



SMALL BANK

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

PUBLIC DISCLOSURE

March 22, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Western National Bank
Charter Number 22906**

**9500 Lackman Road
Lenexa, Kansas 66219**

**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 "Satisfactory."

- Western National Bank (WNB) has a satisfactory record of lending to businesses of different revenue/sales levels.
- The geographic distribution of WNB's lending activity reflects a reasonable dispersion of loans throughout the assessment areas (AA).
- WNB originated the majority of its loans to borrowers within the AA(s).
- WNB's loan-to-deposit ratio is reasonable given local economic conditions and competition from other financial institutions.
- The bank has not received any complaints in regards to its CRA performance.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Western National Bank (WNB) has a satisfactory record of lending to businesses of different revenue/sales levels. Based upon a review of the bank's December 31, 2003 Report of Condition, the bank's primary credit products were commercial real estate and general commercial loans by dollar (41%) and number (33%), respectively. During this examination, we reviewed a sample of 20 commercial loans originated/purchased from each AA.

The revenue distribution of loans originated/purchased in the bank's Johnson County AA by number is slightly below area demographic data for business with revenues/sales of \$1 million or less. The table below shows the distribution of the 20 loans used for the commercial loan sample. All of the loans in the sample were originated in the AA.

| <i>Borrower Distribution of Loans to Businesses in the bank's Johnson County AA</i> | | |
|--------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|
| <i>Business Revenues/Sales</i> | <i>≤ \$1,000,000</i> | <i>> \$1,000,000</i> |
| <i>Businesses within AA by #*</i> | 89% | 11% |
| <i>Loan Sample by #</i> | 85% | 15% |
| <i>Loan Sample by \$</i> | 83% | 17% |

**The table only shows the adjusted % of AA businesses that reported revenue/sales information.*

Source: Updated 2003 Dunn and Bradstreet data and loan sample information.

The revenue distribution of loans originated/purchased in the bank's Coffey County AA by number is below area demographic data by number for business with revenues/sales of \$1 million or less. The table below shows the distribution of the 20 loans used for the commercial loan sample. All of the loans in the sample were originated in the AA.

| <i>Borrower Distribution of Loans to Businesses in the bank's Coffey County AA</i> | | |
|-------------------------------------------------------------------------------------------|-----------------------------|--------------------------------|
| <i>Business Revenues/Sales</i> | <i>≤ \$1,000,000</i> | <i>> \$1,000,000</i> |
| <i>Businesses within AA by #*</i> | 93% | 7% |
| <i>Loan Sample by #</i> | 85% | 15% |
| <i>Loan Sample by \$</i> | 57% | 43% |

**The table only shows the adjusted % of AA businesses that reported revenue/sales information.*

Source: Updated 2003 Dunn and Bradstreet data and loan sample information.

The revenue distribution of loans originated/purchased in the bank's Shawnee County AA by number is below area demographic data for business with revenues/sales of \$1 million or less.
 The table below shows the distribution of the 20 loans used for the commercial loan sample. All of the loans in the sample were originated in the AA.

| <i>Borrower Distribution of Loans to Businesses in the bank's Shawnee County AA</i> | | |
|--------------------------------------------------------------------------------------------|---------------|---------------|
| Business Revenues/Sales | ≤ \$1,000,000 | > \$1,000,000 |
| <i>Businesses within AA by #*</i> | 90% | 10% |
| Loan Sample by # | 85% | 15% |
| Loan Sample by \$ | 81% | 19% |

**The table only shows the adjusted % of AA businesses that reported revenue/sales information.
 Source: Updated 2003 Dunn and Bradstreet data and loan sample information.*

The geographic distribution of WNB's lending activity reflects a reasonable dispersion of loans throughout the AA(s) for Johnson and Shawnee County in most census tracts. Review the table below for details. A geographic analysis of loans in the bank's Coffey County AA would not be meaningful since all of the tracts are in middle-income geographies based upon information from the 2000 Census.

| <i>Geographic Distribution of Loans to Nonfarm Businesses in the bank's Johnson County AA</i> | | | | | | | | |
|------------------------------------------------------------------------------------------------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|
| Census Tract Income | Low | | Moderate | | Middle | | Upper | |
| | Businesses in Tract | Loan Sample |
| Businesses/Loans by Number shown as a % | | | | | | | | |
| <i>Commercial</i> | 0% | 0% | 5% | 5% | 34% | 25% | 61% | 70% |
| <i>Geographic Distribution of Loans to Nonfarm Businesses in the bank's Shawnee County AA</i> | | | | | | | | |
| <i>Commercial</i> | 17% | 15% | 25% | 10% | 34% | 10% | 24% | 65% |

Source: Loan Sample, 2000 Census Data, and 2003 Business Demographic Data.

WNB originated the majority of its loans to borrowers within the assessment area. We used a combination of regulatory and bank reports to analyze the volume of all loans originated January 1999 through December 2003. During this time period, the bank originated 389 loans totaling \$49 million. Of that total, the bank originated 74 percent by number and 67 percent by dollar in the AA.

WNB's loan-to-deposit ratio(LTD) is reasonable given local economic conditions and competition from other financial institutions. The bank's quarterly average LTD ratio since the last CRA evaluation covers the time period of March 31, 1999 through December 31, 2003. We compared the bank's ratio to three similarly situated financial institutions within the bank's AA(s). WNB ranked third in the consolidated comparison group with an average quarterly ratio of 77.6 percent. Competitors' ratios ranged from 60.1 to 87.8 percent. Their asset size ranged from \$56 million to \$165 million.

The bank has not received any complaints regarding its CRA performance in helping to meet

the credit needs of the assessment area. 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

WNB is a \$99 million financial institution located in Lenexa, Kansas. WNB currently has three branch locations with two in Topeka and one in Burlington, Kansas. The bank opened the second Topeka office January 2, 2003. Unison Bancorp, Inc., a one-bank holding company headquartered in Lenexa, owns 100% of the bank's assets. The bank's primary product by dollar and number is commercial real estate and general commercial loans. This is consistent with the bank's business plan. The bank also offers a limited variety of consumer, and in-house/secondary market residential real estate loans. During this evaluation period, the bank sold 148 residential real estate loans totaling \$13 million on the secondary market. This total includes six loans totaling \$457 thousand with flexible underwriting standards primarily for first time homeownership buyer programs. The bank's Burlington office originated the majority of these loans. We assigned a "Satisfactory" rating during the last CRA Public Evaluation dated February 12, 1999. At this time, there are no legal or financial circumstances impeding the bank's ability to help meet the credit needs in its AA.

DESCRIPTION OF ASSESSMENT AREA(S)

WNB's AA consists of the three communities where it has an office, Lenexa, Burlington, and Topeka, Kansas. All communities are in the state of Kansas with Johnson, Coffey, and Shawnee counties designated as the bank's AA(s), respectively. The assessment areas meet the requirements of CRA legislation and do not arbitrarily exclude low- or moderate-income areas. Johnson County has two financial institutions with a main office in Lenexa; Coffey County has also has one financial institution with a main office in Burlington; Shawnee County however, has nine financial institutions with a main office in Topeka. Branches of several financial institutions operate in each city making the markets very competitive.

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