



## **PUBLIC DISCLOSURE**

November 19, 2018

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank of Kansas  
Charter Number 6101  
600 N. 4<sup>th</sup> Street  
Burlington, KS 66839

Office of the Comptroller of the Currency  
7101 College Boulevard, Suite 1600  
Overland Park, KS 66210

**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

The Lending Test is rated: **Satisfactory**.

The major factors supporting this rating are:

- First National Bank of Kansas' (FNBK or bank) LTD ratio is reasonable.
- A majority of loans by number are made to borrowers within the bank's assessment areas (AAs).
- FNBK has an overall excellent record of lending to borrowers of different incomes.

## 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 metropolitan area/AA.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. CT boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. CTs generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. CTs 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(s).

**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 householder 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 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement, and refinances, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing, and one-to-four family dwellings other than manufactured housing.

**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 metropolitan/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The MSA comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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 MA. 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 MA, the institution will receive a rating for the multi-state MA.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**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 1 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Description of Institution

FNBK is a single-state financial institution with total assets of \$84.7 million as of June 30, 2018. The bank is a wholly owned subsidiary of Meader Insurance Agency, Inc., a holding company with \$6.8 million in total assets. The bank has no affiliates requiring consideration for CRA activities.

FNBK is headquartered in Burlington, Kansas, with two additional full service branches in Waverly, Kansas, and Osage City, Kansas. Each location has a drive-through facility and a non-deposit automated teller machine (ATM). FNBK also offers the additional service of internet banking and two offsite, non-deposit ATMs in Coffee County. The bank did not open or close any branches during the evaluation period.

As of June 30, 2018, the net loan portfolio totaled \$22.9 million or 27.1 percent of total assets with deposits totaling \$72.8 million. FNBK's loan portfolio composition by dollar amount is 57.17 percent real estate loans, 18.1 percent commercial loans, 14.2 percent agriculture loans, and 6.96 percent consumer loans. Tier 1 capital is \$7.3 million.

FNBK has two AAs within the State of Kansas. The AAs are Coffey County and Osage County. Osage County is included in the Topeka MSA #45820. According to the FDIC Deposit Market Share Report, FNBK ranks third out of the four institutions in the Coffey County AA, with a market share of 19.34 percent. The top three banks in the AA have a combined market share of 87.58 percent. The primary competitors in the AA are community banks including The Farmers State Bank of Aliceville, KS; The Citizens State Bank; and Central National Bank. FNBK ranks seventh out of seven institutions in the Osage County AA with a market share of 3.07 percent. The top five banks in the AA have a combined market share of 89.9 percent. The primary competitors in the AA are community banks including Flint Hills Bank; The Lyndon State Bank; The Kansas State Bank, Overbrook, Kansas; First Security Bank; and Landmark National Bank.

There are no legal, financial, or other factors impeding FNBK's ability to meet the credit needs of its AA. FNBK received a "Satisfactory" rating at the previous CRA examination dated October 16, 2013.



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated FNBK's CRA performance under the small bank procedures. The evaluation period was January 1, 2015 through December 31, 2017. Greater weight for the evaluation period is placed on the Coffey County AA due to the greater number of branches, including the main bank, the greater number of loans originated in the AA, and the significantly greater proportion of bank deposits located in this AA. For the evaluation period, 89.9 percent of the bank's deposits and 90 percent of FNBK's loans are located in the Coffey County AA.

### **Coffey County AA**

For the period from January 1, 2015 through December 31, 2016, FNBK's primary products by number and dollar are consumer and commercial loans, respectively. We analyzed a sample of 30 loans each for consumer and commercial loans in the Coffee County AA.

For the period from January 1, 2017 through December 31, 2017, FNBK's primary products, by number and dollar, are consumer and agricultural loans, respectively. We analyzed a sample of 30 loans each for consumer and agriculture loans.

### **Osage County AA**

For the period from January 1, 2015 through December 31, 2016, FNBK had an insufficient number of loans within the Osage County AA to sample. FNBK's primary products during this period, by number and dollar, are consumer and commercial loans, respectively.

For the period from January 1, 2017 through December 31, 2017, the primary products by number and dollar amount are consumer and agricultural loans, respectively. We analyzed a sample of 21 consumer loans. The AA had insufficient agriculture loans by number to test for the period.

### **Data Integrity**

This evaluation was based on accurate data. FNBK is not required to collect and maintain data on consumer, commercial, or agricultural loans. Therefore, we utilized random sampling to obtain data on these loans, including income and geographic data.

