



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

September 18, 2000

Community Reinvestment Act Performance Evaluation

**Commerce Bank, N.A.
Charter Number: 22705
150 North Main Street
Wichita, Kansas 62201**

**Office of the Comptroller of the Currency
2345 Grand Blvd., Suite 700
Kansas City, Missouri 64108**

NOTE: This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

General Information	1
Definitions and Common Abbreviations	2
Overall CRA Rating	4
Description of Institution	5
Scope of the Evaluation	6
Fair Lending Review	7
Conclusions with Respect to Performance Tests	
Lending Test	8
Investment Test	12
Service Test	13
Appendix A: Scope of the Evaluation	A-1
Appendix B: Market Profiles for Full-Scope Areas	B-1
Appendix C: Tables of Performance Data	C-1

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **Commerce Bank, N. A. (Commerce), Wichita, Kansas** prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of September 18, 2000. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area (AA) evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area 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 (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

Limited-Scope 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, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

Institution's CRA Rating: This institution is rated "**Outstanding**".

The following table indicates the performance level of **Commerce Bank, N.A., Wichita, Kansas** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Commerce Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The distribution of loans based on borrower income is excellent and the geographic distribution is good. In addition, the strong volume of community development lending further supports the overall strong Lending Test performance.
- The volume of qualified community development investments is good. Also, the investments are responsive to the affordable housing needs of low- and moderate-income persons.
- Commerce's delivery systems are readily accessible to geographies and individuals of different income levels in the institution's assessment areas.
- The responsiveness of community development services is excellent.

Description of Institution

Commerce is an intrastate institution headquartered in Wichita, Kansas. Commerce services the entire Wichita, Kansas Metropolitan Statistical Area (MSA) and four other communities including the cities of Hutchinson, Hays, Garden City, and Winfield, Kansas. The bank operates 29 branch offices and 40 Automated Teller Machines (ATM).

As of June 30, 2000, the bank had \$972 million in total assets, \$557 million in gross loans, and \$84 million in Tier I capital. The loan portfolio is comprised of 46 percent real estate, 27 percent consumer, 19 percent commercial, and 8 percent agricultural. There are no financial, legal or other factors, which impede the bank's ability to meet its communities' credit needs. Commerce's last CRA evaluation performed by the OCC dated September 21, 1998, rated the bank "Satisfactory."

Commerce is a wholly-owned subsidiary of Commerce Bancshares, Inc. (CBI), which is headquartered in Kansas City, Missouri. CBI had total assets of \$11.2 billion on June 30, 2000. CBI is a bank holding company consisting of four national bank charters operating in Illinois, Missouri, Kansas and Nebraska. The Nebraska charter is a limited-purpose credit card bank. The company also owns, either directly or through its subsidiaries, various non-banking entities engaged in business activities directly supporting subsidiary banks such as real estate ownership and management for bank premises, insurance services, venture capital, and mortgage banking. Commerce Mortgage Company originates the majority of the residential real estate loans (purchase and refinance) for all CBI affiliates. CBI and its subsidiaries combine to provide a wide range of financial services targeted to commercial and agricultural businesses, consumers, and other entities, such as political subdivisions.

Scope of the Evaluation

We reviewed home mortgage, small business, small farm, and community development loans, originated from July 1, 1998 to June 30, 2000. At the bank's request, we included loans made by Commerce Mortgage Company within the bank's AA. For the Investment and Service tests, we evaluated Commerce's activities from July 1, 1998 to September 18, 2000.

Data Integrity

We performed a data integrity examination and found that Commerce has adequate systems and controls to ensure the accuracy of reported data. To ensure data integrity, examiners sampled HMDA, small business, and small farm loan information. Also, we reviewed community development loans, investments, and services for data integrity. We did not detect any material errors in the loans, investments, and services reviewed, and we consider the data used in this evaluation as accurate.

