

PUBLIC DISCLOSURE

November 17, 1997

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**UMB Bank, National Association
Charter Number 13936
1010 Grand Boulevard
Kansas City, Missouri 64106**

**Supervisory Agency: Office of the Comptroller of the Currency
Midwestern District
Mid-Size/Credit Card Banks
2345 Grand Boulevard, Suite 700
Kansas City, Missouri 64108**

Note: 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.

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GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

Assessment Area (AA) - The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance. Generally, an urban assessment area will not extend beyond the boundaries of a Metropolitan Statistical Area (MSA). A rural assessment area may contain one or more neighboring counties.

Census Tract (CT) - Small, locally defined statistical areas within an MSA. These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per 10-year census and an average population of four thousand.

Community Development Purpose is defined as affordable housing (including multifamily rental housing) for low- and moderate-income individuals, community services targeted to low- and moderate-income individuals, activities that promote economic development by financing businesses or farms that meet size and revenue standards defined by the CRA regulation, and activities that vitalize or stabilize low- and moderate-income geographies. Community development loans specifically exclude loans which have been reported under the Home Mortgage Disclosure Act or as small loans to businesses or farms, except for multi-family rental housing loans, which can be reported under both categories.

Community Development Loan - A loan which must have as its *primary* purpose community development.

Community Development Service - A service that must have community development as its *primary* purpose and be related to the provisions of financial services.

Demographic Characteristic- A statistical representation of people, housing, geographical areas or other measurable factors with regard to size, density, distribution, or other measurable characteristics.

Geography - A Census Tract (CT).

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in MSAs to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of the applicant(s), the amount of loan requested and its disposition (e.g made, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase loans, home improvement loans, refinancing of home purchase and home improvement loans and loans for the purchase of multi-family (5 or more units) dwellings. *(This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2801, as amended, and 12 C.F.R. 203, as amended.)*

Income Levels - These relate to individuals, families or the CTs in an MSA.

Low = An income level that is less than 50 percent of the median income.

Moderate = An income level that is at least 50 percent and less than 80 percent of the median income.

LMI = An income level that is less than 80 percent of the median income.

Middle = An income level that is at least 80 percent and less than 120 percent of the median income.

Upper = An income level that is 120 percent or more of the median income.

Large Financial Institution - A financial institution with total assets of \$250 million or more or an institution of any size that is an affiliate of a bank holding company with \$1 billion or more in banking and thrift assets.

Loan Originations and Purchases - Throughout this evaluation, the term “originations” or “loans made” includes both originations and purchases.

Market Share - The portion of loans or deposits in a specific geographic area attributed to a financial institution. This is expressed as a percent of the total of loans or deposits reported by all financial institutions subject to loan and deposit reporting requirements in the same area.

Median Family Income - The median family income for a specific MSA or nonmetropolitan statewide area as determined by the United States Census Bureau. The Department of Housing and Urban Development updates this figure annually using an estimated inflation factor.

Metropolitan Statistical Area (MSA) - An area containing a city with a population of at least 50 thousand or an urbanized area with a population of at least 50,000 and a total metropolitan population of at least 100 thousand. Generally, MSAs consist of one or more whole counties that have a high degree of interaction.

Qualified Investment - A lawful investment that has as its *primary* purpose community development.

Small Business or Small Farm - A business or farm that has \$1 million or less in gross annual revenues.

Small Business or Small Farm Loan - A loan of \$1 million or less to a business of any size or a loan of \$500 thousand or less to a farm of any size.

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 **UMB Bank, National Association, Kansas City, Missouri, (UMB)** prepared by the **Office of the Comptroller of the Currency (OCC)** as of **November 17, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include 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 C.F.R. Part 25.

Institution's CRA Rating: UMB is rated "**Satisfactory.**" The main factors contributing to UMB's rating were:

- Good responsiveness to its communities credit needs, especially in home improvement lending. UMB originated 25 percent of all of the home improvement loans made in its Kansas City Assessment Area.
- Strong penetration among low- and moderate-income borrowers for HMDA and consumer lending, either meeting or exceeding the percentage of families at low- and moderate-income levels.
- Good distribution of HMDA and small business lending among census tracts of different income levels, including low- and moderate-income areas.
- UMB and its affiliates provided a high dollar volume of qualified community development investments totaling over \$17 million.
- Retail delivery systems were reasonably distributed throughout its communities.

The following table indicates the performance level of UMB with respect to the lending, investment and service tests.

Performance Levels	UMB Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	x	x	x
Low Satisfactory			
Needs To Improve			
Substantial Noncompliance			

*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF THE INSTITUTION

UMB Bank, N.A. (UMB) is a \$3.5 billion financial institution headquartered in downtown Kansas City, Missouri. It is a wholly-owned subsidiary of UMB Financial Corporation (UMBFC), a \$6.5 billion regional multi-bank holding company located in Kansas City, Missouri. UMBFC owns 16 commercial banks with 150 locations in six Midwestern states, including Missouri, Kansas, Illinois, Colorado, Oklahoma and Nebraska. Almost 70 percent of UMBFC's assets are attributed to its Kansas City and St. Louis markets.

UMB is a full-service banking institution, offering various retail and commercial banking services. The bank's primary business focus is middle-market businesses, personal trust and correspondent banking services. As of September 30, 1997, UMB's loan portfolio consisted of: 59 percent commercial and commercial real estate loans; 20 percent loans to individuals; 11 percent loans to financial institutions; 3 percent 1-4 family residential loans; and 7 percent other loans. The net loan to deposit ratio for this time period was 53 percent.

For 1996, UMB had two AAs, including a portion of the Kansas City, MO-KS MSA (#3760) and the Columbia, MO MSA (#1740). In the second quarter of 1997, UMBFC merged its Kansas City, Kansas affiliate into its Kansas City, Missouri bank creating an interstate institution. This merger added four assessment areas including two MSA AAs and two non-metropolitan AAs. These AAs were: the Topeka, KS MSA (#8440); the Lawrence, KS MSA (#4150); Fort Scott, KS (Bourbon County); and Atchison, KS (Atchison County).

The following table shows the number and percentage of deposits and branches which are attributed to each AA. As shown, 95 percent of loans, 96 percent of deposits and 79 percent of branches are attributed to the Kansas City, MO-KS AA.

Assessment Area	Total Loans (in millions)	% of Total Loans	Total Deposits (in millions)	% of Total Deposits	Total Branches	% of Total Branches
Kansas City, MO-KS MSA	\$1,432	94.77%	\$2,840	95.59%	42	79.24%
Topeka, KS MSA	\$42	2.78%	\$56	1.88%	4	7.55%
Lawrence, KS MSA	\$7	.46%	\$3	.10%	1	1.89%
Columbia, MO MSA	\$2	.13%	\$5	.17%	3	5.66%
Fort Scott, KS AA	\$17	1.13%	\$32	1.08%	1	1.89%
Atchison, KS AA	\$11	.73%	\$35	1.18%	2	3.77%
Total	\$1,511	100.00%	\$2,971	100.00%	53	100.00%

Source: Loan and branch information: Bank records as of June 30, 1997
 Deposit information: Federal Deposit Insurance Corporation as of June 30, 1997

UMB has the financial capacity to assist in meeting its communities' credit needs. For 1996, UMB realized net income of \$38 million. Equity capital as of December 31, 1996 was \$239 million. There are no known legal or financial constraints which could impede its CRA efforts. The OCC assigned a CRA rating of "Satisfactory Record of Meeting Credit Needs" during the last CRA evaluation ending June 30, 1995.

