PUBLIC DISCLOSURE

February 27, 2019

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Community First National Bank
Charter Number 24080

215 S. Seth Child Road
Manhattan, KS 66502

Office of the Comptroller of the Currency

2959 N. Rock Road, Suite 510
Wichita, KS 67226

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Overall CRA Rating - Satisfactory

The Lending Test is rated: Satisfactory

- The bank's loan-to-deposit (LTD) ratio is more than reasonable given its asset size, financial condition, lending opportunities within the assessment area, and significant sales of residential real estate originations to the secondary market.

- The institution meets the credit needs of the community even though a substantial majority of loan originations are outside the bank's AAs.

- Given the opportunities within the AA, lending to borrowers of different income levels is reasonable.

- The bank's geographic distribution of loans reflects a reasonable dispersion.

Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts 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. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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 assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(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 refinancings, 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 MA/assessment area.

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) 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 One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is 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

Community First National Bank (Community) is a $283 million interstate financial institution headquartered in Manhattan, KS. The bank is a wholly owned subsidiary of TTAC Corporation of Manhattan, KS. The holding company has $25 million in assets as of June 30, 2018. The bank has no affiliates requiring consideration for CRA activities.

Community is a full-service banking institution that offers a broad range of commercial, real estate, and consumer credit products. The bank's primary lending activities focus on residential real estate loan products, commercial operating and commercial real estate products, and agricultural operating and real estate products.

On December 31, 2018, net loans and leases represented 85 percent of the bank's total assets. The bank's $241 million loan portfolio consisted of 44 percent commercial loans; 34 percent residential real estate loans; 11 percent lease financing receivables; six percent agriculture loans; three percent consumer loans; and two percent other loans. Tier one capital totaled $26 million.

Community has two assessment areas (AAs), one in Kansas and one in Texas. The Kansas AA is comprised of a portion of the Manhattan, KS Metropolitan Statistical Area (MSA), specifically all of Riley County except census tract 9800.00. The AA also includes census tract 0001.00 in Pottawatomie County. The Texas AA is a non-MSA and is comprised of Kerr County, TX. As of December 31, 2018, Community has a total of three branches and three automated teller machines (ATMs). The main bank and one branch are located in the state of Kansas. The Kansas locations each have one ATM. Texas has one branch and one ATM.

In April 2014, the bank acquired the mortgage banking business owned by a bank in Kerrville, TX, which consisted of five loan production offices (LPOs). During the period 2014 to July 2018, Community closed two LPOs and opened three additional LPOs. As of December 31, 2018, the bank operates six LPOs. Locations include Overland Park, KS; Columbia, MO; Cedar Falls, IA; Gladstone, MO; Omaha, NE; and McAllen, TX.

Community's business plan includes the sale of residential real estate loans to investors. During the evaluation period, the bank sold 90 percent of the number of residential loans originated. The volume of mortgage originations at the LPOs are responsible for making residential real estate loans the primary loan product at the bank wide level.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The Office of the Comptroller of Currency (OCC) last evaluated Community's Community Reinvestment Act (CRA) performance on September 24, 2014. The bank received a rating of "Satisfactory".

Scope of the Evaluation

The purpose of our examination is to assess the record of Community in meeting the credit needs of the local community in accordance with the CRA for the period beginning January 1, 2016 through December 31, 2018. There are two evaluation periods for the lending test. The

bank's performance for 2016 (period one) will be evaluated using data from the 2010 U.S. Census. The performance years of 2017-2018 (period two) will be evaluated using the same Census data updated by the 2015 American Community Survey (ACS), which is effective beginning 2017. Evaluation period two will receive the most weight.

The ACS is an ongoing survey that provides vital information on a yearly basis about demographic data including jobs and occupations, educational attainment, veterans, and whether people own or rent their homes. The ACS periodically releases new median income information used to calculate low-, moderate-, middle-, and upper-income levels, which in turn, determines the income status of census tracts.