Selection of Areas for Full-Scope Review

The bank has five AAs. We selected the Wichita, Kansas AA for a full-scope review. This area contains the largest single concentration of the bank's deposits and loans. Each of the other four AAs contains a smaller portion of the bank's loans and deposits. Because the demographic information for these AAs is similar, we combined them (Non-MSA AAs) for this analysis.

The bank's AAs did not reflect any illegal discrimination and did not arbitrarily exclude low or moderate-income geographies. Refer to the table in Appendix A for additional information.

Ratings

The bank's overall rating, and ratings assigned to each test, are the consolidation of conclusions reached for the full-scope and limited-scope AAs. When consolidating AA conclusions into overall ratings, Commerce's performance in the Wichita AA (full-scope) was given more weight than the limited-scope AA (Non-MSA AAs). This weighting is reflective of the loan and deposit volumes (by number and dollar) originating within the Wichita AA.

Other

We reviewed information gathered from local organizations by the OCC and other bank regulators during this evaluation period. These organizations worked with small businesses, economic development initiatives, and low- and moderate-income housing issues. The contacts identified affordable housing for low- and moderate-income families and loans for small businesses as primary credit needs. In addition, the contacts included community development loans, investments and services as primary needs within the AA. Community development investment opportunities are moderate. These opportunities include investments in housing for low- and moderate-income families or state-wide and regional economic development partnerships.

Fair Lending Review

We performed an analysis of recent HMDA, small business and small farm lending data, public comments, and consumer complaint information according to the OCC's risk based analysis approach. The analysis of the lending data revealed no significant differences for applicants by collected prohibited basis. An analysis of the consumer complaint data and public comments revealed no substantive fair lending issues that warranted a more detailed review. The most recent comprehensive fair lending examination occurred on September 21, 1998.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding". We gave less weight to home mortgage refinance loans as this product was not an identified credit need in low- and moderate-income CTs. Also, community development lending was given added weight based on its volume and impact on a primary credit need.

Conclusions for Areas Receiving Full-Scope Reviews

Lending Activity

Commerce demonstrated good responsiveness to the home mortgage, small business, small farm and community development credit needs in the Wichita AA. Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

The bank originated 1,896 reportable loans totaling \$173 million in the Wichita AA. Of that amount, 52 percent were small business loans, 35 percent were home mortgage loans, 13 percent were small farm loans, and less than 1 percent were community development loans. Among home mortgage loans, 41 percent were for home mortgage refinance, 32 percent were for home purchase, and 27 percent were for home improvement.

Commerce's deposit market share is eight percent, ranking the bank sixth among deposit-taking institutions. Based on 1998 aggregate data, Commerce has a market share of 39 percent for small farm loans and eight percent for small business loans. The bank obtained a four percent market share for home improvement loans, three percent for home refinance loans, and one percent for home purchase loans.

Distribution of Loans by Income Level of the Geography

Overall, the distribution of lending is good. Penetration in low- and moderate-income geographies is strong for home purchase and home improvement loans. We did not identify any conspicuous gaps in the bank's lending patterns. Refer to Tables 2 through 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's lending in its AAs.

Home Mortgage Loans

The geographic distribution of *home purchase loans* is excellent. The bank's penetration is strongest in moderate-income CTs. While penetration in low-income CTs is below the level of owner-occupied housing units, several factors make it extremely difficult to originate home purchase loans in low-income CTs. For example, low-income CTs contain just 6 percent of the AA's population and 6 percent of the AA's housing units. In addition, only 34 percent of the housing units are owner occupied and 38 percent of households live below the poverty level. The unemployment rate in these CTs is 9 percent, compared to 2 percent for the entire AA. While the bank's market share for home purchase loans in low-income CTs fell below its overall

market share, Commerce's market share in moderate-income CTs exceeds its overall market share.

The distribution of *home improvement loans* is excellent. Home improvement lending in low-income CTs exceeds the level of owner-occupied housing units. In moderate-income CTs, home improvement lending is very near to the level of owner-occupied housing units. The bank's market share in low- and moderate-income CTs exceeds its overall market share.