SCOPE OF EXAMINATION

The OCC evaluated UMB's CRA performance using the Lending, Investment and Service Tests for Large Banks pursuant to the revised CRA Regulation. These tests assess the bank's record of helping to meet community credit needs. This evaluation covers the time period from the last CRA evaluation, June 30, 1995 to the date of this evaluation. We analyzed mortgage (HMDA), small business, small farm and community development loan data which the bank is required to collect and report. UMB also collected consumer loan data for 1996 and year-to-date 1997 for consideration under the Lending Test. We analyzed this data for calendar year 1996 through June 30, 1997 for the Kansas City and Columbia AAs. We considered lending data from UMB bank affiliates for 1995 and 1996 for the Kansas City and Columbia AAs. Refer to the *Appendix* for a list of these affiliates. We included 1995 HMDA lending activity in our analysis since aggregate data for all lenders was not available during the last CRA evaluation. For the other AAs in Kansas, we considered 1997 lending data through June 30th only since this was the year of the interstate merger. In addition to the lending data, the OCC evaluated the number and types of qualified investments, branch distribution and accessibility, and retail and community development services.

We focused our analysis on the Kansas City AA since over 95 percent of the bank's HMDA and small business loans from this evaluation period originated there. This AA formed the basis for the conclusions about UMB's overall performance since such a significant portion of its CRA activities occur in this AA. Therefore, the ratings and conclusions, as well as the facts and data presented which support the bank's overall CRA performance, are

synonymous with the ratings and conclusions for UMB's CRA performance within the Kansas City multistate MSA.

For interstate banks, we are required to provide ratings for each state where the bank has a branch outside of a multistate MSA. Facts and data which support ratings for UMB's performance in the state of Missouri are presented separately later in this document. However, the performance in this state and the related Columbia AA, while at times inconsistent with UMB's overall performance, did not impact the overall rating for the bank. This AA represents less than one percent of UMB's loan originations and UMB held less than a one percent market share of deposits among financial institutions in this AA. We did not rate UMB's CRA performance for the state of Kansas since we had only six months of lending data to consider due to the interstate merger in the second quarter of 1997. The timespan of this data was not sufficient to reasonably conclude on the bank's CRA performance in these AAs.

DESCRIPTION OF THE ASSESSMENT AREA

Following is a description of the bank's Kansas City AA, where CRA activities formed the basis for UMB's overall CRA performance. A description of the Columbia AA can be found later in this evaluation. Refer to the *Table of Contents* for its location.

UMB's Kansas City AA consists of 405 CTs within the Kansas City MSA. The Missouri portion of the AA includes the following counties: Clay, Jackson, Platte and CTs 600-603 of Cass County. An affiliate bank serves the remainder of Cass County. The Kansas portion of the AA includes Johnson and Wyandotte Counties. UMB excluded the MSA Counties of Leavenworth, KS; Miami, KS; Clinton, MO; Lafayette, MO and Ray, MO from its AA. These counties are furthest from the bank's branch locations and are the outlying counties surrounding the greater Kansas City metro area.

Numerous commercial banks, savings institutions and mortgage companies provide strong competition for banking services in the Kansas City AA. As of June 30, 1997, UMB held a 13 percent market share of deposits. Competitors include NationsBank, Commerce Bank and Mercantile Bank (including Mark Twain and Roosevelt Bank) which held deposit market shares of 17 percent, 11 percent and 13 percent, respectively.

Kansas City is the central city of the Kansas City MSA. The economy is stable with a diverse employment base. Unemployment consistently runs well below the national average. Kansas City's largest industries are agribusiness, telecommunications, banking, engineering, transportation and manufacturing. The largest area employers are federal and state government, Hallmark Cards, Inc. and AT&T. Several major corporations are based in Kansas City, including Sprint Corporation; Hallmark Cards, Inc.; Hoechst, Marion, Rousell, Inc. and Farmland Industries. The following table shows the demographic characteristics of UMB's Kansas City AA.

ASSESSMENT AREA PROFILE: MSA # 3760 KANSAS CITY, MO-KS						
DEMOGRAPHIC CHARACTERISTICS	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA*
Population	1,388,925					
Family Distribution	373,752	18%	18%	25%	39%	0%
Census Tracts	405	11%	23%	40%	23%	3%
Businesses (% of # in CT)	49,824	6%	17%	44%	30%	3%
Owner Occupied Housing (% of # in CT)	349,519	7%	27%	46%	20%	0%
Median Housing Value = \$67,677						
HUD Adjusted Median Family Income for 1997 = \$50,200 1996 = \$47,700						
Unemployment Rate = 3.3%-4.1% in 1997						

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun and Bradstreet; Bureau of Labor Statistics

* NA=No income designation.

These demographics were used to provide some insight into the opportunities available for different loan types among CTs and borrowers of different income levels. Other pertinent demographic information used in this analysis is discussed with the presentation of the bank's lending data in this Performance Evaluation.

We reviewed nineteen contacts with government officials and community organizations which regulatory agencies performed. These contacts were involved in addressing the following issues: affordable housing, economic development, and community services targeted toward LMI individuals and families. They indicated the primary financial services needed in this AA are: credit counseling, money management and borrower education for LMI borrowers; affordable home loans for LMI borrowers; rehabilitation loans in the older portions of the city, predominately Wyandotte and Jackson Counties; education for potential small business owners; start-up loans for small businesses; and consumer loans for automobiles or short-term monetary needs for LMI individuals.

Kansas City, Missouri's downtown area has substantial blight and is in need of redevelopment. The City's Tax Increment Financing (TIF) Commission made a public request for proposals to redevelop this area. The bank's affiliate, UMBFC, responded to this request and developed a plan which removes blight and redevelops a portion of this area. The TIF Commission approved UMBFC's plan in October 1996. Refer to the *Investment and Service Tests* for more specific details of this redevelopment plan.

CONCLUSIONS ABOUT PERFORMANCE TESTS

LENDING TEST

UMB’s lending activity reflected good responsiveness to the Kansas City AA’s home improvement, small business and consumer credit needs. The bank originated a high percentage of its HMDA, small business and consumer loans within this AA. UMB effectively originated home improvement loans and consumer loans to low- and moderate-income borrowers. Distribution of small businesses loans among businesses with revenues of different sizes was not as effective. A significant portion of loans, by number and dollars, were made to larger businesses, i.e. those with revenues over \$1 million. UMB showed good penetration of LMI geographies for its HMDA and small business loans. These factors result in a “high satisfactory” rating for the Lending Test.

The following section reflects conclusions about UMB’s overall lending performance for HMDA, small business/small farm and consumer loan products based on the lending activity in the Kansas City AA. Lending performance for HMDA and small business loans received more weight in the overall Lending Test conclusions as these products are the primary focus of the new CRA.

