



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 19, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Emprise Bank, National Association
Charter Number 6120**

**104 East Grand
Hillsboro, Kansas 67063-0065**

**Office of the Comptroller of the Currency
Wichita Duty Station
3450 N. Rock Road, Suite 505
Wichita, Kansas 67226**

NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Emprise Bank, National Association** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of November 19, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

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

The bank's loan-to-deposit ratio is good, with a majority of loans being made within its assessment area. The bank lends to borrowers of different income levels.

The following table indicates the performance level of Emprise Bank, N.A. with respect to each of the five performance criteria.

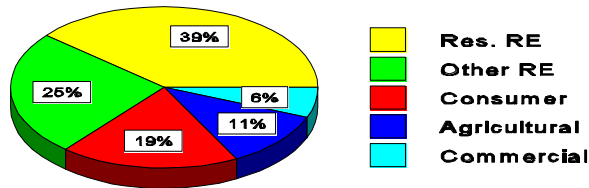
SMALL INSTITUTION ASSESSMENT CRITERIA	EMPRISE BANK, N.A. PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio		X	
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

Emprise Bank, N.A., a \$69 million financial institution, is one of 13 banks headquartered in Marion, Morris, or Douglas counties.

Loan Portfolio Composition

As of June 30, 1996



Emprise Bank has its main office in Hillsboro with one branch in Council Grove and two in Lawrence. Emprise Financial Corporation owns 100% of Emprise Bank, N.A.'s common stock. Emprise Bank is a full service bank and offers a variety of loan products with an emphasis on real estate. As of June 30, 1996, residential real estate loans accounted for 39% of the bank's \$51 million loan portfolio. Other real estate loans accounted for 25%. Consumer loans represented 19% of the loan portfolio, with agricultural and commercial loans totaling

11% and 6%, respectively.

The bank's financial condition, size, local economic conditions, and other factors allow it to help meet community credit needs. The bank opened one of its two branches in Lawrence since the previous examination, and has not closed any branches in that period. At the last Community Reinvestment Act examination dated June 30, 1992, Emprise Bank received a satisfactory rating.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of all of Morris and parts of Marion and Douglas counties. The assessment area includes block numbering areas (BNAs) 9896 in Marion county and 9836 and 9837 in Morris county. The area also contains census tracts 1 through 6, 7.97, 7.98, and 8 through 10 in the Lawrence Metropolitan Statistical Area (MSA) in Douglas county. The assessment area contains one low-income and two moderate-income census tracts. All three tracts are included in the Lawrence MSA. The low-income census tract contains the University of Kansas campus and student housing. The two moderate-income census tracts consist primarily of student housing. The assessment area also consists of five census tracts and three BNAs designated as middle-income and three upper-income census tracts. The assessment area complies with the regulation and does not arbitrarily exclude any low- or moderate-income areas.

Marion and Morris county are located in central Kansas. The assessment area within these two counties have a population of nearly 10,000. Hillsboro, population approximately 2,700, is 50 miles north of Wichita. Council Grove is about 50 miles northeast of Hillsboro and has

a population of 2,500. The local economy is dominated by agriculture with reliance on wheat and cattle production. Several area banks provide moderate competition.

The Lawrence MSA, which is not adjacent to the other two counties, is located in eastern Kansas. The eleven census tracts included in the assessment area have a total population of about 67,000. The city of Lawrence has a population of 75,000. Lawrence is located 40 miles west of Kansas City. The local economy is dominated by the University of Kansas. Lawrence is a rapidly growing community because of the university and proximity to Kansas City. Competition for banking business is strong due to the presence of several local banks.

Of all households in the assessment area, 2% are low-income, 18% are moderate-income, 56% are middle-income, and 24% are upper-income. The Kansas statewide nonmetropolitan median family income is \$34,300 for 1996. The metropolitan median family income is \$43,800.

Examiners made one community contact in Hillsboro and four in Lawrence. The contacts stated local financial institutions are meeting the communities' credit needs.