The distribution of *home refinancing loans* is adequate. Home refinance lending to low- and moderate-income geographies is below the percentage of owner-occupied units. However, the bank's market share in the low- and moderate-income CTs is near its overall market share.

Small Loans to Businesses

The geographic distribution of *small loans to businesses* is good. Lending in low-income CTs exceeds the distribution of small businesses in the low-income CTs and is near to the percentage of small businesses in moderate-income CTs. The bank's market share in the low-income CTs exceeds its overall market share and is near to its overall market share in moderate-income CTs.

Small Loans to Farms

The geographic distribution of *small loans to farms* is good. Penetration in low-income CTs substantially exceeds the percentage of farms in low-income CTs. However, the bank did not originate any farm loans in moderate-income CTs. The bank's market share in low-income CTs exceeds its overall market share.

Lending Gap Analysis

We reviewed maps and reports detailing Commerce's HMDA, small business, and small farm lending activity to identify any gaps in the geographic distribution of these loans. We did not identify any conspicuous gaps in lending activity that were not adequately explained. The bank originated loans in 96 percent of AA CTs.

Inside/Outside Ratio

A substantial majority of the bank's loans originated within the bank's AAs. Over 99 percent of the home mortgages, 90 percent of the small loans to businesses, and 72 percent of the small loans to farms were extended within its AAs. This analysis was performed on the entire bank rather than by AA. This performance was positively factored into the geographic distribution analysis.

Distribution of Loans by Income Level of the Borrower

Commerce's distribution of lending to borrowers of different income levels is excellent. Lending to low- and moderate-income borrowers and to small farms was strong. Lending to small businesses was adequate. Refer to Tables 7 through 11 in Appendix C for the facts and

data used to evaluate the borrower distribution of the bank's lending.

Home Mortgage Loans

The distribution of *home purchase loans* by borrower income is excellent. The bank's percentage of home purchase loans to moderate-income borrowers exceeds the level of moderate-income families in the AA. Home purchase lending to low-income borrowers is near to the level of low-income families in the AA. However, 11 percent of AA households live below the poverty level and 44 percent of low-income families live below the poverty level. According to the 1999 National Association of Realtors Survey, the median sale price for a single-family home in the Wichita AA was \$90,300. These factors make it extremely difficult to originate home purchase loans to low-income families. Commerce's market share to low-income borrowers exceeds its overall market share for home purchase loans.

The distribution of *home improvement loans* is excellent. Commerce's percentage of home improvement loans to low- and moderate-income borrowers exceeds the percent of low- and moderate-income families in the AA. The bank's home improvement loan market share to low-income borrowers is near to its overall market share for home improvement loans. Commerce's market share for moderate-income borrowers exceeds the overall market share for home improvement loans.

The distribution of *home mortgage refinance* lending is excellent. The bank's home mortgage refinance lending to moderate-income borrowers exceeds the level of moderate-income families in this AA. The bank's refinance loan market share for low- and moderate-income borrowers exceeds its overall market share for refinance loans. Home mortgage refinance lending to low-income borrowers fell short of the comparable demographic. However, contacts indicated that mortgage refinancing is not a primary credit need among low-income families.

Small Loans to Businesses

The distribution of the bank's small loans to businesses is adequate. The portion of Commerce's loans to small businesses (businesses with revenues of \$1 million or less) is lower than the percentage of small businesses in the AA. However, the substantial majority of Commerce's small loans to businesses are for amounts of \$100 thousand or less. In addition, the bank's market share for small loans to businesses with revenues of \$1 million or less exceeds its overall market share for small loans to businesses.