Evaluation Period/Products Evaluated

In order to assess lending performance, we selected primary products based on both the number and dollar amount of loans originated between January 1, 2016 and December 31, 2018 in each AA. Residential real estate (RRE) loans were determined to be the primary product within the Manhattan AA. We utilized the bank's complete Home Mortgage Disclosure Act Loan Application Registers (HMDA LARs) for 2016-2018 in order to evaluate lending performance within the AA.

Commercial loans are the primary product in the Kerr County AA. To evaluate the lending performance in this AA, we utilized a sample of 20 commercial loans from 2016 and 20 commercial loans from 2017-2018.

Data Integrity

We conducted a HMDA Data Integrity review in November 2018 by comparing the bank's HMDA LARs to actual loan files. We found the HMDA data is accurate and reliable for use during this examination.

Selection of Areas for Full-Scope Review

Since the AAs are in separate states, both the Manhattan AA and the Kerr County AA will receive a full-scope review. See Appendix A: Scope of Examination.

Ratings

The bank's overall rating is a blend of the ratings for the states of Kansas and Texas. Performance in the state of Kansas received the most weight in the overall rating. The Federal Deposit Insurance Corporation's (FDIC) Summary of Deposits dated June 30, 2018, reflects that the Manhattan AA accounts for 90 percent of Community's deposits. Eighty-four percent of the number of loans extended during the evaluation period were extended within the Manhattan AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area 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 Criteria

Loan-to-Deposit Ratio

Community's average LTD ratio since the prior CRA exam is Outstanding. As of December 31, 2018, Community's average quarterly LTD ratio of 97 percent reflects more than reasonable responsiveness to assessment area credit needs, particularly since Community also sells loans to the secondary market. Community sold $635 million of residential real estate loans to the secondary market, which represents 88 percent of the dollar amount originated during both evaluation periods. The average quarterly LTD ratio for competitors was 85 percent, with ratios ranging from 56 percent to 130 percent.

Lending in Assessment Area

Community's record of lending within its AAs based on loan data reflects Substantial Noncompliance; however, performance for lending in the AAs is considered Satisfactory. The proportion of lending inside versus outside the bank's assessment area is calculated on a bank-wide basis. Due to LPO operations, a substantial majority of residential real estate originations were to borrowers outside the bank's AAs. This did not adversely impact the bank's rating under the Lending Test. Data from the bank's HMDA LAR reflect that 13.3 percent of the number and 14.8 percent of the dollar amount were originated inside the AAs. Prior to Community's strategy change and the purchase of multiple loan production offices in the Midwest, the bank's in-out ratio was Satisfactory. Data from the commercial sample for the Kerr County AA is not included in the above percentages. The commercial sample reflects that 80 percent of the number and 72.8 percent of the dollar amount were originated inside the Texas AA. Based on other factors in the Lending Test, Community continues to meet the lending needs of its AAs.

State Rating

State of Kansas

CRA rating for Kansas: Satisfactory

- Community's lending reflects excellent distribution to moderate-income geographies.

- Community's performance reflects reasonable distribution to borrowers of different incomes.

Description of Institution's Operations in Kansas

Community has one AA in Kansas. The Kansas AA is comprised of a portion of the Manhattan, Kansas Metropolitan Statistical Area (MSA), specifically all of Riley County except census tract 9800.00. The AA also includes census tract 0001.00 in Pottawatomie County. See the Community Profile under the State of Kansas in Appendix C for more information.

In addition to the main branch, Community has an additional branch located in Manhattan, KS. While both branches are located in Manhattan, the main branch is located in Riley County and the branch is located in Pottawatomie County.

Scope of Evaluation in Kansas

The Manhattan AA in Kansas will receive a full-scope review. Limited scope reviews are not applicable as Kansas has one AA.

During this examination, we contacted one municipal professional in Manhattan. The community contact indicated that the primary credit needs of the AA continue to be small business and residential loans. Manhattan's post-recession recovery has slowed, but the economy is stable. The city has multiple acres available for residential development and the Federal Home Loan Bank has contacted officials regarding a potential grant program. Given the high cost of residential real estate, there is a need for assistance for first time home buyers. The contact pointed out that local banks are good community partners.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS

LENDING TEST

Community's rating under the Lending Test is Satisfactory.

