 1997 Aggregate Small Business Data only.

**Table 6. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM																
State: KANSAS										Evaluation Period: AUGUST						
4, 1997 TO SEPTEMBER 20, 1999																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all Market Rank *	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Over all	Lo w	Mod	Mid	Up p	#	% of Tot al
Full-Scope:																
Wichita MSA	2.29%	0.00%	7.05%	16.67 %	71.24%	83.33 %	19.43%	0.00%	9	0.28 %	0%	33%	0%	0%	6	1%
Central	0.00%	0.00%	13.48%	2.53%	46.07%	6.75%	40.45%	90.72 %	2	29%	0%	36%	8%	33 %	237	22%
Western	0.00%	0.00%	9.35%	16.55 %	86.45%	77.87 %	4.21%	5.57%	1	39%	0%	41%	41%	19 %	574	54%
Limited-Scope:																
Other Rural	0.45%	0.00%	4.50%	1.23%	70.27%	81.97 %	24.77%	16.80 %	3	20%	0%	0%	26%	10 %	244	23%



**Table 7. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE										State: KANSAS					Evaluation Period:	
AUGUST 4, 1997 TO SEPTEMBER 20, 1999																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all Market Rank **	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans		Over all	Low	Mod	Mid	Up p	#	% of Total
Full-Scope:																
Wichita MSA	18.22%	4.70%	18.32%	10.74%	25.69%	25.50%	37.77%	59.06%	***	<1%	<1%	<1%	<1%	1%	149	15%
Central	13.44%	6.98%	16.93%	16.74%	23.85%	29.07%	45.78%	47.21%	2	26%	34%	34%	28%	30%	430	43%
Western	17.86%	8.33%	18.78%	15.83%	23.56%	25.00%	39.80%	50.83%	1	27%	39%	39%	30%	33%	240	24%
Limited-Scope:																
Other Rural	18.27%	4.71%	20.77%	16.47%	22.36%	25.29%	38.60%	53.53%	5	7%	8%	5%	7%	12%	170	17%



**Table 8. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HOME IMPROVEMENT										State: KANSAS					Evaluation Period: AUGUST	
4, 1997 TO SEPTEMBER 20, 1999																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all Market Rank **	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans		Over all	Lo w	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Wichita MSA	18.22%	21.82%	18.32%	30.91%	25.69%	20.00%	37.77%	27.27%	21	1%	3%	2%	1%	<1%	55	9%
Central	13.44%	8.10%	16.93%	17.00%	23.85%	24.70%	45.78%	50.20%	1	50%	50%	49%	51%	51%	247	41%
Western	17.86%	14.29%	18.78%	15.87%	23.56%	27.51%	39.80%	42.33%	1	63%	59%	73%	48%	69%	189	31%
Limited-Scope:																
Other Rural	18.27%	4.39%	20.77%	16.67%	22.36%	22.81%	38.60%	56.14%	1	31%	17%	43%	27%	31%	114	19%

(\*\*)Based on 1997 Aggregate HMDA Data only.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HOME MORTGAGE REFINANCE										State: KANSAS					Evaluation Period:	
AUGUST 4, 1997 TO SEPTEMBER 20, 1999																
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all Market Rank **	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans		Over all	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
Wichita	18.22%	5.56%	18.32%	12.50%	25.69%	20.83%	37.77%	61.11%	***	<1%	<1%	<1%	<1%	<1%	72	7%
Central	13.44%	3.05%	16.93%	15.76%	23.85%	22.20%	45.78%	58.98%	2	28%	27%	30%	26%	29%	590	57%
Western	17.86%	2.63%	18.78%	14.21%	23.56%	21.58%	39.80%	61.58%	1	23%	10%	32%	20%	26%	190	18%
Limited-Scope:																
Other Rural	18.27%	6.21%	20.77%	10.17%	22.36%	18.64%	38.60%	64.97%	2	9%	20%	14%	10%	11%	177	17%



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(\*\*)Based on 1997 Aggregate HMDA Data only.  
\*\* not ranked in the top 25

**Table 10. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS Period: AUGUST 4, 1997 TO SEPTEMBER 20, 1999			State: KANSAS					Evaluation			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans			
	% of Business es*	% BANK Loans	% Market Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
Wichita	73.48%	56.12%	54.68%	73%	20%	8%	4.54%	4.67%	490	25%	\$90
Central	72.46%	78.19%	41.75%	75%	13%	13%	17.14%	27.42%	298	15%	\$113
Western	77.08%	92.57%	50.91%	89%	8%	4%	32.28%	45.79%	673	35%	\$50
Limited-Scope:											
Other Rural	75.15%	85.12%	67.80%	83%	11%	7%	20.38%	23.28%	484	25%	\$73


(\*) As a percentage of businesses with known revenues.

(\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*) Based on 1997 Aggregate Small Business Data only.

**Table 11. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM AUGUST 4, 1997 TO SEPTEMBER 20,1999			State: KANSAS				Evaluation Period:				
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans	% Market Loans* **	\$100,00 0 or Less	>\$100,00 0 to \$250,000	>\$250,0 00 to \$500,00 0	All	Rev \$1 millio n or less	#	% of Total	Avg Loan Size
Full-Scope:											
Wichita MSA	95.43%	100.00 %	87.81%	83.30%	16.70%	0.00%	0.28 %	0.31%	6	1%	\$58
Central	91.01%	85.53%	91.42%	90.30%	9.30%	0.40%	28.6 9%	24.82%	237	22%	\$40
Western	95.33%	96.34%	78.07%	92.90%	7.00%	0.20%	39.1 2%	44.57%	574	54%	\$30
Limited-Scope:											
Other Rural	90.09%	96.31%	91.04%	87.30%	9.80%	2.90%	20.0 6%	20.85%	244	23%	\$55

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(\*) As a percentage of farms with known revenues.

(\*\*) The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*) Based on 1997 Aggregate Small Farm Data only.

*(The % columns should add Across@for Prior Period and Current Period and Down@for Total. For example, for Central, Prior Period % would 53%, Current period would be 47% and Total would be 51%.)*

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS TO SEPTEMBER 20, 1999		State: KANSAS			Evaluation Period: AUGUST 4, 1997				
MSA/Assessment Areas:	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$s
Full-Scope:									
Wichita MSA	0	\$0	0%	10	\$35	17%	10	\$35	10%
Central	1	\$90	73%	34	\$81	38%	35	\$171	51%
Western	2	\$33	27%	20	\$37	17%	22	\$70	21%
Limited-Scope:									
Other Rural	0	\$0	0%	31	\$60	28%	31	\$60	18%

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(\*) APrior Period Investments@means investments made in a previous evaluation period that remain outstanding.  
(\*\*) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM AUGUST 4, 1997 TO SEPTEMBER 20, 1999								State: KANSAS				Evaluation Period:					
MSA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Wichita MSA	9%	3	14%	0%	0%	33%	67%	4	14%	0%	25%	25%	50%	5%	17%	57%	20%
Central	30%	5	23%	0%	20%	20%	60%	11	39%	0%	45%	27%	27%	0%	18%	40%	42%
Western	33%	7	32%	0%	0%	100%	0%	5	18%	0%	0%	80%	20%	0%	12%	73%	15%
Limited-Scope:																	
Other Rural	28%	7	32%	0%	14%	43%	43%	8	29%	0%	13%	37%	50%	3%	23%	44%	30%



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