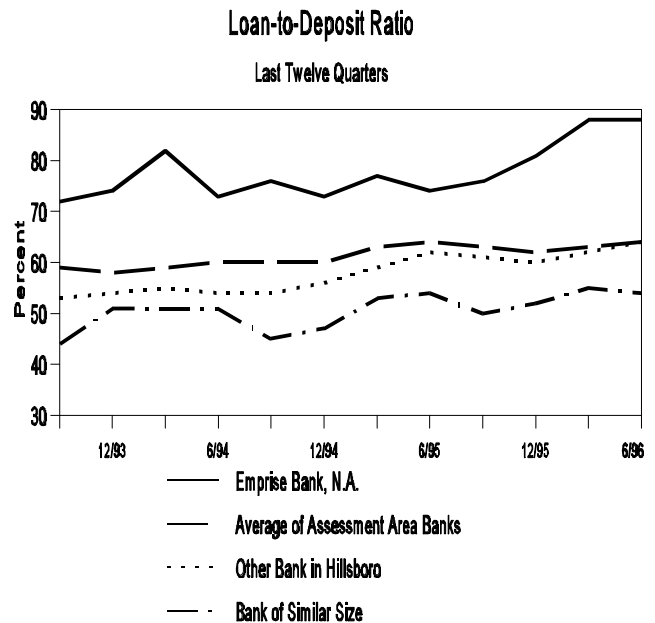
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan-to-Deposit Ratio

The bank's lending level is good compared to other banks in the assessment area. The bank's average loan-to-deposit ratio over the last 12 quarters is 78%. Emprise Bank's ratio has steadily increased to its current 88%. The bank's loan-to-deposit ratio increased every quarter since June 30, 1995, when the loan-to-deposit ratio equaled 74%. This compares favorably to the average loan-to-deposit ratio of 61% for the other seven banks headquartered within the assessment area.

Average loan-to-deposit ratios for other banks in the assessment area range from 43% to 82% over the same 12 quarter time period. The other bank headquartered in Hillsboro has a lower average loan-to-deposit ratio, 58%. Emprise Bank's average loan-to-deposit ratio is also higher than the only other bank in the assessment area of similar size, which has an average loan-to-deposit ratio of 51%.

Lending in Assessment Area



Emprise Bank extends a majority of its loans within the assessment area. Examiners reviewed the bank's plotting of loans and information gathered on the Home Mortgage Disclosure Act Loan/Application Register. Examiners verified the accuracy of this information. This information indicates 76% of real estate loans made in 1995 and 80% made through September 30, 1996, were within the assessment area.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The bank makes loans to borrowers of different incomes. Based on all residential real estate loans made during the first nine months of 1996, the bank lends to borrowers of various income levels and does not arbitrarily exclude any group of applicants. Of the nearly 29,000 households in the assessment area, 2% are low-income and 18% are moderate-income. Below is a breakdown of the bank's residential real estate originations by income level.

Household Income	Number of Loans made in 1996	Percent of Originations	Percent of Households
Low-income	9	8%	2%
Moderate-income	14	12%	18%
Middle-income	33	28%	56%
Upper-income	60	52%	24%
TOTAL	116	100%	100%

Geographic Distribution of Loans

The bank's geographic distribution of loans is reasonable. The bank does not arbitrarily exclude any low- or moderate-income areas. Low-income tracts comprise 7% of the census tracts and BNAs in the assessment area, and moderate-income tracts total 14%. The bank made 4% of its residential real estate loans in moderate-income census tracts in 1995. Two percent of the originations made during the first nine months of 1996 also fall in these areas. Emprise Bank has not made any residential real estate loans in the low-income census tract because the tract consists of the University of Kansas campus and student housing. The moderate-income tracts is also predominately student housing. Historically, university students have not been active borrowers. Emprise Bank's ability to lend to these areas is further limited by the presence of a local bank that targets students of the university.

Compliance with Anti-Discrimination Laws and Regulations

Based on our review, the bank is in compliance with all provisions of antidiscrimination laws and regulations. Examiners found no evidence of disparate treatment.