HMDA Loans - Lending Activity

UMB showed excellent responsiveness to the credit needs of homeowners who sought to repair or improve their dwellings. Table 1 shows the number and dollar amount of HMDA loans UMB and its affiliates reported for the Kansas City AA in 1995, 1996 and through June 1997. During this evaluation period, UMB made 4,681 home improvement loans totaling over \$65 million. In 1995 and 1996, UMB’s market share of this loan type represented approximately 25 percent, by number, of all the home improvement loans lenders reported for the Kansas City AA. The number of home improvement loans UMB made exceeded that of its nearest competitor by almost three times each year. UMB’s primary business focus is not home purchase or refinance lending. The bank’s portion of the AA’s home purchase and refinance loans is not significant. In 1995 and 1996, it represented only .5 to 1.6 percent of the total home purchase and refinance loans.

Table 1

Kansas City AA:

HMDA PRODUCT	1995		1996		1997 (January - June)	
	# of Loans	\$ (000's)	# of Loans	\$ (000's)	# of Loans	\$ (000's)
Home Purchase	142	9,965	152	10,178	30	2,531
Refinance	168	8,307	179	11,571	29	1,428
Home Improvement	1,594	11,309	1,753	14,025	764	6,103
TOTAL	1,904	29,581	2,084	35,774	823	10,062

Data Source: Bank Records

UMB made a significant percentage of its HMDA loans within its AAs. Based on 1996 and 1997 HMDA activity combined, the bank made 81 percent of these loans, by number and dollar volume, within its AAs. The percentage of HMDA loans in the AA does not include any of the home purchase or refinance loans attributed to UMB by its former affiliates, UMB Bank Kansas and UMB Mortgage Company.

Small Business Loans - Lending Activity

UMB’s small business lending activity reflected adequate responsiveness to the credit needs of commercial borrowers. The CRA regulation requires banks to collect and report loan data for business loans which originated in amounts of \$1 million or less to businesses with revenues of any size. The small business loans discussed in this evaluation include only those loans which originated in amounts of \$1 million or less. In 1996, UMB made 1,686 small business loans totaling over \$271 million. This represented 12 percent, by number, of all the small business loans that large financial institutions reported within UMB’s Kansas City AA. UMB reported the second highest volume of loans, by number and dollars, among commercial banks.

Table 2 shows the volume, by number and dollars, of small business loans UMB made in 1996 and through June 1997 in its Kansas City AA.

Table 2

Kansas City AA:

SMALL BUSINESS LOANS	1996		1997 (January - June)	
	# of Loans	\$ (000's)	# of Loans	\$ (000's)
TOTAL	1,686	270,826	870	127,982

Data Source: Bank Records

UMB made a significant percentage of its small business loans within its AAs. Based on combined 1996 and 1997 lending activity, UMB made 91 percent, by number, and 86 percent, by dollar volume, of its small business loans within its AAs.

Small Farm Loans - Lending Activity

UMB originated 16 small farm loans in 1996 and seven such loans through June 1997 within its Kansas City AA. Only one percent of the households in the Kansas City MSA are engaged in self-employed farming activities. Further discussion and analyses of small loans for agrarian purposes are not meaningful in the context of this evaluation.

Consumer Loans - Lending Activity

UMB collected consumer loan data for consideration under the Lending Test. UMB originated a large number of consumer loans. However, since lenders are not required to collect this type of lending data, we do not have comparable data to determine how significant the volumes are relative to all consumer loans originated in the AA. Table 3 shows the consumer loan volume, by consumer loan category, for the Kansas City AA.

Table 3

Kansas City AA:

CONSUMER LOAN TYPE	1996		1997 (January - June)	
	# of Loans	\$(000's)	# of Loans	\$(000's)
Home Equity	254	29,678	116	8,865
Motor Vehicle	6,802	88,506	5,122	68,139
Other Secured	1,756	29,335	942	13,650
Other Unsecured	561	4,220	243	1,827
TOTAL CONSUMER LENDING	9,373	151,739	6,423	92,481

Data Source: Bank Records

UMB made a high percentage of its consumer loans within its AAs. Based on combined 1996 and 1997 lending activity, the bank made 83 percent, by number, and 84 percent, by dollar volume, of its consumer loans within its AAs.

HMDA Loans - Distribution by Borrower Income

UMB's home improvement lending showed strong penetration among borrowers of different income levels, especially LMI borrowers. Over this evaluation period, as shown in Table 4, the bank made 14 percent of its home improvement loans, by number, to low-income borrowers and 21 percent to moderate-income borrowers. These percentages compared favorably to the portion of families in the Kansas City AA which are designated LMI, considering that 7 percent of the families in the AA live with incomes below poverty. Based on aggregate HMDA data for 1995 and 1996, UMB's percentage of home improvement loans to LMI borrowers slightly exceeded the percentage made by all HMDA reporters in the Kansas City AA. HMDA reporters made on average 33 percent, by number, of their home improvement loans to LMI borrowers for 1995 and 1996 while UMB made 34 percent. Aggregate HMDA information is not available for 1997.

Table 4 shows UMB's HMDA loan distribution, by product type, number and percentage, according to the income level of the borrower. It compares the percentage of loans UMB made to borrowers of different income levels with the percentage of families in the AA which are designated low-, moderate-, middle- or upper-income. This provides some perspective on the potential lending opportunities to borrowers of different income levels. We focused on the number of HMDA loans rather than the dollar volume, as it more clearly depicts the number of borrowers who have benefitted from these loan types. We considered the percentage of families who are living below poverty since it is unlikely they would have the financial capacity to repay a loan of this type.

Table 4

Kansas City AA: HMDA Loan Distribution by Borrower Income Level - January 1, 1995 - June 30, 1997

Borrower Income Level	%Families in AA by Income Level*	Home Purchase		Refinance		Home Improvement	
		# of Loans	% by #	# of Loans	% by #	# of Loans	% by #
Low	18%	80	25%	50	13%	566	14%
Moderate	18%	79	24%	75	20%	859	21%
Middle	25%	56	17%	73	20%	1,163	28%
Upper	39%	97	30%	166	44%	1,511	37%
NA	0%	12	4%	12	3%	12	<1%
Total	100%	324	100%	376	100%	4,111	100%

Data Source FFIEC 1995 and 1996 Aggregate HMDA Data and Bank Records

*Families Below Poverty = 7%.

In 1995 and 1996, as previously stated under *HMDA Loans - Lending Activity*, UMB originated approximately 25 percent of the home improvement loans reported by all lenders in its Kansas City AA. Also, the bank made 24 to 25 percent of the loans granted at each borrower income level. The bank's closest competitor made 9 to 12 percent of the loans at each borrower income level.