FNBK received a data integrity review in 2018 for HMDA reporting purposes; however, 1-4 family residential real estate was not a primary product by dollar or number for either AA for the evaluation period.

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

FNBK has two AAs, both of which received a full-scope review. Refer to Appendix A for details.

### **Ratings**

FNBK's overall rating is based primarily on the full-scope review of the Coffey County AA.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR§25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

FNBK’s performance under the Lending Test is rated Satisfactory. Lending volumes are reasonable given the bank’s size and financial condition. A majority of loans are originated inside the AAs. The overall borrower distribution of loans is excellent.

#### Loan-to-Deposit Ratio

FNBK’s quarterly LTD ratio is reasonable given the bank’s size, financial condition, significant market competition, and lending population available to serve. We calculated the quarterly LTD ratio on a bank-wide basis, which averaged 31.3 percent since the last CRA examination. This compares to a quarterly net LTD ratio for similarly situated banks of 53.8 percent. The other banks had quarterly average net LTD ratios ranging from 36.2 percent to 74.8 percent.

FNBK originates 1-4 family residential real estate loans that are sold to the Federal Home Loan Bank (FHLB) under the Mortgage Partnership Finance (MPF) program. These loans are originated at the bank and then sold to the FHLB with the bank retaining servicing of the loans. This decreases the volume of loans included in the bank’s assets. Additionally, FNBK holds public funds from local governmental entities, which increases deposits significantly. Both of these factors affect the bank’s LTD. Adjusting the average LTD to include MPF loans and exclude public funds from deposits results in an LTD of 45.2 percent.

The significant number of small-dollar consumer loans also impact loan volumes. Consumer loans represent 45.6 percent of loans originated by number; however, these loans account for only 7.6 percent of the dollars lent. FNBK is actively increasing its lending activity in both of its AAs. In the Coffey County AA, almost the same number of loans were originated in calendar year 2017 as in 2015 and 2016 combined.

#### Lending in Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Consumer	57	70.4	24	29.6	81	606	70.1	258	29.9	864
Small Business	15	50.0	15	50.0	30	1,133	30.5	2,580	69.7	3,713
Small Farm	19	63.3	11	36.7	30	2,187	63.7	1,246	36.3	3,433
<b>Total</b>	91	64.5	50	35.4	141	3,926	49.0	4,084	51.0	8,010

*Source: 01/01/2015-12/31/2017 Bank Data  
Due to rounding, totals may not equal 100.0*

FNBK originated a majority of loans, by number, inside the AAs. FNBK originated a majority of consumer loans and small farm loans by number and dollar amount inside the AAs. Small business loans are the largest segment by dollar amount, and a majority were originated outside the AAs. FNBK purchases participations from banks that are outside the AA. These loans are generally larger by dollar relative to what the bank is able to originate within the AAs.

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

The overall borrower distribution of loans is excellent. The distribution of consumer loans reflects an overall excellent penetration. The distribution of loans to small businesses and small farms both reflect an overall excellent penetration.

Greater weight was placed on consumer lending, which represents a majority of the bank's lending activity by number. We also gave greater weight to the bank's performance in the Coffey County AA due to the significantly greater lending activity in the AA with 90 percent of FNBK's lending for 2015-16 and 2017 occurring in this AA.

#### Coffey County/Non-MSA AA

##### *Loans to Small Businesses*

Based on data in Table R and the following performance context considerations, we concluded the borrower distribution of loans to small businesses reflects excellent penetration.

FNBK's percentage of loans to businesses with revenues of \$1 million or less within the AA for 2015-2016 is 93.33 percent, significantly exceeding demographic and aggregate data and reflects excellent penetration. Refer to Table R in Appendix C for details.

##### *Consumer Loans*

Based on data in Table V and the following performance context considerations, we concluded the borrower distribution of consumer loans reflects excellent penetration.

In 2015-2016, performance to low-income borrowers is excellent. The percentage of loans to low-income borrowers significantly exceeded the percentage of such households in the AA and is excellent. The distribution of consumer loans to moderate-income borrowers is poor with lending below demographics. FNBK faces significant competition within the AA with a population of 8,458 and three other financial institutions competing for borrowers. The household poverty level in the AA is at 9.8 percent limiting the ability of these individuals to have funds available for borrowing. FNBK makes a significant number of small dollar loans within its AAs with 42 percent of consumer loans at less than \$5,000 for the evaluation period to meet the needs of the communities served. The bank's performance in 2017 was consistent with performance noted in 2015-2016 with loans to low-income borrowers significantly exceeding demographics for both low- and moderate-income borrowers.