Small Loans to Farms

Commerce's distribution of small loans to farms is excellent. Commerce's extension of loans to small farms (farms with annual revenues of \$1 million or less) exceeds the percentage of small farms in the AA. The bank's small farm loan distribution shows that a substantial majority its loans are for amounts of \$100 thousand or less. Also, the bank's market share for small loans to farms with revenues of \$1 million or less exceeds its overall market share for small loans to farms.

Community Development Lending

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's community development lending.

Commerce's level of community development lending (CD lending) is excellent based on the strong dollar volume and a moderate level of opportunities in the AA. The bank's CD lending has a positive impact on the overall Lending Test conclusions. These CD loans are not complex or innovative. The bank's CD loans are targeted at affordable housing and other services for low- and moderate-income families. Contacts listed affordable housing for low- and moderate-income individuals and community development services as primary needs. The bank provided 12 CD loans totaling \$2.7 million. The larger CD loans are summarized below.

- 1) \$2 million to a not-for-profit organization that provides community development services to low- and moderate-income families. These services include emergency shelter, food, clothing, and foster care placement.
- 2) \$400 thousand to a not-for-profit organization that provides community development services such as affordable housing for low-income families in the AA.
- 3) \$265 thousand to a not-for-profit organization that builds, rehabs, and manages multi-family housing units for low- and moderate-income persons.

Product Innovation and Flexibility

Commerce offers a number of flexible loan products to serve its community's credit needs. These include products that feature reduced down payments, higher debt ratios, or more flexible sources of down payment funds. Commerce designed these programs to meet the needs of low- and moderate-income families by requiring minimal down payments of 5 percent and 3 percent. Additionally, Commerce has an in-house grant program, which offers borrowers assistance with closing costs. Loans and grants originated under these programs are included in the totals for the Lending Test and Investment Test.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance in the Non-MSA AAs is not inconsistent with its overall Outstanding performance under the lending test. The geographic distribution in the Non-MSA AAs is particularly strong for home improvement loans and small loans to businesses and has a positive impact on the overall lending test rating. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Wichita AA is good. Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank originated \$1.2 million in qualified investments during this evaluation period. The level of investments is good based on the moderate level of opportunities and the bank's capacity to invest. Although the bank's investments were not particularly innovative or complex, they were responsive to the AA's more pressing community development needs. Current period investments include:

- \$548 thousand investment in a Small Business Investment Company (SBIC). The SBIC provides equity and mezzanine financing to small businesses in Kansas. To date, the SBIC financed 28 small businesses creating or preserving approximately 3,600 jobs.
- \$345 thousand in participation certificates with the Community Development Block Grant program to provide affordable housing to low- and moderate-income families and revitalize low- and moderate-income neighborhoods.
- \$203 thousand in grants and charitable contributions to organizations that provide affordable housing and community services to low- and moderate-income individuals in the AA.

The examples above illustrate that Commerce targeted its investment dollars at providing affordable housing for low- and moderate-income families and financing for small businesses. Community contacts identified affordable housing for low- and moderate-income families and capital for small businesses as AA credit needs. We gave these facts positive consideration in reaching the overall conclusions regarding the bank's performance under the Investment Test.

The bank holds \$1.7 million in qualified investments from prior periods. These included investments in affordable housing for low- and moderate-income families and a renewed deposit in a Community Development Financial Institution (CDFI) credit union. The bank's deposit provided start-up capital for the credit union, which serves an low- and moderate-income area of Wichita.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance in the Non-MSA AAs is not inconsistent with its overall High Satisfactory performance under the Investment Test. Refer to Table 12 in Appendix C for the facts and data that support this conclusion.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding". Based on full-scope

reviews, the bank's performance in the Wichita AA is excellent. Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

Retail Banking Services

Commerce's delivery systems are readily accessible to geographies and individuals of different income levels throughout the Wichita AA. The branch distribution in low- and moderate-income CTs exceeds the percentage of the population in those geographies. There are 15 banking facilities in the AA; 14 are full-service branches and one is a stand-alone drive-up facility. Commerce has 14 ATMs located throughout the AA. The distribution of ATMs in low- and moderate-income geographies exceeds AA demographics.

