

PUBLIC DISCLOSURE

January 6, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Exchange Bank & Trust
Certificate Number: 4619

600 Commercial Street
Atchison, Kansas 66002

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Exchange Bank & Trust's (EBT's) satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and Community Development Test supports the overall rating. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size and financial condition, as well as the assessment areas' credit needs.
- A majority of the small farm, small business, and home mortgage loans reviewed are located inside the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects a reasonable penetration among farms and businesses of different sizes and individuals of different income levels.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of opportunities for community development in each assessment area.

DESCRIPTION OF INSTITUTION

EBT is a full-service financial institution headquartered in Atchison, Kansas. Exchange Bankshares Corporation of Kansas, a one-bank holding company also located in Atchison, Kansas, owns 99.6 percent of the bank. The bank does not have any lending affiliates. EBT received a Satisfactory rating at its previous FDIC Performance Evaluation dated November 8, 2021, based on Interagency Intermediate Small Institution Examination Procedures.

EBT operates eight full-service and two limited-service locations in northwestern Missouri and northeastern Kansas. The bank has not opened or closed any branches since the prior evaluation, nor has the bank engaged in any merger or acquisition activity.

EBT offers loan products including agricultural, commercial, home mortgage, and consumer loans. The bank continues to primarily focus on agricultural lending. EBT provides traditional deposit products including checking, savings, money market deposit accounts, and certificates of deposit. The bank offers insurance and investment products through a third-party broker. Alternative banking services include internet and mobile banking, text banking, and online bill pay. Additionally, EBT operates ten ATMs, of which six are deposit-taking.

According to the September 30, 2024 Reports of Condition and Income, the bank reported total assets of \$562.9 million, total deposits of \$490.2 million, and total loans of \$390.7 million. The following table shows the distribution for each loan category by dollar volume.

Loan Portfolio Distribution as of September 30, 2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	18,776	4.8
Secured by Farmland	68,791	17.6
Secured by 1-4 Family Residential Properties	89,034	22.8
Secured by Multifamily (5 or more) Residential Properties	18,193	4.7
Secured by Nonfarm Nonresidential Properties	35,513	9.1
Total Real Estate Loans	230,307	59.0
Commercial and Industrial Loans	33,023	8.5
Agricultural Production and Other Loans to Farmers	38,791	9.9
Consumer Loans	85,999	22.0
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	167	<0.1
Lease Financing Receivable (net of unearned income)	2,382	0.6
Less: Unearned Income	0	0.0
Total Loans	390,669	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would affect the bank's ability to meet the credit needs of the assessment areas.

EBT offers loans on the secondary market. The following table indicates a substantial number and dollar volume of secondary market loans for 2021, 2022, and 2023. The loan originations are not included on the bank's Home Mortgage Disclosure (HMDA) Loan Application Registers as the bank did not make the credit decision. However, the number and dollar volume of loans is an indicator of the bank's commitment to meeting the credit needs of the communities it serves.

Secondary Market Loans		
Year	#	\$(000s)
2021	178	40,246
2022	61	13,642
2023	33	7,420
Total	272	61,308
<i>Source: Bank Data</i>		

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas in which its CRA performance will be evaluated. EBT designated the following three assessment areas: The Atchison Assessment Area located in eastern nonmetropolitan Kansas, the Kansas City Assessment Area located in the Kansas City Multistate Metropolitan Statistical Area (MSA) (Missouri and Kansas), and the St. Joseph Assessment Area located in the St. Joseph Multistate MSA (Missouri and Kansas). The CRA also requires regulatory agencies to assign performance ratings for each state and multistate MSA in which the institution operates. As a result, examiners rated EBT's performance in the state of Kansas, the Kansas City MSA, and the St. Joseph MSA. Detailed information regarding each assessment area and rated area is provided in the subsequent sections. The following table provides an overview of the assessment areas and CRA rated areas.

Description of Assessment Areas and Rated Areas				
Rated Areas	Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Branches
Kansas	Atchison	Atchison County, Kansas	5	3
Kansas City MSA	Kansas City	Leavenworth County, Kansas Platte County, Missouri (partial)	25	5
St. Joseph MSA	St. Joseph	Doniphan County, Kansas Buchanan County, Missouri	29	2
<i>Source: Bank Data</i>				

SCOPE OF EVALUATION

General Information

Examiners used Interagency Intermediate Small Bank Examination Procedures to evaluate the bank's CRA performance. These procedures include the Lending Test and the Community Development Test. The criteria for the Tests are outlined in the Appendices. The bank must achieve at least a Satisfactory rating under both Tests to obtain an overall Satisfactory rating.

This evaluation covers the period from the prior evaluation dated November 8, 2021, to the current evaluation dated January 6, 2025. Examiners completed full-scope reviews of the Atchison, Kansas City, and St. Joseph Assessment Areas due to the bank's operations in each area. The Atchison and Kansas City Assessment Areas received the most weight, as these assessment areas represent the

majority of loan and deposit activity. The St. Joseph Assessment Area received the least weight in arriving at overall conclusions. See the following table for details.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Atchison	144,272	36.9	276,895	57.0	3	30
Kansas City	176,440	45.2	152,970	31.5	5	50
St. Joseph	70,106	17.9	56,023	11.5	2	20
Total	390,818	100.0	485,888	100.0	10	100.0
<i>Source: Bank Data (including outstanding loan balances as of 1/6/2025), FDIC Summary of Deposits (6/30/2024)</i>						

Activities Reviewed

Examiners determined that the bank's major product lines are small farm, home mortgage, and small business lending for this evaluation. Examiners selected these products based on the bank's business strategy, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period. As of September 30, 2024, consumer lending made up 22.0 percent of the bank's loan portfolio; however, this product was not reviewed as bank management indicated this is not a primary lending focus for the bank. Agricultural lending is the institution's primary lending focus; therefore, small farm lending generally received the most weight when determining overall conclusions, followed by home mortgage and small business lending. See the rated area sections for the weighting of products within those areas.