### *Loans to Small Farms*

Based on data in Table T and the following performance context considerations, we concluded the borrower distribution of loans to small farms reflects excellent penetration.

FNBK's percentage of loans to farms with revenues of \$1 million or less within the AA for 2017 reflects excellent penetration with lending near the demographics of 99.1 percent and significantly exceeding aggregate loan data. Refer to Table T in Appendix C for details.

### Osage County MSA AA

#### *Consumer Loans*

Based on data in Table V and the following performance context considerations, we concluded the borrower distribution of consumer loans reflects reasonable penetration.

In 2017, performance to low-income borrowers is excellent. The percentage of loans to low-income borrowers significantly exceeded the percentage of such households in the AA and is excellent. The distribution of consumer loans to moderate-income borrowers is poor with lending below demographics. Households below the poverty level total 12.1 percent, which affects the bank's ability to lend. Significant competition exists within this AA with FNBK ranking seventh out of seven institutions in market share.

### **Geographic Distribution of Loans**

An analysis of the geographic distribution of loans is not meaningful. There are no low- or moderate-income census tracts in either of FNBK's AAs.

### **Responses to Complaints**

FNBK did not receive any written complaints relating to its CRA performance during the evaluation period.

## Appendix A: Scope of Examination

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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 (excludes CD loans): (January 1, 2015 to December 31, 2017)	
<b>Financial Institution</b>		<b>Products Reviewed</b>
First National Bank of Kansas (FNBK) Burlington, Kansas		Consumer, Commercial, and Agricultural
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Coffey County AA (All census tracts located in Coffey County, KS) Osage County AA (Part of the Topeka, KS MSA, included all census tracts in Osage County, KS)	Full-Scope examination for both AAs.	See Appendix B for additional information.

## Appendix B: Community Profiles for Full-Scope Areas

### Coffee County Assessment Area

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2017 Coffey County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3	0.0	0.0	33.3	66.7	0.0
Population by Geography	8,458	0.0	0.0	34.0	66.0	0.0
Housing Units by Geography	3,999	0.0	0.0	35.3	64.7	0.0
Owner-Occupied Units by Geography	2,707	0.0	0.0	29.8	70.2	0.0
Occupied Rental Units by Geography	862	0.0	0.0	48.5	51.5	0.0
Vacant Units by Geography	430	0.0	0.0	44.0	56.0	0.0
Businesses by Geography	575	0.0	0.0	45.9	54.1	0.0
Farms by Geography	117	0.0	0.0	14.5	85.5	0.0
Family Distribution by Income Level	2,433	11.0	15.2	24.6	49.2	0.0
Household Distribution by Income Level	3,569	18.7	12.3	16.4	52.6	0.0
Median Family Income Non-MSAs - KS		\$56,877	Median Housing Value			\$103,406
Households Below Poverty Level: 9.78%			Median Gross Rent			\$595
			Families Below Poverty Level			5.3%

Source: 2015 ACS Census and 2017 D&B Data  
 Due to rounding, totals may not equal 100.0  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

The non-MSA KS AA consists of three census tracts and encompasses the entirety of Coffey County. FNBK operates two branches in this AA. For the years 2015 and 2016, the AA contained three middle-income tracts. For 2017, the AA contained one middle-income tract and two upper-income tracts. There are no low- or moderate-income census tracts in the AA. No census tracts for Coffey County were designated as distressed in 2015-2017. Two of the bank's three branches are located in Coffey County, and these branches hold approximately 90 percent of the bank's total deposits.

The 2015 U.S. Census population of the AA was 8,458. The Weighted Average of FFIEC Updated MSA Median Family Income for 2017 was \$60,300. Of the 3,569 households in the AA, 36.5 percent receive social security, 9.8 percent have income below the poverty level, and 1.4 percent receive public assistance. Thirty-five percent of the population are not in the work force, and 19 percent are over the age of 65. The October 2018 unemployment rate of Coffee County is 4.2 percent, slightly elevated compared to the state of Kansas unemployment rate of 3.3 percent and the national unemployment rate of 3.7 percent.

The local economy is stable. The major employer in the AA is Wolf Creek Nuclear Operating Corp, Wolf Creek Generating Station. Other area employers include the school districts in the AA, the Coffey County Hospital system, and the government of Coffey County.