Geographic Distribution of Loans

Refer to Table O under the State of Kansas section in Appendix D.

Community's performance reflects excellent distribution to moderate-income geographies.

During both evaluation periods, the bank's level of lending was significantly above the census demographics and significantly above the aggregate peer data. There were no low-income geographies.

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

Refer to Table P under the State of Kansas section in Appendix D.

Community's performance reflects reasonable distribution to borrowers of different incomes.

Performance for low-income borrowers was reasonable. In both evaluation periods, bank performance was significantly below the demographics. This performance did not adversely affect the bank's rating as the AA has a significant volume of college students. Performance was above the peer aggregate performance in evaluation period one and slightly below aggregate in evaluation period two.

For moderate-income borrowers, the bank's performance was reasonable. Lending performance in both evaluation periods was below the demographics, but near to the aggregate peer data.

Responses to Complaints

Neither the OCC nor the bank received any complaints about its CRA performance during the evaluation periods.

State Rating

State of Texas

CRA rating for Texas: Satisfactory

- Community's lending reflects reasonable distribution in moderate-income geographies.

- Community's performance reflects reasonable distribution to borrowers of different incomes.

Description of Institution's Operations in Texas

Community has one AA in Texas. The Kerr County AA is comprised of Kerr County, a nonmetropolitan geography. See the Community Profile under the State of Texas in Appendix C for more information.

Scope of Evaluation in Texas

The Kerr County AA in Texas will receive a full-scope review. Limited scope reviews are not applicable as Texas has one AA. Please refer to the table in Appendix A.

An OCC Community Affairs Officer previously conducted a community contact interview with an organization that provides assistance for local small businesses. The contact stated that they were pleased with the amount of support provided by the area's financial institutions. The contact also said that many area institutions, specifically Community, actively support small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TEXAS

LENDING TEST

Community's rating under the Lending Test is Satisfactory.

Geographic Distribution of Loans

Refer to Table Q under the State of Texas section in Appendix D.

Community's performance reflects reasonable distribution to moderate-income geographies. A geographical analysis of loan distribution in low-income tracts would not be meaningful. There were no low-income census tracts during either evaluation period.

During evaluation period one, Community's performance reflects excellent distribution to businesses located in moderate-income geographies. The bank's level of lending was significantly above the census demographics and significantly above the aggregate peer lending level. This performance was notable given there was only one moderate-income tract during this evaluation period.

During evaluation period two, Community's performance reflects reasonable distribution to businesses located in moderate-income geographies. The bank's performance was below demographics and below the aggregate peer lending level. Only one moderate-income tract, the smallest one, is reasonably close to the bank's single branch location.

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

Refer to Table R under the State of Texas section in Appendix D.

Community's performance reflects reasonable distribution to businesses of different sizes.

During evaluation period one, the bank's lending was reasonable with performance below the demographics, but slightly below the aggregate peer data. A factor affecting this lower performance is that the bank did not collect gross revenue information on 15 percent of business loans originated.

During evaluation period two, the bank's lending performance was excellent with originations slightly below the demographics and significantly above the aggregate peer data.

Responses to Complaints

Neither the OCC nor the bank received any complaints about its CRA performance during the evaluation periods.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test January 1, 2016 – December 31, 2018	
Financial Institution		**Products Reviewed**
Community First National Bank (Community) Manhattan, Kansas		HMDA Products and Commercial Loans
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
None	None	None
List of Assessment Areas and Type of Examination		
Assessment Area	**Type of Exam**	**Other Information**
State of Kansas Manhattan AA	Full	Portions of Riley and Pottawatomie Counties
State of Texas Kerr County AA	Full	Kerr County

Appendix B: Summary of State Ratings

RATINGS Community First National Bank			
Overall Bank:	Lending Test Rating	Community Development Test Rating	Overall Bank/State/ Multistate Rating
Community First National Bank	Satisfactory	NA	Satisfactory
State:			
Kansas	Satisfactory	NA	Satisfactory
Texas	Satisfactory	NA	Satisfactory