In 1999, Commerce closed one branch in a middle-income CT and opened one branch in an upper-income CT. The branch closure did not have a significant effect on the accessibility to banking products or services for low- and moderate-income individuals.

Alternative delivery systems include 24-hour telephone and Internet banking services. The telephone service allows customers to check balances, review account history, and transfer funds. The Internet banking service offers similar features, in addition to accepting loan payments and processing bill payments. We could not place significant weight on the alternative delivery systems because the bank did not have information on its impact to low- and moderate-income individuals or geographies.

The reasonableness of business hours and services is adequate in the Wichita AA. All full-service locations are open five days a week. Most branch locations offer Saturday lobby hours, including two located in low- and moderate-income CTs. Three branch locations do not offer Saturday hours. However, these facilities are located in Wichita's downtown business district and less than 1 percent of the AA's population resides in these geographies.

Drive-up service is available at 11 locations and deposit and loan information can be obtained at each branch. Loan officers work flexible hours to accommodate customer needs. Hours of operation for the branches located in low- and moderate-income CTs are comparable to those in middle- and upper-income CTs.

Community Development Services

Commerce's performance in providing community development services in the Wichita AA is excellent. Commerce demonstrated leadership in obtaining funding through the Federal Home Loan Bank's (FHLB) Affordable Housing Program. Commerce provided technical assistance to obtain eight grants totaling \$1.4 million to assist organizations that provide affordable housing to low- and moderate-income families. The FHLB funding was used for construction and rehabilitation of 326 units of housing and provided down payment and closing cost assistance.

Bank officers provide a good level of community development services in the Wichita AA by lending their expertise to 20 different organizations. The majority of the involvement is in providing financial expertise as executive officers, board members, and loan committee members

for various organizations. These organizations provide housing and financial education services to primarily low- and moderate-income individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance in the Non-MSA AAs is not inconsistent with the bank's overall Outstanding performance under the Service Test. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of The Evaluation

The following table identifies the time period covered in this evaluation, affiliate activities that we reviewed, and loan products we considered. The table also reflects the metropolitan and non-metropolitan 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 (excludes CD Loans): 07/01/98 to 06/30/00 Investment and Service Tests and CD Loans: 07/01/98 to 09/18/00	
Financial Institution		Products Reviewed
Commerce Bank, N.A. (Commerce) Wichita, Kansas		Home mortgage loans, small loans to businesses and farms, and CD loans.
Affiliate(s)	Affiliate Relationship	Products Reviewed
Commerce Mortgage Company	Owned by same holding company	Home purchase and home refinance loans.
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Wichita MSA #9040 Non- MSA AAs	Full-Scope Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Table of Contents

Market Profiles for Areas Receiving Full-Scope Reviews

Wichita AA	B-2
------------------	-----

Market Profiles for Full Scope Areas

Wichita Assessment Area

DEMOGRAPHIC INFORMATION FOR FULL-SCOPE AREAS: WICHITA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	112	10.0	22.0	52.0	16.0	0.0
Population by Geography	454,242	5.8	18.4	54.4	21.4	0.0
Owner-Occupied Housing by Geography	113,681	3.5	14.8	57.9	23.8	0.0
Businesses by Geography	17,451	7.6	23.1	46.3	23.0	0.0
Farms by Geography	878	0.7	4.8	72.4	22.1	0.0
Family Distribution by Income Level	123,013	18.2	18.1	25.4	38.3	0.0
Distribution of Low- and Moderate-income families throughout the AA Geographies	44,653	10.2	27.0	53.7	9.1	0.0
Median Family Income	= 35,931	Median Housing Value = 56,809				
HUD Adjusted Median Family Income for 1999	= 50,700	Unemployment Rate = 3.5%				
Households Below the Poverty Level	= 10.7%					

Commerce's largest AA includes all of the Wichita MSA. The Wichita MSA consists of Butler and Sedgwick Counties and includes 112 CTs. The City of Wichita, with an estimated population of 300,000, is the MSA's largest community. The area provides 49 percent of the bank's reported loan volume and 55 percent of its deposits.