UMB's distribution of home purchase and refinance loans among borrowers of different income levels weighed less heavily in our overall conclusion. UMB's number of home purchase and refinance loans is small relative to the bank's home improvement loan volume and the numbers of home purchase and refinance loans generated by all HMDA reporters. As shown in Table 4, on a percentage basis, the portion of UMB's home purchase and refinance loans to LMI borrowers compared very well to the percentage of LMI families in the AA. It also compared very favorably to the aggregate percentage generated by all HMDA reporters in the Kansas City AA for calendar years 1995 and 1996. However, UMB made only 263 of the 25 thousand home purchase and refinance loans generated by HMDA lenders to LMI borrowers in 1995 and 1996 combined. Aggregate HMDA data for these years showed that an average of 25 percent of all home purchase and refinance loans were made to LMI borrowers. In comparison, UMB averaged 41 percent of its home purchase and refinance loans to LMI borrowers for 1995 and 1996.

Small Business Loans - Distribution by Revenue and Loan Size

In 1996, UMB's small business loans reflected adequate penetration among businesses of different revenue sizes. As previously stated, the CRA regulation requires lenders to report loans of \$1 million or less which are made to businesses of any revenue size. We place more emphasis on the distribution of loans to smaller businesses, those with revenues of \$1 million or less. Sixty-nine percent of all businesses in the Kansas City AA have gross annual revenues of \$1 million or less based on business demographic information from Dun and Bradstreet. UMB made 699 or 41 percent of its loans to smaller businesses, i.e. those with revenues of \$1 million or less. This percentage is significantly below the portion of businesses in the AA with revenues of \$1 million or less. The bank's portion of loans to smaller businesses is also moderately less than the 49 percent which all large financial institutions reported for businesses with revenues of \$1 million or less. For 1997, UMB has made 870 small business loans with a slightly higher percentage of these loans going to firms with revenues of \$1 million or less,

i.e. 44 percent. In both years, loan dollars were substantially invested in commercial borrowers with revenues greater than \$1 million. Comparative data for other large bank reporters is not yet available for 1997.

Table 5 shows the volume, by number and dollars, of small business loans UMB made in 1996 through June 1997 in its Kansas City AA. It also shows the business revenue size of the borrowers, if known.

Table 5

Kansas City AA:

SMALL BUSINESS LOANS	1996				1997 (January - June)			
	# of Loans	%	\$ (000's)	%	# of Loans	%	\$ (000's)	%
Revenues <= \$1 Million	699	41%	50,940	19%	387	44%	29,456	23%
Revenues > \$1 Million	837	50%	207,291	76%	407	47%	95,026	74%
Unknown Revenues	150	9%	12,595	5%	76	9%	3,500	3%
TOTAL	1,686	100%	270,826	100%	870	100%	127,982	100%

Data Source: Bank Records

UMB made a significantly lower percentage of its small business loans in amounts of \$100 thousand or less compared to the percentage of loans all reporters made in this size category, 62 percent compared to 82 percent. UMB's larger loan size reflects its middle-market business focus. Table 6 shows the number and percentage of loans, by loan size category, to businesses of any revenue size for UMB and all large bank reporters for 1996 in UMB's Kansas City AA. UMB's average small business loan size in 1996 was \$161 thousand which was twice the \$80 thousand average loan size for all lenders. However, for commercial lenders which generated a similar number of loans, the average loan size was between \$80 thousand to \$125 thousand. As shown in Table 6, all large bank reporters made 9 percent of their small business loans in the other loan size categories (those greater than \$100 thousand) while UMB's percentages were approximately double these percentages. UMB's market share of loans in the larger size categories was much higher than its 9 percent market share of loans of \$100 thousand or less.

Table 6

Kansas City AA: 1996 Small Business Loans by Loan Size - Comparison of UMB to Large Financial Institutions, in Aggregate

LOAN SIZE (in 000's)	ALL LARGE FINANCIAL INSTITUTIONS		UMB		UMB's Portion of All Reported Loans (Market Share)
	# of Loans	% of Loans	# of Loans	% of Loans	
\$0 to <= \$100	11,270	82%	1,049	62%	9%
> \$100 to <= \$250	1,293	9%	291	17%	23%
> \$250 to \$1,000	1,179	9%	346	21%	29%
TOTAL	13,742	100%	1,686	100%	12%

Data Source: 1996 FFIEC Aggregate and Disclosure Statements and Bank Records

The prior small business loan tables showed all small business loans the bank reported to businesses with revenues of any size. Table 7 further illustrates UMB's lending to smaller businesses, those with revenues of \$1 million or less, by loan size. It shows the number and dollar amount of UMB's loans to smaller businesses, by size category, for 1996 and through June 1997. For businesses with revenues of \$1 million or less, UMB made a significant percentage of its loans, 82 percent, in amounts of \$100 thousand or less. UMB's average loan size to businesses with revenues of \$1 million or less was \$74 thousand over this time period. Data regarding the breakdown of small business loans by loan size to businesses for each of the three revenue categories--\$1 million or less, over \$1 million and unknown revenues--is not available for the reporters as a group.

Table 7

Kansas City AA: Small Business Loans - Distribution by Loan Size to Businesses with Revenues of \$1 Million or Less

Loan Size (in 000's)	1996				1997 (January - June)			
	# of Loans	%	\$ (000's)	%	# of Loans	%	\$ (000's)	%
\$0 to <=\$100	571	82%	15,697	31%	319	82%	9,399	32%
>\$100 to <= \$250	80	11%	13,167	26%	37	10%	5,825	20%
>\$250 to \$1,000	48	7%	22,076	43%	31	8%	14,232	48%
TOTALS	699	100%	50,940	100%	387	100%	29,456	100%

Data Source: Bank Records

Consumer Loans - Distribution by Borrower Income

UMB had excellent penetration among borrowers of all income levels for its motor vehicle and other secured consumer loans, compared to the percentage of families at the same income level. These two product types represent 91 percent of UMB's consumer loan data for 1996 through June 1997. During the same time period, the bank had good penetration among borrowers of all income categories for its other unsecured consumer loans. But, its level of penetration among LMI borrowers in the home equity category was about 50 percent or less of the percentage of families at those income levels.

Table 8 shows the distribution of consumer loans, by type, among borrowers of different income levels compared to the percentage of families at that income level. The percentage of families at each income level is provided to give some perspective on the potential lending opportunities to borrowers of different income levels. The percentage of families living below the poverty level is also shown.

Table 8

Kansas City AA: Consumer Loan Distribution by Borrower Income Level - January 1, 1996 - June 30, 1997

Borrower Income Level	%Families in AA*	Home Equity		Motor Vehicle		Other Secured		Other Unsecured	
		# of Loans	% by #	# of Loans	% by #	# of Loans	% by #	# of Loans	% by #
Low	18%	17	4%	1,770	15%	431	16%	70	9%
Moderate	18%	32	9%	2,904	24%	512	19%	155	19%
Middle	25%	49	13%	2,914	24%	451	17%	164	20%
Upper	29%	240	65%	4,043	34%	640	24%	357	45%
NA	0%	32	9%	293	3%	664	24%	58	7%
Total	100%	370	100%	11,924	100%	2,698	100%	804	100%

Data Source: Bank Records

*Families Below Poverty = 7%.

HMDA Loans - Geographic Distribution

UMB had a very good distribution of all types of HMDA loans in LMI geographies. For the evaluation period, UMB's percentage of home purchase and home improvement loans in LMI geographies matched or exceeded the percentage of owner-occupied housing located in those areas. The percentage of refinance loans was usually just below the percentage of owner-occupied housing. Table 9 shows the distribution of HMDA loans by the CT income level. It also shows the percentage of the AA's owner-occupied housing to provide perspective regarding the lending opportunities in CTs of all income levels.