Examiners evaluated lending performance based on all small farm and small business loans originated, renewed, or extended in calendar year 2023, as well as all home mortgage loan data collected under HMDA for calendar years 2021, 2022, and 2023. Only 2023 was reviewed for small farm and small business lending as this period was considered representative of the bank's lending performance during the entire review period.

For the Lending Test, examiners reviewed the entire universe of loans to evaluation the Assessment Area Concentration criterion. All loans inside the assessment area were further reviewed to evaluate the Geographic Distribution criterion. For the small farm lending Borrower Profile criterion, examiners evaluated all small farm loans inside the Kansas City Assessment Area, and samples of small farm loans inside the Atchison and St. Joseph Assessment Areas. For the small business lending Borrower Profile criterion, examiners evaluated all small business loans inside the Kansas City and St. Joseph Assessment Areas, and a sample of small business loans inside the Atchison Assessment Area. For home mortgage lending, all loans inside the assessment areas were evaluated for the Borrower Profile criterion. The following table provides universe and sample information.

Loan Products Reviewed				
Loan Category	Universe		Sampled	
	#	\$(000s)	#	\$(000s)
Small Farm	165	15,838	97	8,157
Small Business	118	13,590	81	8,989
Home Mortgage 2021	127	22,396		
Home Mortgage 2022	131	33,249		
Home Mortgage 2023	114	22,753		
Source: Bank Data				

The 2023 D&B data provides a standard of comparison for the bank's small farm and small business lending performance. The 2021, 2022, and 2023 HMDA aggregate data, 2015 American Community Survey (ACS) data, and 2020 U.S. Census data provide a standard of comparison for the bank's home mortgage lending performance. Examiners placed greater emphasis on the number of loans, as opposed to dollar volume, as the number of loans is considered a better indicator of the number of farms, individuals, and businesses served.

For the Community Development Test, examiners considered data provided by bank management on the institution's community development loans, qualified investments, and community development services since the prior CRA evaluation to the date of the current evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

EBT demonstrated satisfactory performance under the Lending Test, driven by its performance in the Loan-to-Deposit Ratio, Assessment Area Concentration, Geographic Distribution, and Borrower Profile criteria. The bank's performance in all rated areas is consistent with this conclusion.

Loan-to-Deposit Ratio

EBT's average net loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas. The bank's net loan-to-deposit ratio, calculated from Reports of Condition and Income data, averaged 72.5 percent over the past 12 quarters from December 30, 2021, to September 30, 2024. Examiners did not identify any similarly situated institutions in the bank's assessment areas. Despite the lack of similarly situated institutions, EBT's net loan-to-deposit ratio illustrates its willingness to meet the assessment areas' credit needs.

Assessment Area Concentration

EBT originated a majority of the reviewed small farm, small business, and home mortgage loans within its assessment areas. See the following table for details.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans (000s)				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	136	82.4	29	17.6	165	11,607	73.3	4,231	26.7	15,838
Small Business	97	82.2	21	17.8	118	10,351	76.2	3,239	23.8	13,590
Home Mortgage										
2021	99	78.0	28	22.0	127	12,662	56.5	9,734	43.5	22,396
2022	102	77.9	29	22.1	131	17,446	52.5	15,803	47.5	33,249
2023	93	81.6	21	18.4	114	16,634	73.1	6,119	26.9	22,753
Total Home Mortgage	294	79.0	78	21.0	372	46,742	59.6	31,656	40.4	78,398
Source: Bank Data										

Geographic Distribution

EBT's geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Performance in all rated areas is consistent with this conclusion. For this criterion, examiners focused on the percentage of lending in low- and moderate-income census tracts. A complete discussion of the bank's performance can be found in the applicable assessment area sections of this evaluation.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes and individuals of different income levels, given the demographics of the assessment areas. Performance in all rated areas is consistent with this conclusion. For this criterion, examiners focused on the percentage of small farm and small business loans to operations with gross annual revenues of \$1 million or less, and the percentage of home mortgage loans to low- and moderate-income borrowers. A complete discussion of the bank's performance can be found in the applicable assessment area sections of this evaluation.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to community development needs in its assessment areas. This is demonstrated through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas. The bank's community development performance in all rated areas is consistent with this conclusion. Because the bank was responsive to the community

development needs of its assessment areas, community development activities benefiting the broader statewide or regional area were included in the analysis.

To assess the bank's overall performance under the Community Development Test, information from the performance evaluations of four similarly situated intermediate small banks conducted during the evaluation period were used for comparative purposes. These institutions were chosen based on their similarities in asset size, business focus, and types of areas served. Overall, EBT's community development performance compared reasonably to these institutions when considering the available community development opportunities in the assessment areas.

Community Development Loans

EBT originated 66 community development loans totaling \$92.7 million during the evaluation period, which represents 16.5 percent of total assets and 24.1 percent of net loans, as of September 30, 2024. Community development lending increased by \$43.2 million since the previous evaluation; therefore, the ratios increased since the previous evaluation when community development loans represented 9.2 percent of total assets, and 15.6 percent of net loans. The similarly situated institutions had community development lending ratios that ranged from 2.9 percent to 8.7 percent of total assets, and from 4.2 percent to 10.7 percent of net loans. EBT's performance significantly exceeds that of the similarly situated institutions.

The bank originated 17 loans totaling approximately \$28.0 million benefiting the broader statewide and regional area surrounding the bank's assessment areas. These loans supported businesses and individuals that operate primarily in areas adjacent to the bank's assessment areas. Examples of loans that were particularly responsive include loans to support affordable housing in the area, as well as loans to support a local farm that employs primarily low- and moderate-income people. The following tables reflect the number and dollar volume of community development loans in each category by assessment area and activity year. Additional information about the bank's community development loans by assessment area are presented in their respective sections.