Appendix C: Community Profiles for Full-Scope Areas

State of Kansas

Manhattan Assessment Area

The Manhattan AA consists of 12 census tracts in Riley County, KS and one census tract in Pottawatomie County, KS. Riley and Pottawatomie Counties together are classified by the U.S. Census Bureau as an MSA. The 2015 ACS update identified changes in the census tract categorizations from the prior evaluation period. The change resulted in fewer moderate-income tracts. The AA does not contain any low-income tracts. The tables below reflect other changes to the demographics during the evaluation periods.

Demographic Information of the Assessment Area						
Assessment Area: 2016 Manhattan AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	35.7	42.9	21.4	0.0
Population by Geography	78,474	0.0	27.7	49.3	23.1	0.0
Housing Units by Geography	30,030	0.0	26.7	51.2	22.1	0.0
Owner-Occupied Units by Geography	13,092	0.0	12.0	54.3	33.6	0.0
Occupied Rental Units by Geography	14,278	0.0	40.4	46.6	13.0	0.0
Vacant Units by Geography	2,660	0.0	24.7	60.7	14.6	0.0
Businesses by Geography	3,606	0.0	27.8	41.5	30.8	0.0
Farms by Geography	223	0.0	4.0	63.7	32.3	0.0
Family Distribution by Income Level	15,270	20.2	19.1	20.9	39.8	0.0
Household Distribution by Income Level	27,370	27.5	14.4	17.0	41.1	0.0
Median Family Income MSA - 31740 Manhattan, KS MSA		$59,787	Median Housing Value			$147,104
			Median Gross Rent			$778
			Families Below Poverty Level			10.7%
Source: 2010 U.S. Census and 2016 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.						

Demographic Information of the Assessment Area						
Assessment Area: 2017-2018 Manhattan AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	21.4	57.1	14.3	7.1
Population by Geography	82,780	0.0	20.0	61.6	15.1	3.2
Housing Units by Geography	32,576	0.0	15.9	66.1	16.4	1.6
Owner-Occupied Units by Geography	13,461	0.0	4.8	73.8	20.9	0.5
Occupied Rental Units by Geography	15,881	0.0	25.0	59.9	12.6	2.5
Vacant Units by Geography	3,234	0.0	17.9	64.4	16.2	1.4
Businesses by Geography	3,767	0.0	16.7	67.4	15.0	0.9
Farms by Geography	223	0.0	3.6	89.2	7.2	0.0
Family Distribution by Income Level	16,267	21.8	17.4	19.7	41.1	0.0
Household Distribution by Income Level	29,342	25.1	17.7	16.8	40.4	0.0
Median Family Income MSA - 31740 Manhattan, KS MSA		$67,332	Median Housing Value			$170,122
			Median Gross Rent			$883
			Families Below Poverty Level			6.9%
Source: 2015 ACS Census and 2018 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 2010 U.S. Census population of the AA was 78,474. Of the 27,370 households in the AA, 18 percent receive social security; 22 percent have income below the poverty level; and one percent receive public assistance. The population over the age of sixty-five is seven percent and civilians not in the work force is 32 percent. Owner occupied units represent 44 percent of the housing types.

According to the June 30, 2018 Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, Community ranked 3rd among 18 institutions in the Manhattan AA with 9.52 percent of the market share. Community has $213 million in deposits serviced out of two market offices. Kansas State Bank continued to control significant market share across both evaluation periods, averaging $1,061 million in deposits and 47.39 percent market share. The top five institutions captured 81 percent of market share.