Commerce is among the larger financial institutions doing business in the MSA, with the sixth highest deposit market share or 8 percent. Competition is very strong with over 20 locally owned financial institutions in the area competing for deposits and loans. The local economy is robust with an unemployment rate of 3.3 percent, which is below the national average. Aircraft manufacturing provides approximately 58 percent of all manufacturing jobs in the AA.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Evaluation). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 8. Borrower Distribution of Home Improvement Loans - See Table 7.

Table 9. Borrower Distribution of Refinance Loans - See Table 7.

Table 10. Borrower Distribution of Small Loans to Businesses - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 11. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 12. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings -
Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) -
For geographic distribution, the table 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 the population within each geography. For borrower distribution, the table 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 of households by income level in each MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME		Evaluation Period: 07/01/1998 TO 06/30/2000										
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope												
Wichita AA	54.80	666	43,440	981	115,666	237	10,763	12	2,678	1,896	172,547	49.41
Limited-Scope												
Non-MSA AA	45.20	579	36,366	780	58,018	570	34,355	15	3,098	1,944	131,837	50.59

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Evaluation Period: 07/01/1998 TO 06/30/2000														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope																
Wichita AA	3.50	0.94	14.79	14.15	57.88	42.93	23.83	41.98	21	1.1	0.0	1.5	1.2	0.9	212	49.77
Limited-Scope																
Non-MSA AA	0.00	0.00	6.54	5.61	60.00	53.27	33.46	41.12	2	7.6	0.0	14.0	7.3	8.3	214	50.23

* Deposit Data as of June 30, 1999
 * Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.
 ** Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 07/01/1998 TO 06/30/2000							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope																	
Wichita AA	3.50	3.95	14.79	14.13	57.88	55.93	23.83	25.99	4	3.8	5.7	4.3	3.5	4.1	177	68.60	
Limited-Scope																	
Non-MSA AA	0.00	0.00	6.54	9.88	60.00	49.38	33.46	40.74	2	19.7	0.0	31.3	24.2	31.8	81	31.40	

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 07/01/1998 TO 06/30/2000							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full-Scope																	
Wichita AA	3.50	1.45	14.79	5.10	57.88	57.45	23.83	36.00	9	2.5	2.0	2.4	2.7	2.4	275	49.28	
Limited-Scope																	
Non-MSA AA	0.00	0.00	6.54	4.59	60.00	52.30	33.46	43.11	1	12.6	0.0	10.9	16.0	11.8	283	50.72	

* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.
 ** Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.
 * Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.
 ** Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS										Evaluation Period: 07/01/1998 TO 06/30/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope																
Wichita AA	7.56	10.09	23.09	18.45	46.36	51.58	22.99	19.88	2	7.9	11.0	5.6	11.0	5.0	981	55.71
Limited-Scope																
Non- MSA AA	0.00	0.00	18.62	25.13	57.78	51.41	23.60	23.46	1	25.6	0.0	21.5	29.5	24.2	780	44.29

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL FARM										Evaluation Period: 07/01/1998 TO 06/30/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans	
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope																
Wichita AA	0.68	2.53	4.78	0.00	72.44	94.09	22.10	3.38	1	38.8	50.0	0.0	41.6	0.0	237	29.37
Limited-Scope																
Non-MSA AA	0.00	0.00	3.03	2.81	78.90	76.84	18.07	20.35	1	42.5	0.0	36.4	41.8	46.2	570	70.63

* Based on 1998 Aggregate Small Business Data Only. Market rank is for all income categories combined.
 ** Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.
 * Based on 1998 Aggregate Small Business Data Only. Market rank is for all income categories combined.
 ** Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 07/01/1998 TO 06/30/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope																
Wichita AA	18.20	16.51	18.10	21.70	25.37	25.47	38.33	36.32	21	1.1	1.5	0.8	1.0	1.2	212	49.77
Limited-Scope																
Non-MSA AA	14.95	5.14	17.71	15.89	23.97	31.31	43.37	47.66	2	7.6	10.8	3.0	8.2	8.8	214	50.23

* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

*** As a percentage of loans with borrower income information available (no information available on one loan originated by the bank).