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	0	0	0	0	3	2,300	0	0	3	2,300
2022	3	8,352	0	0	16	19,788	0	0	19	28,140
2023	1	1,295	0	0	18	28,239	0	0	19	29,534
2024	3	5,796	0	0	22	26,905	0	0	25	32,701
2025 (YTD)	0	0	0	0	0	0	0	0	0	0
Total	7	15,443	0	0	59	77,232	0	0	66	92,675
<i>Source: Bank Data</i>										

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Atchison	0	0	0	0	34	35,992	0	0	34	35,992
Kansas City	0	0	0	0	10	25,288	0	0	10	25,288
St. Joseph	0	0	0	0	5	3,429	0	0	5	3,429
Total in the Assessment Areas	0	0	0	0	49	64,709	0	0	49	64,709
Broader Statewide/Regional	7	15,443	0	0	10	12,523	0	0	17	27,966
Total	7	15,443	0	0	59	77,232	0	0	66	92,675
<i>Source: Bank Data</i>										

Qualified Investments

EBT made 32 qualified investments totaling \$2.1 million during the evaluation period, which represents 0.4 percent of total assets and 1.7 percent of total securities, as of September 30, 2024. Qualified investments purchased prior to this evaluation that remained outstanding, and investments and donations funded since the previous evaluation were considered under this component. The bank's qualified investment activity included approximately \$2.0 million of investments originated prior to the current evaluation that were outstanding as of the date of this evaluation, and 27 donations totaling \$42,000 made during the review period. EBT's performance is in line with that of similarly situated institutions, which had qualified investments that ranged from 0.1 to 1.6 percent of total assets, and 0.1 to 12.6 percent of total securities.

The following tables reflect overall qualified investments and donations by activity area and year. Additional information about the bank's qualified investments and donations by assessment area is presented in each area's respective section.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	3	920	0	0	2	1,110	5	2,030
2021 (Partial)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0
2025 (YTD)	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	3	920	0	0	2	1,110	5	2,030
Grants & Donations	1	<1	23	37	0	0	3	5	27	42
Total	1	<1	26	957	0	0	5	1,115	32	2,072
<i>Source: Bank Data</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Atchison	1	<1	10	433	0	0	1	485	12	918
Kansas City	0	0	14	22	0	0	4	630	18	652
St. Joseph	0	0	2	502	0	0	0	0	2	502
Total in the Assessment Areas	1	<1	26	957	0	0	5	1,115	32	2,072
Broader Statewide/Regional	0	0	0	0	0	0	0	0	0	0
Total	1	<1	26	957	0	0	5	1,115	32	2,072
<i>Source: Bank Data</i>										

Community Development Services

EBT employees provided 11 community development services that primarily consisted of supporting community service organizations and organizations that support economic development. EBT's community development services are fewer than those of similarly situated institutions, which performed between 25 and 66 community development services during their respective evaluation periods.

The following tables reflect EBT's community development services by activity year and assessment area. Additional information about the bank's community development services by assessment area is presented in each area's respective section.

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
2021 (Partial)	0	0	0	0	0
2022	0	1	4	0	5
2023	0	1	3	0	4
2024	0	1	1	0	2
2025 (YTD)	0	0	0	0	0
Total	0	3	8	0	11
<i>Source: Bank Data</i>					

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
Atchison	0	3	6	0	9
Kansas City	0	2	0	0	2
St. Joseph	0	0	0	0	0
Total	0	5	6	0	11
<i>Source: Bank Data</i>					

EBT operates two offices and one ATM in a low-income census tract, two offices and one ATM in a moderate-income census tract, five offices and seven ATMs in middle-income census tracts, and one office and one ATM in an upper-income census tract. The distribution of branches and ATMs demonstrates the availability of banking services in low- and moderate-income geographies.

In addition to the bank's branch and ATM locations, EBT offers Small Business Administration, Farm Service Agency, Veterans Administration, and Federal Housing Administration loans to assist small businesses, small farms, veterans, and low- and moderate-income homebuyers in obtaining credit that would not otherwise be available. Secondary market financing options are also available for qualified borrowers. Retail banking services and loan programs are consistent throughout EBT's assessment areas.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

KANSAS – Full-Scope Review

CRA RATING FOR KANSAS: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN KANSAS

EBT’s operations in Kansas consist of the Atchison Assessment Area. This assessment area is comprised of Atchison County, which is located in the nonmetropolitan area of Kansas. The bank has not changed this assessment area since the prior evaluation; however, the number of census tracts and census tract designations were updated with the release of the 2020 U.S. Census data.

Economic and Demographic Data

According to 2020 U.S. Census data, Atchison County contains one moderate-income census tract, three middle-income census tracts, and one census tract without an income designation. At the prior evaluation, the assessment area consisted of only middle-income census tracts. During the review period, none of the tracts were designated as distressed or underserved. The following table provides demographic information on the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	20.0	60.0	0.0	20.0
Population by Geography	16,348	0.0	18.6	65.5	0.0	15.9
Housing Units by Geography	6,959	0.0	23.3	69.3	0.0	7.4
Owner-Occupied Units by Geography	4,311	0.0	16.9	78.6	0.0	4.5
Occupied Rental Units by Geography	1,728	0.0	38.9	50.0	0.0	11.1
Vacant Units by Geography	920	0.0	24.3	62.1	0.0	13.6
Businesses by Geography	1,141	0.0	32.6	60.6	0.0	6.7
Farms by Geography	148	0.0	4.7	93.9	0.0	1.4
Family Distribution by Income Level	3,926	16.9	19.5	22.9	40.8	0.0
Household Distribution by Income Level	6,039	22.9	16.2	18.7	42.1	0.0
Median Family Income Nonmetropolitan Kansas		\$65,467	Median Housing Value			\$111,808
Families Below Poverty Level		9.2%	Median Gross Rent			\$610
Source: 2020 U.S. Census and 2023 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 Federal Financial Institutions Examination Council (FFIEC) provides updated median family income levels that are used to analyze home mortgage loans under the Borrower Profile criterion as well as community development activities. The low-, moderate-, middle-, and upper-income categories for the nonmetropolitan area of Kansas are presented in the following table for each year of the review.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$64,800)	<\$32,400	\$32,400 to <\$51,840	\$51,840 to <\$77,760	≥\$77,760
2022 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
2023 (\$79,900)	<\$39,950	\$39,950 to <\$63,920	\$63,920 to <\$95,880	≥\$95,880
Source: FFIEC				

Competition

The Atchison Assessment Area has limited competition for financial products and services. According to June 30, 2024 FDIC Deposit Market Share data, Atchison County contains three financial institutions operating from five locations. EBT ranked first with 57.8 percent of the deposits.