During the examination, we reviewed one community contact within the Coffey County AA. The contact is part of an east Kansas economic development corporation focused on housing needs. The contact noted no indications of discriminatory behaviors from local financial institutions. The contact indicated local communities have a need for affordable housing and assistance for low- to moderate-income individuals in consumer or home loans.



## Osage County Assessment Area

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2017 Osage County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	16,080	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	7,501	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	4,910	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,595	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	996	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	820	0.0	0.0	100.0	0.0	0.0
Farms by Geography	136	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,436	20.8	18.3	25.4	35.4	0.0
Household Distribution by Income Level	6,505	24.6	16.2	20.3	38.9	0.0
Median Family Income MSA - 45820 Topeka, KS MSA		\$64,984	Median Housing Value			\$101,006
Households Below Poverty Level: 12.07%			Median Gross Rent			\$623
			Families Below Poverty Level			8.1%

Source: 2015 ACS Census and 2017 D&B Data  
 Due to rounding, totals may not equal 100.0  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

The AA includes all of Osage County, Kansas. This AA contains five middle-income tracts. Osage County lies in the southern part of the Topeka MSA. However, Osage County is rural with small towns and does not emulate the characteristics of an MSA. FNBK operates one branch in the AA, which is located in Osage City, approximately 30 miles south of Topeka. Osage City is the largest city in the county with 2,943 in population as of the 2010 census. The surrounding communities are smaller and rural with economic characteristics similar to Osage City. As of June 30, 2017, the AA held approximately 10 percent of total bank deposits.

The 2015 U.S. Census population of the AA was 16,080. Median Family Income is \$64,984. Of the 6,505 households in the AA, 38 percent receive social security, 12 percent have income below the poverty level, and 2 percent receive public assistance. Approximately 18 percent of the AA population is over the age of 65 and 37 percent of the population consists of civilians not in the workforce.

The October 2018 unemployment rate of Osage County at 3.7 percent is comparable to the national unemployment rate of 3.7 percent and slightly above the State of Kansas rate at 3.3 percent. It is also slightly elevated from the Topeka MSA unemployment rate of 3.7 percent. It is lower than the Coffey County rate at 4.2, showing consistency with the Topeka MSA and opportunities from proximity to Topeka.

The Osage County AA economy is mostly agricultural with a mixture of various business and service industries due to the proximity to Topeka. Topeka as the Kansas state capitol provides employment diversity for the residents of rural Osage County. Primary employers in the area include a division of ORBIS plastics manufacturing, the Unified School District (USD) 420 in Osage City, and USD 454 in Burlingame. FNBK faces strong competition within the Osage County AA. The FDIC report for June 30, 2017 reflects that the bank ranks 7<sup>th</sup> in market share with 3 percent of deposits in the AA. The report identifies six other institutions that maintain ten offices in the AA.

During the examination, we reviewed three community contacts within the AA. The contacts were a representative of the City of Burlingame, a representative of an economic opportunity corporation for east central Kansas, and a for-profit realty firm that works with low and moderate income home buyers to provide housing and consumer credit counseling. The contacts stated they had not heard any complaints involving unfair practices or prohibited discrimination for any area lenders. The contacts indicated community needs could be addressed if lenders could offer down-payment assistance, programs to clean up credit scores, and loosen underwriting standards to put more loans into the community.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data is compiled by the FDIC and is available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** – 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. The table also presents aggregate peer data for the years the data is available.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** – 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. The table also presents aggregate peer data for the years the data is available.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** – 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 households by income level in each MA/AA.

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2015-16**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
2015-16 Coffey County	15	1,133,000	100	99	78.0	93.33	51.5	6.1	6.67	15.9	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data.  
Due to rounding, totals may not equal 100.0

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2017**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
2017 Coffey County	19	2,187,355	100	35	99.1	94.74	11.4	0.9	5.26	0.0	0.0

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data.  
Due to rounding, totals may not equal 100.0

**Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower 2015-16**

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2015-16 Coffey County	21	244,000	100	17.9	23.81	16.7	9.52	17.9	33.33	47.5	33.33	0.0	0.00

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0

**Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower 2017**

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2017 Osage County	15	118,167	100	24.6	46.67	16.2	6.67	20.3	13.33	38.9	33.33	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.  
Due to rounding, totals may not equal 100.0

**Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower 2017**

Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2017 Coffey County	21	\$244,000	100	18.7	42.86	12.3	33.33	16.4	9.52	52.6	14.29	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.  
Due to rounding, totals may not equal 100.0