Table 9

Kansas City AA: HMDA Loan Distribution by CT Income Level - January 1, 1995 - June 30, 1997

CT Income Level	%Owner Occupied Housing in AA by CT	Home Purchase		Refinance		Home Improvement	
		# of Loans	% by #	# of Loans	% by #	# of Loans	% by #
Low	3%	10	3%	7	2%	144	3%
Moderate	15%	80	25%	49	13%	644	16%
Middle	51%	139	43%	208	55%	1,985	48%
Upper	31%	95	29%	112	30%	1,337	33%
NA	0%	0	0%	0	0%	1	<1%
Total	100%	324	100%	376	100%	4,111	100%

Data Source: FFIEC 1995 and 1996 Aggregate HMDA Data and Bank Records

As previously mentioned under *HMDA Loans - Lending Activity*, UMB originated a 25 percent market share of the Kansas City AA's home improvement loans in 1995 and 1996. The bank achieved an even higher market share for those home improvement loans made in low- and moderate-income geographies in both years, capturing 27 to 30 percent. During the same period, UMB also exceeded its overall market share for home purchase and refinance loans in LMI geographies. Although the bank's geographic dispersion of home purchase

and refinance loans compares favorably, the market shares and underlying numbers of these loans are a small portion of the loans made in its AA.

Small Business Loans - Geographic Distribution

The distribution of UMB’s small business loans was very strong in LMI geographies. The percentage of loans UMB made in LMI geographies, 24 percent over the entire evaluation period, exceeded the percentage of businesses located in LMI areas, 23 percent. Table 10 shows the distribution of small business loans according to CT income level. It also exhibits the percentage of businesses which are located in CTs of different income levels. This provides perspective regarding the potential opportunities for making small businesses loans. The data represents loans for 1996 through June 30, 1997.

Table 10

Kansas City AA: Small Business Loans - Geographic Distribution - January 1, 1996 - June 30, 1997

CT Income Level	% Businesses in CTs	# of Loans	% of Loans
Low	6%	163	8%
Moderate	17%	346	16%
Middle	44%	814	38%
Upper	30%	685	32%
NA Income CTs	3%	141	6%
Totals	100%	2,149	100%

Source: Bank Records and Dun and Bradstreet

Based on 1996 aggregate market data for all large bank reporters, the bank made a higher percentage of its total small business loans in LMI CTs (26 percent) than the percentage of loans all reporters made in those geographies (19 percent). UMB achieved a larger market share of the small business loans reported in low- and moderate-income CTs than its 12 percent market share of all reported small business loans. UMB accounted for 19 percent of the small business loans reported in low-income CTs and 16 percent of the loans reported in moderate-income CTs. Aggregate data is not yet available for 1997.

Consumer Loans - Geographic Distribution

UMB’s geographic distribution of consumer loans in LMI geographies is low in comparison to the percentage of families who live in these areas. UMB’s “other secured” consumer product showed the best distribution with percentages closer to the proportion of families living in low- and moderate-income CTs. The geographic distribution of consumer loans weighed less heavily in our overall assessment of the overall lending distribution by geography. For this product type, more emphasis was placed on borrower distribution, which was particularly strong for the bank’s dominant consumer loan products, motor vehicle and other secured. This distribution, discussed previously, showed that lower income people, regardless of where they live, are benefitting from these smaller dollar loans. Refer back to **Table 8**.

Table 11 shows the distribution of consumer loans, by type, among the income levels of the geography in which the loan is located, compared to the percentage of families at any income level who live in that geography. The

percentage of families living below poverty in CTs of different income levels is also shown. We considered the percentage of owner-occupied housing in CTs of all income levels for home equity loans as an indicator of the potential loan opportunities. These percentages were previously shown in *Table 9*.

Table 11

Kansas City AA: Consumer Loan Distribution by CT Income Level - January 1, 1996 - June 30, 1997

CT Income Level	*% of Families Living in CTs in AA	Home Equity		Motor Vehicle		Other Secured		Other Unsecured	
		# of Loans	% by #	# of Loans	% by #	# of Loans	% by #	# of Loans	% by #
Low	4%	6	2%	149	1%	71	3%	7	1%
Moderate	16%	9	2%	917	8%	286	11%	46	6%
Middle	50%	130	35%	5,889	49%	1,287	48%	264	33%
Upper	30%	223	60%	4,962	42%	1,038	38%	484	60%
NA	0%	2	1%	7	<1%	16	<1%	3	<1%
Total	100%	370	100%	11,924	100%	2,698	100%	804	100%

Data Source: Bank Records

*Families Below Poverty = 7%. Families Below Poverty approximates 1% in low-, 3% in moderate- and 3% in middle-income CTs.

Community Development Lending

UMB has made an adequate level of community development loans considering its size, lending capacity and the opportunities available in its Kansas City AA. Community development loans must meet the community development definition as stated in the new CRA regulation. Refer to the *Glossary of Terms and Common Abbreviations* page for this definition. UMB made twenty-four qualified community development loans totaling \$19.5 million during this evaluation period. All but two of these loans benefitted the Kansas City AA. These loans support organizations that: provide community services targeted toward or primarily for LMI individuals, provide economic development through financing businesses which create jobs for LMI individuals and assist with the revitalization or stabilization of LMI areas, and facilitate the construction of affordable single-family housing for LMI families.

Following are examples of UMB’s community development lending efforts. The bank extended:

- \$13 million in working capital and business expansion loans to two large businesses which relocated to a LMI area in Kansas City, Missouri. These businesses helped revitalize and stabilize this LMI industrial area and created and/or retained hundreds of jobs primarily for LMI individuals.
- \$1.8 million to finance the purchase and improvement of a building for expanding a business which relocated to a LMI industrial area of Kansas City, Kansas. This helped in revitalizing and stabilizing this area, in addition to creating additional jobs for LMI individuals.
- \$2.1 million in working capital loans to community organizations which primarily provide nursing care and housing for the poor and elderly of the LMI inner city of Kansas City, Kansas.

- \$2 million in working capital to an international organization headquartered in Kansas City, Missouri which provides services for impoverished children in Kansas City and throughout the world.
- \$223 thousand to an affordable housing organization in Kansas City, Kansas for constructing affordable housing for LMI families.
- \$200 thousand participation in a \$1 million loan to a not-for-profit organization. The loan was originated by another local lender for the construction of a youth services center and the rehabilitation of the organization's facilities. This organization provides community services for residents of a predominantly LMI area of Kansas City, Kansas.
- \$73 thousand to a community organization in Topeka, Kansas which primarily provides community services for LMI individuals.
- \$75 thousand to a community development housing organization to construct scattered-site housing for LMI families in Topeka, Kansas.

In addition, UMB made several other loans with a community development purpose. These included financing small businesses which created jobs for LMI individuals and financing affordable housing for LMI borrowers. These loans were considered and are included in the loan volumes for HMDA and small business loans for the Lending Test.