EBT faces significant competition for home mortgage loans in its assessment area. The 2023 HMDA aggregate data showed 75 lenders reporting 305 home mortgage loans. EBT ranked second in terms of lending market share, with 10.5 percent of the reported loans.

Community Contact

Examiners contact community members in the assessment area to help gain insight into the area's economy, demographic trends, and business environment. This information not only helps in identifying credit and community development needs and opportunities, but also assists in determining whether local financial institutions are responsive to those needs.

Examiners conducted an interview with a member of the local community familiar with the agricultural economy in several counties in northeast Kansas, including Atchison County, Doniphan County (in the St. Joseph Assessment Area), and Leavenworth County (in the Kansas City Assessment Area). The contact indicated that the economy is doing well in spite of lower grain prices and higher input costs. The contact noted that many residents commute up to an hour away for employment. Agricultural lending is the primary credit need in the area. The contact noted that competition among lenders in the area helps keep interest rates lower. The contact was not aware of any discriminatory practices by area financial institutions.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small farm lending represents a primary credit need within the assessment area. Small farm lending opportunities and demand are significant throughout the Atchison Assessment Area. In addition, examiners determined that economic development represents the assessment area's primary community development need and opportunity.

SCOPE OF EVALUATION - KANSAS

Examiners evaluated the bank's small farm, home mortgage, and small business loans, along with community development loans, investments, and services. Small farm lending performance was weighted most heavily throughout the Atchison Assessment Area, followed by home mortgage lending.

CONCLUSIONS ON PERFORMANCE CRITERIA IN KANSAS

LENDING TEST

EBT demonstrated reasonable performance under the Lending Test in the Atchison Assessment Area. The bank's reasonable performance under the Geographic Distribution and Borrower Profile criteria supports this conclusion.

Geographic Distribution

Overall, EBT's geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable home mortgage and small business lending performance supports this conclusion. Although the bank's small farm lending demonstrated excellent distribution, it did not elevate the overall conclusion. Examiners focused on the bank's lending performance in the moderate-income census tract as the area does not contain any low-income census tracts.

Small Farm Loans

The geographic distribution of small farm loans reflects excellent dispersion throughout the assessment area. As shown in the following table, the bank's performance in the moderate-income census tract was double the percentage of farms in that census tract.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	4.7	5	9.4	100	2.2
Middle	93.9	48	90.6	4,406	97.8
Not Available	1.4	0	0.0	0	0.0
Totals	100.0	53	100.0	4,506	100.0
Source: 2023 D&B Data, Bank Data					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In the moderate-income census tract, the bank's lending performance exceeded aggregate and demographic data in 2022, and slightly lagged aggregate and demographic data in 2023. There were no moderate-income census tracts in the Atchison Assessment Area in 2021. See the following table for details.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2022	16.9	21.7	9	29.0	2,459	48.3
2023	16.9	16.7	5	15.6	336	9.4
Middle						
2021	100.0	100.0	42	100.0	4,648	100.0
2022	78.6	71.1	19	61.3	1,819	35.7
2023	78.6	76.1	25	78.1	3,104	86.4
Not Available						
2022	4.5	7.1	3	9.7	811	15.9
2023	4.5	7.2	2	6.3	151	4.2
Totals						
2021	100.0	100.0	42	100.0	4,648	100.0
2022	100.0	100.0	31	100.0	5,089	100.0
2023	100.0	100.0	32	100.0	3,591	100.0
<i>Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021, 2022, and 2023 HMDA Aggregate Data</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows that the bank's level of lending in the moderate-income census tract is commensurate with demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	32.6	13	28.3	2,447	57.3
Middle	60.6	33	71.7	1,820	42.7
Not Available	6.8	0	0.0	0	0.0
Totals	100.0	46	100.0	4,267	100.0
<i>Source: 2023 D&B Data, Bank Data</i>					

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes, and individuals of different income levels. EBT's reasonable small farm and home mortgage lending performance primarily supports this conclusion. Although the bank's small farm lending demonstrated excellent penetration, it did not elevate the overall conclusion.

Small Farm Loans

The distribution of sampled small farm loans reflects excellent penetration of loans to farms of different sizes. All of the 36 sampled small farm loans were originated to farms with revenues of \$1 million or less. This performance exceeds comparable demographic data, which indicated that 97.3 percent of assessment area farms are in the same revenue category.

Home Mortgage Loans

EBT's record of extending home mortgage loans to borrowers of different income levels is reasonable. As illustrated in the following table, EBT's level of lending to low- and moderate-income borrowers exceeded aggregate performance in 2021, but lagged aggregate performance in 2022 and 2023. The bank offers home mortgage loans on the secondary market, and these are not included in the bank's reported HMDA data. Furthermore, the assessment area demographics indicate that only 61.9 percent of housing units are owner occupied, which may indicate a limited lending demand for home mortgage loans in the area. Given these factors, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	21.4	5.4	4	9.5	96	2.1
2022	16.9	9.4	1	3.2	31	0.6
2023	16.9	6.9	1	3.1	68	1.9
Moderate						
2021	14.3	16.7	8	19.0	457	9.8
2022	19.5	22.9	5	16.1	213	4.2
2023	19.5	21.0	3	9.4	212	5.9
Middle						
2021	26.6	24.2	7	16.7	403	8.7
2022	22.9	20.6	8	25.8	682	13.4
2023	22.9	21.3	6	18.8	598	16.7
Upper						
2021	37.7	36.7	12	28.6	1,355	29.2
2022	40.8	32.3	11	35.5	1,452	28.5
2023	40.8	26.9	11	34.4	1,459	40.6
Not Available						
2021	0.0	16.9	11	26.2	2,338	50.3
2022	0.0	14.9	6	19.4	2,711	53.3
2023	0.0	23.9	11	34.4	1,253	34.9
Totals						
2021	100.0	100.0	42	100.0	4,648	100.0
2022	100.0	100.0	31	100.0	5,089	100.0
2023	100.0	100.0	32	100.0	3,591	100.0
<i>Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021, 2022, and 2023 HMDA Aggregate Data</i>						