The October 2018 Moody's Analytics report for the Manhattan, KS MSA (which includes the bank's AA) indicates that the respective business cycle is in late expansion. Nonfarm employment is up one percent year over year, private services are delivering more reliable job gains and factory payrolls are inching up. The jobless rate is near its all-time low. The labor market is very tight and firms are increasing pay to attract and keep workers. While wage income is growing, it has not helped the housing market. Sales of single-family homes are at a two-decade low and apartment occupancy rates have fallen. After a five-year hiatus, Manhattan's population is expected to resume its ascent even as the student population shrinks. Moody's predicts that Manhattan will be one of Kansas' weakest performers in 2019, as job growth remains dependent on private services and renewed population growth. Long-

term economic stability will remain dependent on Kansas State University (KSU), Fort Riley, and the ability of the MSA to nurture growth in higher value-added service industries.

A combination of federal, state, and local government entities employee over 31.9 percent of the Manhattan MSA, which equates to over 13,000 employees. KSU serves as the metro area's largest private sector employer with over 6,000 positions. Additional employer diversification is provided by retail, education/health services, leisure/hospitality, and manufacturing.

As of December 31, 2018, the Manhattan AA unemployment rate was 2.7 percent. This remains below the national unemployment rate of 3.9 percent and below the Kansas rate of 3.3 percent.

During this examination, we contacted one municipal professional in Manhattan. The community contact indicated that the primary credit needs of the AA continue to be small business and residential loans. Manhattan's post-recession recovery has slowed, but the economy is stable. The city has multiple acres available for residential development and the Federal Home Loan Bank has contacted officials regarding a potential grant program. Given the high cost of residential real estate, there is a need for assistance for first time home buyers. The contact pointed out that local banks are good community partners.

State of Texas

Kerr County Assessment Area

The Kerr County AA consists of 10 census tracts in Kerr County, TX. The AA is a non-metropolitan area. The 2015 ACS update identified changes in the census tract categorizations from the 2016 evaluation period. The change resulted in two additional moderate-income tracts. The AA does not contain any low-income tracts. The tables below reflect other changes to the demographics during the evaluation periods.

Demographic Information of the Assessment Area						
Assessment Area: 2016 Kerr County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	10.0	60.0	30.0	0.0
Population by Geography	49,625	0.0	3.7	71.2	25.2	0.0
Housing Units by Geography	23,307	0.0	3.7	71.4	24.9	0.0
Owner-Occupied Units by Geography	14,934	0.0	2.6	68.7	28.7	0.0
Occupied Rental Units by Geography	5,351	0.0	6.9	78.9	14.2	0.0
Vacant Units by Geography	3,022	0.0	3.2	71.7	25.1	0.0
Businesses by Geography	4,257	0.0	1.7	77.7	20.5	0.0
Farms by Geography	229	0.0	0.0	73.4	26.6	0.0
Family Distribution by Income Level	14,235	17.2	18.0	19.2	45.5	0.0
Household Distribution by Income Level	20,285	19.3	15.6	19.1	46.0	0.0
Median Family Income Non-MSAs - TX		$47,817	Median Housing Value			$129,734
			Median Gross Rent			$759
			Families Below Poverty Level			10.4%
Source: 2010 U.S. Census and 2016 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.*						

Demographic Information of the Assessment Area						
Assessment Area: 2017-2018 Kerr County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	30.0	40.0	30.0	0.0
Population by Geography	50,149	0.0	35.0	34.4	30.7	0.0
Housing Units by Geography	23,977	0.0	32.0	33.5	34.5	0.0
Owner-Occupied Units by Geography	14,150	0.0	26.0	35.8	38.2	0.0
Occupied Rental Units by Geography	6,166	0.0	48.8	27.7	23.5	0.0
Vacant Units by Geography	3,661	0.0	26.8	34.3	38.9	0.0
Businesses by Geography	4,335	0.0	35.0	36.9	28.0	0.0
Farms by Geography	237	0.0	24.1	35.9	40.1	0.0
Family Distribution by Income Level	13,130	19.6	18.0	17.8	44.5	0.0
Household Distribution by Income Level	20,316	22.3	16.0	17.7	44.0	0.0
Median Family Income Non-MSAs - TX		$52,076	Median Housing Value			$164,125
			Median Gross Rent			$786
			Families Below Poverty Level			12.7%

Source: 2015 ACS Census and 2018 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 2010 U.S. Census population of the AA was 49,625. Of the 20,285 households in the AA, 45 percent receive social security, 12 percent have income below the poverty level, and less than one percent receive public assistance. The population over the age of sixty-five is 24 percent and civilians not in the work force total 44 percent. Owner occupied units represent 64 percent of the housing types.

