



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

January 12, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Midamerican Bank & Trust Company, National Association
Charter Number 3033**

**401 Delaware
Leavenworth, Kansas 66048**

**Comptroller of the Currency
Kansas City North Field Office
6700 Antioch Road Suite 450
Merriam, Kansas 66204**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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.

INSTITUTION'S CRA RATING This institution is rated Outstanding.

Overall conclusions

- MidAmerican Bank & Trust Company, N.A. (MidAmerican Bank) has an excellent record of lending to individuals and businesses of different income levels and revenue sizes.
- The geographic distribution of commercial and installment loans is more than reasonable and exceeds area demographic data in the low and moderate-income census tracts.
- MidAmerican Bank originated the majority of its loans by number and dollar to borrowers within the assessment area.
- The bank's loan-to-deposit ratio is reasonable given local economic conditions and significant competition from area financial institutions.
- The bank has not received any complaints about its performance in helping to meet assessment area credit needs during this evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

MidAmerican Bank has an excellent record of lending to individuals of different income levels and to businesses of different sizes. Based upon loans outstanding, as of December 31, 2003, the bank's primary loan product by dollar volume and number of loans is commercial loans and installment loans, respectively. We used information based on loans outstanding, since loan origination information since the last CRA Public Evaluation was not readily available. For a summary of the income distribution of loans, review the comments below:

Commercial loans

- The distribution of commercial loans by revenue levels exceeds area demographic data. Of the 22 applicable loans in the sample, 68.2 percent by number were to businesses with revenues of \$1 million or less. And, 36.4 percent were to businesses with revenues of \$250 thousand or less. This compares favorably to the revenue levels of area businesses.
- According to business demographic data updated by Dunn and Bradstreet, 63.9 percent of the businesses that reported income information have revenue levels of \$1 million or less.
- The bank's commercial activity also extends into the residential real estate area since 42.9 percent by number and 60.7 percent by dollar are loans for non-owner occupied

units primarily used for rental purposes. Demographic data shows that 31.2 percent of the housing units in the bank’s assessment area are non-owner occupied.

- In addition, management continues to commit time and resources to work with area organizations to attract/expand business relationships in the area.

Note: Approximately 33 percent of the area businesses did not report income information.

Installment loans

- The distribution of installment loans by income levels exceeds area demographic data. Of the 22 applicable loans in the sample, the income distribution to low, moderate, middle, and upper-income individuals were as follows: 36.3, 36.4, 22.7, and 4.6 percent, respectively. This compares favorably to demographic data for the assessment area with 22.4, 20, 22.5, and 35.1 percent in each income category, respectively.
- We used Year 2000 Census information for the income analysis with a MSA updated median family income level of \$66,700. In addition, 6.8 percent of the households live below the poverty level.

The geographic distribution of commercial and installment loans is more than reasonable and exceeds area demographic data in the low and moderate-income census tracts. The analysis reflects a good dispersion of loans throughout the assessment area. Review the table and comments below for details.

Commercial

- Based on our sample of 22 commercial loans, the bank’s geographic distribution in low- and moderate-income tracts exceeds demographic data for the assessment area. The table below shows the geographic distribution of commercial loans in low, moderate, middle, and upper-income census tracts.

Census Tract Income Level		Geographic Distribution of Loans to Business in the AA							
		<u>Low</u>		<u>Moderate</u>		Middle		Upper	
Loan Type	% of AA Businesses	Bank Sample % by # Loans	% of AA Businesses	Bank Sample % by # Loans	% of AA Businesses	Bank Sample % by # Loans	% of AA Businesses	Bank Sample % by # Loans	
Commercial	16%	<u>41%</u>	13%	<u>18%</u>	63%	36%	8%	5%	

Source: Demographic data obtained from loan sample and Don & Bradstreet.

Instalment

- The geographic distribution of instalment loans compares favorably to area demographic data. Of the 22 loans in the sample 18.1 percent were in moderate-income tracts, 63.7 in middle-income tracts, and 18.2 in upper-income tracts. This sample did not show any

loans in the one low-income census tract. This is not a concern since census tract 701.00 is primarily a business area in downtown Leavenworth. In addition, the low-income classification represents a recent change in the Year 2000 Census data from the 1990 Census.

- The geographic distribution of the households in the bank's assessment area are as follows: 4.3 percent have low-income households, 13.5 percent moderate-income households, 72.2 percent middle-income households, and 10 percent upper-income households.

MidAmerican Bank originated the majority of its loans by number and dollar to borrowers within the assessment area. Our combined sample of 51 commercial and instalment loans showed that 86.3 percent by number and 83.9 percent by dollar were originated to borrowers within the bank's assessment area.

The bank's loan-to-deposit ratio is reasonable given local economic conditions and significant competition from area financial institutions. The bank's average loan to deposit ratio during the evaluation period was 63.3 percent. The average loan to deposit ratio for two similar situated financial institutions was at 93.1 and 88.2 percent. The asset size of the institutions used for comparison purposes was \$88 and \$228 million, respectively.

The bank has not received any complaints about its CRA performance in helping to meet the credit needs of its AA. In addition, an analysis of public comments and consumer compliant information was performed according to the OCC's risk-based Fair Lending approach. Based on an analysis of the information, the OCC determined that a comprehensive Fair Lending examination would not be performed in connection with this CRA evaluation.

DESCRIPTION OF INSTITUTION

MidAmerican Bank, N.A. is a \$102 million financial institution with its main office and three full-service branches located in Leavenworth, Kansas. The bank also has a full-service branch office in Lansing, Kansas and six ATMs located throughout the assessment area. Four ATMs are located with a bank facility, one is free standing, and one is located in a local grocery store. There are no legal, financial, or other factors impeding the bank's ability to meet the credit needs of its assessment area. MidAmerican Bank is 96 percent owned by Acquisition Corp. headquartered in Prairie Village, Kansas, which is owned by CCB Corp. of Kansas City, Missouri. The bank offers a variety of deposit and credit related products, including a small percentage of agricultural related loans. Primary bank products consist of commercial loans by dollar and instalment loans by number. This is consistent with the area's credit needs and information from a community contact. Competition is tight. Several financial entities help to serve the banking needs of Leavenworth and nearby towns. Banking hours are reflective of customers' needs. The bank has three ATM locations with one at each banking location and one stand alone at one of the local malls.

Since the last CRA Public Evaluation dated August 2, 1999, the bank opened one full-service office in a local grocery store on December 8, 2000 and installed an ATM in a local store April

2003. In addition, MidAmerican Bank now maintains a website that provides bank information including product, services descriptions, and bank personnel contact information via e-mail.

DESCRIPTION OF ASSESSMENT AREA

MidAmerican Bank's assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income areas. A significant part of the Leavenworth workforce is comprised of the spouses of military personnel and retired military or federal personnel. There are approximately 22 companies with more than 150 employees. The bank's assessment area covers all of Leavenworth County, Kansas and consists of 15 census tracts based upon Year 2000 Census Data. The census tracts income characteristics are as follows: 1 low-income, 2 moderate-income, 11 middle-income, and 1 upper-income. The bank's main office is located in the only low-income census tract 701.00. The bank has a branch in one of the moderate-income census tracts 705.00, and has an ATM in the other moderate-income census tract 702.00.

Refer to the bank's CRA Public File for additional information about the bank and its assessment area.