Small Business Loans

The distribution of sampled small business loans to operations with revenues of \$1 million or less reflects reasonable penetration. As shown in the following table, the bank's percentage of loans to businesses with revenues of \$1 million or less is commensurate with demographic data in this revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	82.6	25	83.3	2,333	80.3
>\$1,000,000	4.3	5	16.7	572	19.7
Revenue Not Available	13.1	0	0.0	0	0.0
Total	100.0	30	100.0	2,905	100.0
<i>Source: 2023 D&B Data, 2023 Bank Data</i>					

COMMUNITY DEVELOPMENT TEST

EBT's community development performance demonstrates adequate responsiveness to community development needs in the Atchison Assessment Area, considering the institution's capacity, as well as the need and availability of such community development opportunities.

Community Development Loans

The bank originated 34 community development loans totaling \$36.0 million in this assessment area. The dollar volume of community development lending increased significantly compared to the previous evaluation, which included 22 loans totaling \$27.1 million. Community development loans in this assessment area were focused on supporting economic development by creating, retaining, or improving jobs for low- and moderate-income individuals. For example, the bank originated multiple loans to a local farm that mainly employs low- or moderate-income individuals.

Qualified Investments

The bank made 12 qualified investments, including donations and grants, totaling \$918,000 in this assessment area. Investments and donations were made to organizations that promote community services benefiting low- and moderate-income individuals, and that help to revitalize and stabilize the assessment area. Examples of sizable investments that were considered especially responsive to the assessment area's needs included hospital bonds that mainly benefit low- and moderate-income individuals.

Community Development Services

The bank provided 9 community development services that primarily consisted of bank employees providing financial expertise to community service- and economic development-related organizations within the Atchison Assessment Area. Services were given to organizations that provide community services for low- and moderate-income individuals, and help to attract or retain businesses in the area. Examples of responsive services include a bank representative serving as a board member of an organization that provided needed funding for business start-ups and expansion.

KANSAS CITY MSA – Full-Scope Review

CRA RATING FOR THE KANSAS CITY MSA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE KANSAS CITY MSA

EBT’s operations in the Kansas City, Missouri-Kansas MSA consist of the Kansas City Assessment Area, which is comprised of the entirety of Leavenworth County, Kansas, and six census tracts in Platte County, Missouri. The bank has not changed this assessment area since the prior evaluation; however, the number of census tracts and census tract designations were updated with the release of the 2020 U.S. Census data.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area is comprised of 2 low-income, 3 moderate-income, 14 middle-income, and 6 upper-income census tracts. The following table provides demographic information on the assessment area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	25	8.0	12.0	56.0	24.0
Population by Geography	106,801	7.3	7.4	62.8	22.5
Housing Units by Geography	39,534	8.0	8.8	63.0	20.1
Owner-Occupied Units by Geography	24,862	3.7	6.4	63.5	26.5
Occupied Rental Units by Geography	11,730	16.5	13.2	62.0	8.3
Vacant Units by Geography	2,942	11.3	12.2	63.1	13.5
Businesses by Geography	8,360	10.3	11.3	55.3	23.1
Farms by Geography	554	2.5	6.1	61.7	29.6
Family Distribution by Income Level	26,309	17.7	16.7	24.2	41.3
Household Distribution by Income Level	36,592	20.6	14.8	18.1	46.5
Median Family Income – Kansas City, Missouri-Kansas MSA		\$86,562	Median Housing Value		\$188,580
Families Below Poverty Level		5.0%	Median Gross Rent		\$1,051
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%.					

The FFIEC provides updated median family income levels that are used to analyze home mortgage loans under the Borrower Profile criterion as well as community development activities. The low-, moderate-, middle-, and upper-income categories for the Kansas City, Missouri-Kansas MSA are presented in the following table for each year of the review.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$86,300)	<\$43,150	\$43,150 to <\$69,040	\$69,040 to <\$103,560	≥\$103,560
2022 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
2023 (\$104,400)	<\$52,200	\$52,200 to <\$83,520	\$83,520 to <\$125,280	≥\$125,280
Source: FFIEC				

Competition

The Kansas City Assessment Area has significant competition for financial products and services. According to June 30, 2024 FDIC Deposit Market Share data, Leavenworth County, Kansas and Platte County, Missouri contain 118 financial institutions operating from 667 locations. EBT ranked 55th with 0.2 percent of the deposits.

EBT faces significant competition for home mortgage loans in the Kansas City Assessment Area. The 2023 HMDA aggregate data showed 237 lenders reporting 2,665 home mortgage loans. EBT ranked 19th in terms of lending market share, with 1.3 percent of the reported loans.

Credit and Community Development Needs and Opportunities

Considering information from bank management, and demographic and economic data, examiners determined that small business lending represents a primary credit need within the assessment area. Small business lending opportunities and demand are significant throughout the Kansas City Assessment Area. In addition, examiners determined that economic development represents the assessment area's primary community development need and opportunity.

SCOPE OF EVALUATION – KANSAS CITY MSA

Examiners evaluated the bank's small business, home mortgage, and small farm loans, along with community development loans, investments, and services. Small business and home mortgage lending performance were weighted equally in the Kansas City Assessment Area, with small farm lending receiving the least weight.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE KANSAS CITY MSA

LENDING TEST

EBT demonstrated reasonable performance under the Lending Test in the Kansas City Assessment Area. The bank's reasonable performance under the Geographic Distribution and Borrower Profile criteria supports this conclusion.