UMB did not report any community development loans for the other four assessment areas including Lawrence, Columbia, Ft. Scott or Atchison. Opportunities in AAs outside of the Kansas City AA are more limited and UMB has fewer resources dedicated to these AAs.

Flexible Loan Programs

UMB used flexible lending programs to help meet the credit needs of the borrowers in its AAs. The bank participated in several governmentally-sponsored, subsidized home loan programs that benefit low- and moderate-income borrowers. All of the programs have reduced down payment requirements and more liberal underwriting criteria than conventional loans. The programs sponsored by state and local governments offer subordinate financing with deferred repayment terms and little or no interest on the loan. Over the evaluation period, UMB made 106 affordable mortgage loans totaling over \$4.6 million. These loans are included in the HMDA data discussed previously.

UMB participated in state and federal programs that offered flexibility for commercial borrowers, such as Small Business Administration (SBA) and the Missouri First Linked Deposit program. UMB has ranked among the top five SBA lenders in this region for the past 10 years. Over the evaluation period, the bank made 78 SBA loans totaling almost \$15.3 million.

INVESTMENT TEST

UMB and its affiliates provided a significant dollar volume of qualified investments based on the bank's size, financial capacity and the opportunities within its AAs. Qualified investments must have a "community development purpose" as described in the new CRA. Refer to the *Glossary of Terms* for this definition. During this evaluation period, UMB and its affiliates provided a total of \$17,207,910 in qualified investments. Approximately 50 percent of this amount results from the activities of the bank's affiliates.

In addition to reviewing the numbers and dollars of qualified investments, we also considered the bank's use of innovative and complex investments to support community development initiatives. UMB underwrote one bond issue which demonstrated innovation and complexity in creating a financing vehicle to accomplish a community development initiative. Other bond issues and the majority of the grants and donations represented more common types of financing and funding routinely provided by financial institutions. Approximately 47 percent of the dollar amount of qualified investments, \$8.1 million, resulted from UMB providing temporary financing for portions of two bond issues which support sustaining economic development for LMI areas. We weighed this temporary financing less heavily than longer term capital investments are weighed under the Investment Test. The bank's affiliate, UMBFC, initiated a complex TIF redevelopment plan for a blighted area of downtown Kansas City, Missouri, which the City targeted for redevelopment. Approximately 41 percent of the dollar amount of qualified investments, \$7 million, represents the funded portion of this long-term capital commitment.

UMB also provided \$507,910 in grants and donations to qualified community development organizations in its communities. Approximately 71 percent of these donations were attributed to the Kansas City AA and 27 percent were attributed to the Columbia AA. During a prior evaluation period, UMB made a \$7,500 equity investment in a Columbia Community Development Corporation (CDC). This CDC facilitates construction of affordable housing for LMI families. Based on all of the preceding factors, we assigned a "high satisfactory" rating for the Investment Test.

Following are descriptions of the bank's qualified community development investment activities for this evaluation period. UMB's Investment Banking Department underwrote the three bond issues detailed in this section. This underwriting process is recognized as a community development service and is further described in the *Service Test* under *Community Development Services*. Qualified investments include:

- A \$1.2 million purchase of a \$10.1 million municipal bond issue to reconstruct a bridge which provides the only direct access to a LMI industrial area which supports numerous businesses that employ primarily LMI individuals. The bridge is essential to sustaining the economic development of the LMI area which surrounds it. The bank provided temporary financing and subsequently sold its portion of this bond issue to other outside investors.
- A \$6.9 million purchase of a \$10.7 million targeted municipal bond issue to improve the Kansas City, Kansas public safety communications system, including the construction of a new dispatch center and the acquisition of public safety communications equipment. Kansas City, Kansas is predominately low- and moderate-income, with over 57 percent low- and moderate-income CTs and 53 percent low- and moderate-income families. This bond issue provided an essential community service for the predominately LMI residents of this

area. The bank provided temporary financing and subsequently sold its portion of this bond issue to other outside investors.

- UMB's Investment Banking Department underwrote and its affiliate banks purchased \$1.6 million of \$15.2 million in certificates of participation to provide financing for a predominately LMI school district in Kansas City, Kansas. The proceeds of these certificates will be used for constructing and rehabilitating school facilities which serve primarily LMI families. The school bond issue entailed a more complex type of financing involving the use of certificates of participation backed by revenues generated through a lease purchase of school facilities.
- UMBFC funded \$7 million of a proposed \$38 million project to redevelop a portion of downtown Kansas City, Missouri into a bank technology and operations center. The new center, scheduled for completion in 1999, will retain over 700 jobs in the downtown area with the potential to create an additional 200 jobs. This project, initiated by UMBFC, was developed in response to the TIF Commission's public request for proposals to redevelop this blighted area. The plan also compliments other city plans to redevelop the central business district of Kansas City, Missouri.

As previously mentioned, UMB made \$507,910 in donations or grants to qualified community development organizations. The majority of these donations provided financial support to organizations which provide services, including food, shelter, health and social services, to primarily LMI individuals and families. Approximately 25 percent of UMB's total donations consist of in-kind contributions of office space provided at very low or reduced rents to community development organizations. UMB provides virtually free office space to an entity which serves as a resource center for existing or potential small business owners. The bank also provides space at below market rents to an organization which conducts job training programs for teens who are primarily from LMI families.

SERVICE TEST

UMB's delivery systems are accessible to essentially all portions of the Kansas City AA and are reasonably distributed among geographies of different income levels. Branches in moderate-income CTs are under represented in comparison to the percentage of the population living there. The bank and its affiliates provided a relatively high level of community development services during this evaluation period. Based on these factors, a rating of "high satisfactory" is given to the Service Test.

Retail Banking Services

UMB's delivery systems are accessible to essentially all portions of the Kansas City AA and are reasonably distributed among geographies of different income levels. The Kansas City AA has 42 branches and 198 ATMs. UMB's branch distribution is satisfactory in the low-income CTs, with the percentage of branches proportionate to the percentage of the population residing in low-income CTs. The bank has a much lower representation in moderate-income CTs considering the percentage of the population attributed to these CTs. However, this is partially mitigated by six branches, located in middle-income CTs, which provide reasonable access for residents of nearby LMI CTs. These include: a branch, located in a middle-income CT, which is across the street from a moderate-income CT and surrounded by LMI CTs; and two offices, including the main bank facility, which are

located in a middle-income CT of the central business district of Kansas City, Missouri, where a large number of people of all income levels commute daily for employment. The central business district is surrounded by LMI CTs and is accessible by the city’s public transportation system.

Table 12 shows the branch and ATM distribution, in CTs of different income levels, for the Kansas City AA. The demographics of the AAs, including the percentage of CTs and population residing within CTs of different income levels, is also shown.

Table 12

Kansas City AA: Branch and ATM Distribution

Income Level of CT	Percentage of CTs in MSA	Percentage of Population in CTs	Number of Branches	Percentage of Branches	Number of ATMs	Percentage of ATMs
Low	11%	5%	2	5%	5	2%
Moderate	23%	18%	3	7%	18	9%
Middle	40%	49%	24	57%	111	56%
Upper	23%	28%	11	26%	55	28%
NA	3%	0%	2	5%	9	5%
Total	100%	100%	42	100%	198	100%

The two branches which are located in CTs with an income level designated as NA--no reported population or income--are also located in the central business district of Kansas City, Missouri. These branches are also accessible through the city’s public transportation system.

