



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**August 25, 2003**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Exchange National Bank And Trust Company of Atchison  
Charter Number 2758**

**600 Commercial Street  
Atchison, Kansas 66002**

**Comptroller of the Currency  
Assistant Deputy Comptroller-Kansas City South  
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 COMMUNITY REINVESTMENT ACT (CRA) RATING**

This institution is rated Satisfactory.

### **Exchange National Bank and Trust (Exchange) has a satisfactory record of lending to borrowers of different incomes.**

The distribution of consumer installment loan borrowers reflects a reasonable penetration of borrowers of different incomes considering that 14 percent of the households in the assessment area are below poverty level. Exchange's lending for consumer loans is excellent to moderate-income borrowers. Based on the twenty-two consumer loans sampled, the bank originated 18.2 percent by number and 11 percent by dollar to low-income borrowers and 27.3 percent by number and 31.3 percent by dollar to moderate-income individuals. Demographic data from the 2000 census indicates 22.6 percent and 16.2 percent of households in the assessment area are designated as low- and moderate-income, respectively.

Lending performance for 1-4 family owner occupied residential real estate is reasonable. Based on the twenty-four 1-4 family residential real estate loans sampled, the bank originated 12.5 percent by number and 5.2 percent by dollar to low-income borrowers, and 25 percent by number and 16.3 percent by dollar to moderate-income borrowers. Demographic data from the 2000 census indicates 18.2 percent and 18.8 percent of families in the assessment area are designated low- and moderate-income, respectively.

We did not perform an analysis of the geographic distribution of loans as it is not meaningful with the bank's assessment area designated entirely as middle-income census tracts. This analysis is done if one or more of the block numbering areas in the bank's assessment area is designated as a low- or moderate-income geography.

### **Exchange originated a majority of its loans in the assessment area.**

For consumer loans and 1-4 family mortgages sampled, the bank originated 78 percent by dollar and 77 percent by number within the assessment area. Consumer installment loans and 1-4 family residential real estate mortgages are the two primary types of loans in the loans originated by the bank. These loans comprise 60 percent of the portfolio by dollar volume.

### **The bank's quarterly average loan-to-deposit ratio (LTD) since the last examination is good.**

Exchange's quarterly LTD since the last CRA examination has averaged 80.30 percent. The two other banks headquartered in the assessment area are significantly smaller than Exchange, and therefore not readily comparable. These banks range in size from \$39 million to \$55 million in total deposits as of June 30, 2003, compared with Exchange's total deposits of \$136 million.

**Exchange has not received any consumer complaints regarding its performance in helping to meet credit needs in the assessment area during the evaluation period.**

**There are no legal or financial constraints that impede the bank's CRA efforts.**

**We found no evidence of illegal discrimination or other illegal credit practices.**

#### DESCRIPTION OF INSTITUTION

Exchange has \$168 million in total assets, of which net loans were \$109 million (65 percent of total assets), according to the June 30, 2003 Report of Condition. It is headquartered in Atchison, Kansas. In addition to headquarters, the bank operates one full service branch in Effingham, Kansas, two limited service branches in Atchison, and four automatic teller machines, of which three accept deposits. The bank offers a full range of traditional personal and commercial banking services. Consumer lending and 1-4 family residential mortgages are the primary focus of the bank's loan portfolio. The bank received a rating of satisfactory at its last CRA examination dated August 24, 1998. The bank is a wholly owned subsidiary of Exchange Bankshares Corporation of Kansas (EBCK), Atchison, Kansas. In addition, EBCK owns the First National Bank and Trust Company of Leavenworth, Leavenworth, Kansas. The combined total assets of all banks under EBCK ownership was \$270 million as of June 30, 2003.

#### DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area encompasses all of Atchison County, Kansas. Total population of the assessment area according to the U.S. Census is 16,774. This designation meets the requirements of the CRA regulation and does not arbitrarily exclude any low- or moderate-income geography.

The assessment area, comprised of four census tracts, does not exclude any low- or moderate-income tracts. Although there are no low- or moderate-income tracts, a significant number of low- or moderate-income families reside in the assessment area. According to Census data, 18 percent of the families are designated as low-income, 19 percent moderate-income, 28 percent middle-income and 35 percent are upper-income. Current income designations are based on the 2003 non-metropolitan median family income figure of \$44,900.

We conducted a community contact during this examination. The contact indicated all financial institutions in the area were helping to meet the primary credit needs and services for continued growth within the assessment area.

Please refer to the bank's CRA Public File for more information.