Geographic Distribution

Overall, EBT's geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Although the bank's small business lending performance was poor, the reasonable home mortgage and small farm lending performance supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. The following table shows that the bank's level of lending in the low-income census tracts slightly lags demographic data. However, the bank made no small business loans in the moderate-income census tracts, which significantly lags demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	10.3	2	7.7	557	12.6
Moderate	11.3	0	0.0	0	0.0
Middle	55.3	23	88.5	3,834	87.0
Upper	23.1	1	3.8	15	0.3
Totals	100.0	26	100.0	4,406	100.0
<i>Source: 2023 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%.</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. In the low-income geographies, the bank's lending performance was commensurate with aggregate performance and demographic data. In the moderate-income geographies, the bank's performance exceeded aggregate and demographic data in 2022 and 2023, and was commensurate with aggregate and demographic data in 2021. See the following table for details.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.7	0.8	0	0.0	0	0.0
2022	3.7	4.7	1	2.6	50	0.6
2023	3.7	5.1	1	2.9	77	0.9
Moderate						
2021	5.9	4.5	1	3.8	49	1.2
2022	6.4	7.9	4	10.3	378	4.6
2023	6.4	8.2	4	11.8	409	4.9
Middle						
2021	70.6	67.0	20	76.9	2,758	65.7
2022	63.5	57.5	29	74.4	6,171	74.7
2023	63.5	59.4	18	52.9	5,087	60.3
Upper						
2021	22.8	27.7	5	19.2	1,392	33.1
2022	26.5	29.8	5	12.8	1,665	20.2
2023	26.5	27.3	11	32.4	2,859	33.9
Totals						
2021	100.0	100.0	26	100.0	4,198	100.0
2022	100.0	100.0	39	100.0	8,264	100.0
2023	100.0	100.0	34	100.0	8,432	100.0
Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021, 2022, and 2023 HMDA Aggregate Data						

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. Although EBT did not originate any small farm loans in low- or moderate-income geographies in 2023, bank management indicated there is limited small farm lending demand in these areas. Specifically, the low- and moderate-income areas are near the airport or contain largely commercial businesses. Therefore, the bank's performance is considered reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	2.5	0	0.0	0	0.0
Moderate	6.1	0	0.0	0	0.0
Middle	61.7	21	84.0	956	71.8
Upper	29.6	4	16.0	376	28.2
Totals	100.0	25	100.0	1,332	100.0
Source: 2023 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.					

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes, and individuals of different income levels. Although the bank's small business lending performance was poor, the excellent small farm and reasonable home mortgage lending performance primarily supports this conclusion.

Small Business Loans

The distribution of small business loans to operations with revenues of \$1 million or less reflects poor penetration. As shown in the following table, the bank's percentage of loans to small businesses with revenues of \$1 million or less significantly lags demographic data in this revenue category. Part of this disparity is attributed to multiple loans to two larger businesses in the area.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	89.6	14	53.8	793	18.0
>\$1,000,000	2.2	12	46.2	3,613	82.0
Revenue Not Available	8.2	0	0.0	0	0.0
Total	100.0	26	100.0	4,406	100.0
<i>Source: 2023 D&B Data, 2023 Bank Data</i>					

Home Mortgage Loans

EBT's record of extending home mortgage loans to borrowers of different income levels is reasonable. As illustrated in the following table, EBT's level of lending to low-income borrowers exceeded aggregate performance in 2021 and 2022, but lagged aggregate performance in 2023. The bank's level of lending to moderate-income borrowers exceeded aggregate performance in 2021, but lagged aggregate performance in 2022 and 2023. As noted previously, the bank offers home mortgage loans on the secondary market, and these are not included in the bank's reported HMDA data. Furthermore, the assessment area demographics indicate that only 62.9 percent of housing units are owner occupied, which may indicate a limited lending demand for home mortgage loans in the area. Given these factors, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	16.8	6.8	3	11.5	195	4.6
2022	17.7	8.6	4	10.3	165	2.0
2023	17.7	7.5	0	0.0	0	0.0
Moderate						
2021	15.8	16.5	5	19.2	274	6.5
2022	16.7	19.7	6	15.4	1,084	13.1
2023	16.7	18.9	2	5.9	160	1.9
Middle						
2021	23.1	21.4	8	30.8	1,427	34.0
2022	24.2	22.8	7	17.9	1,159	14.0
2023	24.2	22.3	2	5.9	145	1.7
Upper						
2021	44.4	30.8	7	26.9	2,011	47.9
2022	41.3	30.9	11	28.2	3,010	36.4
2023	41.3	31.9	15	44.1	4,077	48.4
Not Available						
2021	0.0	24.5	3	11.5	291	6.9
2022	0.0	18.0	11	28.2	2,846	34.4
2023	0.0	19.4	15	44.1	4,049	48.0
Totals						
2021	100.0	100.0	26	100.0	4,198	100.0
2022	100.0	100.0	39	100.0	8,264	100.0
2023	100.0	100.0	34	100.0	8,432	100.0
Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021, 2022, and 2023 HMDA Aggregate Data						

Small Farm Loans

The distribution of small farm loans reflects excellent penetration of loans to farms of different sizes. All of the 25 small farm loans were originated to farms with revenues of \$1 million or less. This performance exceeds comparable demographic data, which indicated that 98.4 percent of assessment area farms are in the same revenue category.

COMMUNITY DEVELOPMENT TEST

EBT's community development performance demonstrates adequate responsiveness to community development needs in the Kansas City Assessment Area, considering the institution's capacity, as well as the need and availability of such community development opportunities.

Community Development Loans

The bank originated 10 community development loans totaling \$25.3 million in this assessment area. The dollar volume of community development lending increased compared to the previous evaluation, which included 7 loans totaling \$16.1 million. Community development loans in this

assessment area were focused on supporting economic development by creating, retaining, or improving jobs for low- and moderate-income individuals. For example, the bank originated multiple loans to a business that mainly employs low- or moderate-income individuals.