According to the June 30, 2018, Federal Deposit Insurance Corporation's (FDIC) Deposit Market Share Report, Community ranked 11th among 12 institutions in the Kerr County AA with 1.76 percent of the market share. Community has $23 million in deposits serviced out of one market office. Well Fargo Bank, N.A. continued to control significant market share, with $342 million in deposits and 25.94 percent market share. The top five institutions captured 73 percent of market share.

Kerrville sits just 65 miles northwest of San Antonio and about 100 miles southwest of Austin. Kerrville is positioned for growth with seamless connections to Fredericksburg, Austin, & San Antonio. The Kerr Economic Development Corporation actively markets to five industry sectors: avionics/aerospace, energy, advanced manufacturing, craft agriculture, and hotel/convention. Moody's October 2018 economic analysis indicates that San Antonio's business cycle status is considered to be in late expansion. The economy is expected to grow at the average national pace over the coming year, led by defense-related activity and construction.

The larger industries in Kerrville consist of health care and social assistance at 18 percent; retail trade at 13 percent; construction at eight percent, as well as accommodation/food services; other services at 7 percent; and manufacturing at 5 percent along with professional, scientific, and technical services. Kerrville's largest employers include Peterson Regional Medical Center with 1,096 employees; Kerrville State Hospital and Kerrville Veteran's Affairs Hospital with combined employees of 938; Kerrville Independent School District with 703 employees; and Kerr County and the City of Kerrville with combined employees of 616.

As of December 31, 2018, the Kerr County AA unemployment rate was 3.0 percent. This remains below the national unemployment rate of 3.9 percent and below the Texas rate of 3.7 percent.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, 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 the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

Table O. **Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. **Assessment Area Distribution of Home Mortgage 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 families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q. **Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to $1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.

Table R. **Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to $1 million) originated and purchased by the bank to businesses with revenues of $1 million or less to: 1) the percentage distribution of businesses with revenues of greater than $1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

State of Kansas

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Manhattan AA	143	28,936	100.0	2,416	0.0	0.0	0.0	12.0	16.8	10.3	54.3	40.6	42.7	33.6	42.7	47.0	0.0	0.0	0.0

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2018
	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Manhattan AA	229	56,202	100.0	2,161	0.0	0.0	0.0	4.8	10.5	6.4	73.8	62.0	67.4	20.9	24.9	25.3	0.5	2.6	1.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2016

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Manhattan AA	143	28,936	100.0	2,416	20.2	4.2	3.6	19.1	9.8	12.2	20.9	18.9	21.3	39.8	50.4	42.6	0.0	16.8	20.4

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2017-2018

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Manhattan AA	229	56,202	100.0	2,161	21.8	3.9	4.2	17.4	12.7	13.3	19.7	15.3	21.6	41.1	47.2	42.8	0.0	21.0	18.1

Source: 2015 ACS Census 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

State of Texas

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																					2016
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Kerr Cty AA	20	971	100.0	1,208	0.0	0.0	0.0	1.7	10.0	1.6	77.7	40.0	76.7	20.5	50.00	21.8	0.0	0.0	0.0

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																					2017-2018
	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
Assessment Area:	#	$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Kerr Cty AA	20	418	100	1,171	0.0	0.0	0.0	35.5	25.0	32.8	36.5	30/0	40.6	28.0	45.0	26.6	0.0	0.0	0.0

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data,"--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2016

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
Kerr Cty AA	20	971	100.0	1,208	86.7	40.0	49.0	3.8	45.0	9.5	15.0

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues 2017-2018

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
Kerr Cty AA	20	418	100.0	1,171	86.1	85.0	52.9	4.5	15.0	9.4	0.0

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data "--" data not available.
Due to rounding, totals may not equal 100.0