UMB opened five new branches in this AA since the last evaluation. One of these branches was located in a moderate-income CT in Jackson County. UMB did not close any branches. Eight branches are located in commercial businesses, including six in supermarkets, one in a hospital, and one in a hypermart store. These branches offer convenient banking services while the customer conducts other business. All banking services are offered at the branches. Although most real estate and commercial lenders are housed in the main bank facilities, individuals can apply for credit at any branch location. Loan officers will make appointments to meet with potential borrowers at any location. Most of the branches offer Saturday hours in addition to extended banking hours during the week. The bank also offers telephone bill payment services and PC online banking.

Community Development Services

UMB provided a relatively high level of community development services to the communities it serves during this evaluation period. Community development services must relate to the provision of financial services and meet the community development definition as defined in the new CRA regulation. Banking personnel lent their financial expertise to organizations engaged in community development activities in a variety of ways. These included: providing education and training to small business owners and community development organizations, serving as financial advisors, assisting municipalities by underwriting community development bond issues, serving as loan committee representatives for organizations promoting affordable housing lending and small business lending, and assisting in fund raising efforts for organizations which provide services primarily

benefitting LMI individuals. Some of the examples the bank and UMBFC provided demonstrate leadership in undertaking efforts to assist in meeting community development initiatives. The following are examples of the community development services UMB, its management and employees, and its affiliate, UMBFC, provided during this evaluation period.

- UMB's Investment Banking Department underwrote three bond issues which financed initiatives to sustain economic development in LMI areas and to provide continued educational services for an area which is predominately LMI. The bank demonstrated leadership in working with a local LMI school district to create a financing vehicle for constructing and/or rehabilitating several schools serving predominately LMI families. UMB used a more complex type of lease purchase financing in order to provide a less costly financing alternative for the school district.
- The bank's affiliate, UMBFC, demonstrated leadership in responding to the Kansas City TIF Commission's request for proposals to redevelop a blighted area of downtown Kansas City, Missouri. UMBFC created an innovative and complex plan for redevelopment of this area into primarily a new bank technology and operations center which will retain hundreds of LMI jobs in the downtown area. This plan involved the use of TIF financing to make it viable. Refer to the *Investment Test* for other details and the amount that has been funded.
- Bank officers educated small business owners by presenting a workshop on financing a business, participating in a workshop for women business owners, and conducting seminars on the types of loans available to provide capital for start up and newly established businesses.
- Bank officers educated management of a nonprofit community organization, which provides services for LMI families, on how to provide direct automobile financing for their LMI clients.
- An executive officer serves as co-chair of the Capital and Credit Committee for the SBA Advisory Council. In this capacity, the officer assists in educating the SBA Administrator on how to meet the financial needs of small businesses.
- Bank employees serve as members of a lenders consortium in Kansas City, Kansas which is a cooperative effort between lenders to find ways to rehabilitate the inner city through loans, grants and gifts.
- Loan officers serve on the loan committees of two economic development organizations which promote economic development through financing small businesses.
- A loan officer serves as a lender for an organization which provides small business loans to economically disadvantaged business owners.
- A bank officer serves as the treasurer and was past President of the local chapter of a national housing organization which assists in providing affordable housing for LMI families. Another bank employee lends expertise on the Board of Directors of this organization.

- A bank officer serves as a Board member of a local not-for-profit corporation which provides loans for purchasing or rehabilitating homes for LMI borrowers.
- A bank employee serves as treasurer of an affordable housing organization in Independence, Missouri which assists in meeting housing needs of LMI families.
- Bank employees serve as members of the loan committees for two community organizations which provide zero-percent or small temporary loans for LMI families in need.
- Management led the creation and serves on the Board of Directors of an organization which promotes the continued viability of small farm operations. The organization provides scholarships to students who need financial assistance to pursue agricultural-related careers.
- A bank employee served as the chairman of the fundraising committee for a free health care clinic which provides health services for LMI individuals.
- Several bank employees lent their financial expertise to community organizations in fundraising efforts and appropriating funds for providing programs and services which benefit primarily LMI individuals. These services include: food and shelter for the homeless, shelter and counseling for battered women and their children, health and dental services, and assistance for abused/disadvantaged children.

UMB also offers the following banking services in all its AAs which are beneficial to LMI individuals:

- a low-cost checking account with a minimum deposit requirement of \$25.
- free government check cashing for customers and for noncustomers for a small fee.
- participation in Kansas' VISION and Missouri's QUEST Programs, which give welfare recipients the ability to withdraw welfare payments by debit card at the bank's ATMs.

FAIR LENDING REVIEW

We did not identify any substantive violations of anti-discrimination laws. Our fair lending review consisted of a comparative file review of applicants for direct and indirect automobile loans. We used the gender of the applicant as the basis on which to determine whether differential treatment occurred. We compared the treatment of denied female applicants to that given approved male applicants to determine whether underwriting practices were applied consistently regardless of gender. We did not find any evidence of differential treatment of loan applicants based on their gender in the sample of loans reviewed.

Multistate MSA Rating

CRA Rating for the Kansas City, MO-KS MSA #3760: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The multistate MSA rating for the Kansas City, MO-KS MSA is synonymous with UMB's overall CRA rating of Satisfactory. Since 95 percent of the bank's loans are attributed to this AA, it weighed most heavily in rating overall CRA performance. Refer to the previous discussion of UMB's overall CRA performance for further details of the bank's performance under the three tests.

State Rating

CRA Rating for Missouri: Satisfactory

The lending test is rated: Low Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Low Satisfactory

UMB's CRA rating for the state of Missouri is driven by CRA performance in its Columbia, MO MSA AA. This is the only AA UMB has in the state of Missouri which is outside of the multistate MSA of Kansas City, MO-KS. In this AA, CRA performance is weaker than the bank's overall performance. However, it did not affect the bank's overall CRA rating since this AA represents less than two-tenths of one percent (.13 percent and .15 percent) of the bank's loans and deposits, respectively. Also, based on June 30, 1997 branch deposit information from the FDIC, UMB holds less than 1 percent of the deposits in this MSA and ranks eleventh in deposit market share of the twelve financial institutions serving the Columbia MSA.

Scope of Examination

Refer to the overall *Scope of Examination* and the *Appendix* for information regarding the scope of this review.

Description of Institution's Operations in Missouri, i.e. the Columbia, MO MSA #1740

UMB has three branches in the Columbia AA. The bank's first branch, opened in 1993, is located in an upper-income CT near the University of Missouri. UMB opened two additional branches in 1996. One is located in a university bookstore in a low-income CT and one is located in a moderate-income CT in a grocery store. The bank also has nine ATMs in this AA, three of which are located in LMI CTs. Eight of the ATMs were added in 1996. The bookstore and grocery branches do not offer commercial loan services, but these services are available through the other branch facility. Most of UMB's lending in this AA to date has been consumer-oriented, due in part to the branch locations.