Qualified Investments

The bank made 18 qualified investments, including donations and grants, totaling \$652,000 in this assessment area. The bank's performance increased in dollar volume since the previous evaluation, when 20 investments totaling approximately \$54,500 benefitted the assessment area. Investments and donations were made to organizations that promote community services benefiting low- and moderate-income individuals, and that help to revitalize and stabilize the assessment area.

Examples of sizable investments that were considered especially responsive to the assessment area's needs included bonds to a local government to provide necessary infrastructure that benefits low- and moderate-income census tracts.

Community Development Services

The bank provided two community development services that primarily consisted of bank employees providing financial expertise to community service-related organizations within the Kansas City Assessment Area. Services were given to organizations that help attract or retain businesses in the area. An example of a responsive service involved an employee who provided technical and financial expertise to an organization that promotes job creation and retention in the assessment area.

ST. JOSEPH MSA – Full-Scope Review

CRA RATING FOR THE ST. JOSEPH MSA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ST. JOSEPH MSA

EBT’s operations in the St. Joseph, Missouri-Kansas MSA consist of the St. Joseph Assessment Area, which is comprised of Doniphan County, Kansas, and Buchanan County, Missouri. The bank has not changed this assessment area since the prior evaluation; however, the number of census tracts and census tract designations were updated with the release of the 2020 U.S. Census data.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area is comprised of 2 low-income, 6 moderate-income, 18 middle-income, and 3 upper-income census tracts. The following table provides demographic information on the assessment area.

Demographic Information of the Assessment Area					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	29	6.9	20.7	62.1	10.3
Population by Geography	92,303	6.0	16.6	66.1	11.3
Housing Units by Geography	42,397	6.8	18.0	64.9	10.4
Owner-Occupied Units by Geography	23,185	3.4	15.6	68.0	13.0
Occupied Rental Units by Geography	13,460	10.0	20.6	62.1	7.4
Vacant Units by Geography	5,752	12.9	21.8	58.8	6.5
Businesses by Geography	9,738	5.8	10.3	72.6	11.3
Farms by Geography	540	2.2	3.9	79.6	14.3
Family Distribution by Income Level	22,219	21.0	18.9	20.9	39.2
Household Distribution by Income Level	36,645	26.3	15.9	18.0	39.8
Median Family Income – St. Joseph, Missouri-Kansas MSA		\$66,409	Median Housing Value		\$125,972
Families Below Poverty Level		11.3%	Median Gross Rent		\$776
Source: 2020 U.S. Census and 2023 D&B Data Due to rounding, totals may not equal 100.0%.					

The FFIEC provides updated median family income levels that are used to analyze home mortgage loans under the Borrower Profile criterion as well as community development activities. The low-, moderate-, middle-, and upper-income categories for the St. Joseph, Missouri-Kansas MSA are presented in the following table for each year of the review.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$67,800)	<\$33,900	\$33,900 to <\$54,240	\$54,240 to <\$81,360	≥\$81,360
2022 (\$73,000)	<\$36,500	\$36,500 to <\$58,400	\$58,400 to <\$87,600	≥\$87,600
2023 (\$81,600)	<\$40,800	\$40,800 to <\$65,280	\$65,280 to <\$97,920	≥\$97,920
Source: FFIEC				

Competition

The St. Joseph Assessment Area has moderate competition for financial products and services. According to June 30, 2024 FDIC Deposit Market Share data, Doniphan County, Kansas and Buchanan County, Missouri contain 17 financial institutions operating from 34 locations. EBT ranked 12th with 2.2 percent of the deposits.

EBT faces significant competition for home mortgage loans in the St. Joseph Assessment Area. The 2023 HMDA aggregate data showed 182 lenders reporting 1,933 home mortgage loans. EBT ranked 14th in terms of lending market share, with 1.4 percent of the reported loans.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small farm lending represents a primary credit need within the assessment area. Small farm lending opportunities and demand are significant throughout the St. Joseph Assessment Area. In addition, examiners determined that economic development represents the assessment area's primary community development need and opportunity.

SCOPE OF EVALUATION – ST. JOSEPH MSA

Examiners evaluated the bank's small farm, home mortgage, and small business loans, along with community development loans, investments, and services. Small farm lending performance was weighted most heavily in the St. Joseph Assessment Area, followed by home mortgage lending and small business lending performance.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ST. JOSEPH MSA

LENDING TEST

EBT demonstrated reasonable performance under the Lending Test in the St. Joseph Assessment Area. The bank's reasonable performance under the Geographic Distribution and Borrower Profile criteria supports this conclusion.

Geographic Distribution

EBT's geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable small farm, home mortgage, and small business lending performance supports this conclusion.