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 07/01/1998 TO 06/30/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope																
Wichita AA	18.20	20.90	18.10	23.73	25.37	29.94	38.33	25.43	4	3.8	3.4	4.9	3.5	3.7	177	68.60
Limited-Scope																
Non-MSA AA	14.95	14.81	17.71	13.58	23.97	30.86	43.37	40.75	2	19.7	30.8	27.3	13.6	19.5	81	31.40

* Based on the 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

* Based on the 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 07/01/1998 TO 06/30/2000						
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope																
Wichita AA	18.20	12.36	18.10	23.27	25.37	23.64	38.33	40.73	9	2.5	3.8	3.0	2.6	2.7	275	49.28
Limited-Scope																
Non-MSA AA	14.95	4.94	17.71	17.67	23.97	28.98	43.37	48.41	1	12.6	11.4	10.0	14.6	13.7	283	50.72

* Based on the 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

*** As a percentage of loans with borrower income information available (less than one percent of loans have no information available).

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS										Evaluation Period: 07/01/1998 TO 06/30/2000						
MSA/Assessment Area	Businesses With Revenues of \$1 million or less			% Distribution of Loans by Original Amount Regardless of Business Size			Market Share*			Total Small Business Loans						
	% Business**	% Bank Loans***		\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less	#	% of Total						
Full-Scope																
Wichita AA	85.45	70.54		71.76	15.19	13.05	7.9	10.5	981	55.71						
Limited-Scope																
Non-MSA AA	89.57	77.95		85.00	7.44	7.56	25.6	30.1	780	44.29						

* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

** As a percentage of loans with borrower income information available.

* The market consists of all other Small Business reporters in BANK's assessment area and is based on 1998 Aggregate Small Business Data Only

** Businesses with revenues of \$1 million or less as a percentage of all businesses.

*** Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 13.8% of small loans to businesses reported by the BANK.

Table11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL FARM		Evaluation Period: 07/01/1998 TO 06/30/2000							
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans	
	% Farms**	% Bank Loans***	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
Full-Scope									
Wichita AA	96.47	97.89	89.87	7.59	2.54	38.8	44.6	237	29.37
Limited-Scope									
Non-MSA AA	97.54	97.49	83.68	11.58	4.74	42.5	43.7	570	70.63

* The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1998 Aggregate Small Business Data Only

** As a Percentage of Farms with known revenues.

*** As a percentage of loans with borrower income information available.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS									
Evaluation Period: 79/01/1998 TO 06/30/2000									
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full-Scope									
Wichita AA	5	1,712	60	1,206	65	2,918	75.00	0	0
Limited-Scope AA									
Non-MSA AA	8	144	86	823	94	967	25.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that remains outstanding as of the examination date.

** "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																	
Evaluation Period: 07/01/1998 TO 09/30/2000																	
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Total Bank Deposits	# of Bank Branch	% of Total Bank Branch	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of Branches due to openings/closings				% of the Population with Each Geography*			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope																	
Wichita AA	54.80	15	52.00	13.00	20.00	40.00	27.00	1	1	0	0	-1	+1	6.00	18.00	55.00	21.00
Limited-Scope																	
Non-MSA AA	45.20	14	48.00	0.00	15.00	54.00	31.00	0	6	0	0	+3	+3	0.00	8.00	60.00	32.00

* The percentage of the population in the MSA/AA that resides in these geographies.