Description of the Columbia, MO AA

Columbia is home to the University of Missouri and several other regional colleges. Students make up approximately one-third of the population and contribute to the 17 percent of households below poverty level. Close to one-half of all housing units in the AA are rental units. Unemployment is low compared to the overall State rate.

We reviewed three community contacts recently made by regulatory agencies. These contacts included: government officials and community organizations addressing affordable housing needs and economic development. They indicated the primary financial services needed in this AA are: low closing cost and down payment assistance for affordable home loans, construction and rehabilitation of single-family and multi-family affordable housing units, consumer loans, small business loans, and loans for constructing manufacturing and retail facilities.

The following table shows the demographic characteristics of this AA.

ASSESSMENT AREA PROFILE: MSA #1740 COLUMBIA, MO					
DEMOGRAPHIC CHARACTERISTICS	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Population	112,379				
Family Distribution by Income Level	25,939	19%	19%	23%	39%
Census Tracts by Income Level	24	17%	17%	52%	14%
Businesses (% of # in CT)	3,386	26%	19%	44%	11%
Farms (% of # in CT)	105	4%	9%	69%	18%
Owner Occupied Housing (% of # in CT)	23,081	2%	10%	64%	24%
Median Housing Value = \$66,805					
HUD Adjusted Median Family Income for 1997 = \$46,400 1996 = \$43,700					

Data Source: 1990 Census Data - U. S. Bureau of the Census; Dun and Bradstreet

Conclusions about Performance Tests in Missouri, i.e. the Columbia, MO AA

Lending Test

Lending activity is reasonable considering the bank’s small presence, the significant competition from other lenders in the market and lending by affiliates in this AA. Distribution by borrower income for HMDA and consumer loans shows good penetration among LMI borrowers considering the percentage of families at LMI levels and the 17 percent of families who are below poverty level in the AA. The distribution of all types of loans among CTs of different income levels is low considering the demographics, i.e. 34 percent of the CTs are LMI and 38 percent of the families live within these CTs.

The following table shows the bank’s lending activity in the Columbia AA. Lending activity in the Columbia AA also includes 1996 consumer, small business and small farm lending by eight UMB bank affiliates which management presented for consideration. None of these affiliates have branches in Columbia. Refer to the **Appendix** for the affiliates whose loans were considered. Seventy-eight percent of the consumer loans, 60 percent of the small loans to businesses and 100 percent of the small loans to farms, by number, are attributed to affiliate lending within the Columbia AA.

LENDING TEST: MSA # 1740 COLUMBIA, MO							
LOAN TYPE	#	\$ (000's)	CT	Low % of #	Moderate % of #	Middle % of #	Upper % of #
			B				
HMDA Products	19	632	CT	11%	5%	58%	26%
			B	5%	16%	26%	53%
Consumer Loans	321	4,916	CT	3%	7%	67%	23%
			B*	14%	19%	29%	34%
Small Loans to Businesses	10	3,095	CT	0%	10%	90%	0%
Small Loans to Farms	4	32	CT	0%	0%	100%	0%
Community Development	0	0					
TOTAL LENDING	354	8,675					

Data Source: Bank Records (1995, 1996 and January through June, 1997)

(CT) = Income level of census tracts.

(B) = Income level of borrower.

* Row does not equal 100% because 4% of the borrowers did not report income.

UMB did not report any community development loans for this AA.

Refer to *Flexible Loan Programs* in the overall conclusions for a discussion of the loan products available.

Investment Test

UMB has an adequate level of community development investments/grants. UMB made \$137,903 in grants and donations during this evaluation period. Ninety-eight percent of this amount consists of donations to an organization which provides significant financial support to small farmers throughout the state of Missouri, including the Columbia AA. Other donations were made to community organizations which provide services which primarily benefit LMI individuals. UMB also has a \$7,500 equity investment in a local affordable housing CDC which was made during a prior evaluation period.

Service Test

Retail Services:

UMB's delivery systems, branches and ATMs, are reasonably accessible to all portions of the AA. The bank improved accessibility to its services in LMI areas by opening two branches during this evaluation period, both of which are located in LMI CTs. The bank's other branch, though in an upper-income CT, borders a LMI CT. A grocery store location provides a convenient way to combine grocery shopping with banking services and offers extended hours on the weekend. Other banking services as outlined under the overall *Service Test* are available in this AA.

Community Development Services:

UMB provides an adequate level of community development services in the Columbia AA considering its market presence and resources dedicated to this AA. In addition to the community development services highlighted under the overall conclusions regarding **Community Development Services**, bank employees provide these additional services, specific to the Columbia AA.

- Serving on the Board and the Fund Raising Committee for the Central Missouri Food Bank, an organization which distributes food to food pantries and soup kitchens serving primarily LMI individuals in a 29 county area, including Boone County.
- Serving as treasurer of a local Community Development Corporation which provides home ownership opportunities for LMI families.

A P P E N D I X

ADDITIONAL INFORMATION

Scope of Examination

Time Period Reviewed	6/30/95 to 11/17/97		
Financial Institution UMB Bank, National Association, Kansas City, MO			Products Reviewed HMDA, Small Business, Small Farm and Consumer Loan Data. Consumer Loans Included: Home Equity, Motor Vehicle, Other Secured and Other Unsecured
Affiliate(s)	Affiliate Relationship		Products Reviewed
UMB Mortgage Company (UMBMC)	Subsidiary of UMB. UMBMC became a department of the bank in 1997.		HMDA.
UMB Bank Kansas, Overland Park, KS	Merged with UMB Bank, NA, second quarter 1997.		HMDA, Small Business and Consumer Loan Data for the Kansas City AA only.
UMB Bank, Boonville, Boonville, MO UMB Bank, Cass County, Peculiar, MO UMB Bank, Jefferson City, Jefferson City, MO UMB Bank, North Central, Brookfield, MO UMB Bank, Northeast, Monroe City, MO UMB Bank, Northwest, St. Joseph, MO UMB Bank of St. Louis, N.A., St. Louis, MO UMB Bank, Warsaw, Warsaw, MO	Subsidiary of UMBFC. Subsidiary of UMBFC. Subsidiary of UMBFC. Subsidiary of UMBFC. Subsidiary of UMBFC. Subsidiary of UMBFC. Subsidiary of UMBFC. Subsidiary of UMBFC.		Small Business, Small Farm and Consumer Loan Data for 1996. Loans originated in the Columbia MSA only. None of these affiliate banks have branches in the Columbia MSA.

List of Assessment Areas and Type of Examination

Assessment Areas Examined	Type of Exam	Branches Visited	Other Information
Multi-state MSA: Kansas City, MO-KS MSA #3760	On-site	Main Office	Full-procedures used.
MSAs: Missouri: Columbia, MO MSA #1740	Off-site		Limited procedures used.
Kansas: Topeka, KS MSA #8440 Lawrence, KS MSA #4150	NA NA		Kansas AAs outside the multistate MSA were not rated due to the recent second quarter 1997 merger.
Nonmetropolitan Areas: Fort Scott AA - Bourbon County Atchison AA - Atchison County	NA NA		