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. Although EBT made no small farm loans in low- or moderate-income census tracts, the bank's offices are distant from these tracts, which are concentrated in and near downtown St. Joseph. In addition, St. Joseph is served by several other financial institutions with offices located in or near these tracts. Therefore, the bank's performance is considered reasonable.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low	2.2	0	0.0	0	0.0
Moderate	3.9	0	0.0	0	0.0
Middle	79.6	31	53.4	3,301	57.2
Upper	14.3	27	46.6	2,468	42.8
Totals	100.0	58	100.0	5,769	100.0
<i>Source: 2023 D&B Data, Bank Data</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank's performance in low-income census tracts exceeded aggregate and demographic data in 2021 and 2023. However, the bank's performance lagged both measures in 2022 as it made no home mortgage loans in low-income census tracts. The bank's performance in moderate-income census tracts lagged aggregate and demographic data for all three years. Considering the distance from the bank's offices to the low- and moderate-income tracts in St. Joseph and the proximity of other institutions to those tracts, the bank's performance is considered reasonable. See the following table for details.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.8	0.6	1	3.2	75	2.0
2022	3.4	4.9	0	0.0	0	0.0
2023	3.4	4.2	2	7.4	116	2.5
Moderate						
2021	20.6	18.1	4	12.9	249	6.5
2022	15.6	15.5	1	3.1	68	1.7
2023	15.6	20.6	1	3.7	62	1.3
Middle						
2021	53.8	51.8	24	77.4	3,275	85.8
2022	68.0	67.4	25	78.1	3,392	82.9
2023	68.0	65.0	22	81.5	4,358	94.5
Upper						
2021	24.8	29.4	2	6.5	217	5.7
2022	13.0	12.2	6	18.8	633	15.5
2023	13.0	10.2	2	7.4	76	1.6
Totals						
2021	100.0	100.0	31	100.0	3,816	100.0
2022	100.0	100.0	32	100.0	4,093	100.0
2023	100.0	100.0	27	100.0	4,611	100.0
Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021, 2022, and 2023 HMDA Aggregate Data						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The following table shows the bank made no loans in low- and moderate-income geographies. As noted previously, the bank's offices are distant from the low- and moderate-income tracts in St. Joseph, and other institutions have offices in or near these tracts. Therefore, the bank's performance is considered reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	5.8	0	0.0	0	0.0
Moderate	10.3	0	0.0	0	0.0
Middle	72.6	18	72.0	958	57.1
Upper	11.3	7	28.0	720	42.9
Totals	100.0	25	100.0	1,678	100.0
Source: 2023 D&B Data, Bank Data Due to rounding, totals may not equal 100.0%.					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among farms and businesses of different sizes, and individuals of different income levels. EBT's reasonable small farm, home mortgage, and small business lending performance supports this conclusion.

Small Farm Loans

The distribution of small farm loans to operations with revenues of \$1 million or less reflects reasonable penetration. The bank's performance lags demographic data in this revenue category. However, 2022 Census of Agriculture data reveals 63.0 percent of farms in the assessment area reported no interest expense, and 60.3 percent of producers reported a primary occupation other than farming. These factors suggest a limited credit demand from many small farmers. Therefore, the bank's performance is considered reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.9	31	86.1	3,029	77.3
>\$1,000,000	0.4	5	13.9	892	22.7
Revenue Not Available	0.7	0	0.0	0	0.0
Totals	100.0	36	100.0	3,921	100.0
<i>Source: 2023 D&B Data, 2023 Bank Data</i>					

Home Mortgage Loans

EBT's record of extending home mortgage loans to borrowers of different income levels is reasonable. As illustrated in the following table, EBT's level of lending to low- and moderate-income borrowers lags aggregate and demographic data in all three years. However, the bank offers home mortgage loans on the secondary market, and these are not included in the bank's reported HMDA data. Additionally, the bank's performance to low- and moderate-income borrowers showed improvement towards the end of the review period. Furthermore, the assessment area demographics indicate that only 54.7 percent of housing units are owner occupied, which may indicate limited lending demand for home mortgage loans in the area. Considering these factors, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	22.1	7.5	0	0.0	0	0.0
2022	21.0	9.6	2	6.3	93	2.3
2023	21.0	11.1	2	7.4	87	1.9
Moderate						
2021	17.4	21.5	4	12.9	426	11.2
2022	18.9	22.1	3	9.4	235	5.7
2023	18.9	25.9	4	14.8	377	8.2
Middle						
2021	24.1	19.3	5	16.1	605	15.9
2022	20.9	19.8	5	15.6	306	7.5
2023	20.9	18.2	6	22.2	628	13.6
Upper						
2021	36.4	29.3	13	41.9	2,035	53.3
2022	39.2	25.8	18	56.3	3,009	73.5
2023	39.2	22.9	11	40.7	3,322	72.0
Not Available						
2021	0.0	22.4	9	29.0	750	19.7
2022	0.0	22.7	4	12.5	450	11.0
2023	0.0	21.9	4	14.8	198	4.3
Totals						
2021	100.0	100.0	31	100.0	3,816	100.0
2022	100.0	100.0	32	100.0	4,093	100.0
2023	100.0	100.0	27	100.0	4,611	100.0
Source: 2015 ACS and 2020 U.S. Census; Bank Data; 2021, 2022, and 2023 HMDA Aggregate Data						

Small Business Loans

The distribution of small business loans to operations with revenues of \$1 million or less reflects reasonable penetration. As shown in the following table, the bank's percentage of loans to businesses with revenues of \$1 million or less is commensurate with demographic data in this revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	86.3	21	84.0	1,155	68.8
>\$1,000,000	3.7	4	16.0	523	31.2
Revenue Not Available	10.0	0	0.0	0	0.0
Total	100.0	25	100.0	1,678	100.0
Source: 2023 D&B Data, 2023 Bank Data					

COMMUNITY DEVELOPMENT TEST

EBT's community development performance demonstrates adequate responsiveness to community development needs in the St. Joseph Assessment Area, considering the institution's capacity, as well as the need and availability of such community development opportunities.

Community Development Loans

The bank originated five community development loans totaling \$3.4 million in this assessment area. Community development loans in this assessment area focused on supporting economic development by creating, retaining, or improving jobs for low- and moderate-income individuals. For example, the bank provided multiple loans to a business that mainly employs low- and moderate-income individuals.

Qualified Investments

The bank made two qualified investments, including donations and grants, totaling \$502,000 in this assessment area. The bank's performance increased since the previous evaluation, when the bank made one investment totaling approximately \$475,000 that benefitted the assessment area. An example of a notable investment includes a local school district bond that benefits low- and moderate-income students.

Community Development Services

The bank did not provide any community development services within the St. Joseph Assessment Area. The number of community development services decreased from the prior evaluation, when five community development services were provided.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
KANSAS	Satisfactory	Satisfactory	Satisfactory
KANSAS CITY MSA	Satisfactory	Satisfactory	Satisfactory
ST. JOSEPH MSA	Satisfactory	Satisfactory	Satisfactory

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 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 (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.