

Approved: Feb. 23, 1998
Date

MINUTES OF THE Senate Committee on Financial Institutions and Insurance.

The meeting was called to order by Chairperson Don Steffes at 9:00 a.m. on February 17, 1998 in Room 529-S of the Capitol.

All members were present except:

Committee staff present: Dr. William Wolff, Legislative Research Department
Fred Carman, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Frank Dunnick, Past State Bank Commissioner
James Needham, Troy State Bank

Others attending: See attached list

Chairman Steffes presented to the Committee handouts which included:

Attachment 1: Copy of letter from Frank D. Dunnick, former State Banking Commissioner, Special Order 1995-6, dated October 3, 1995, regarding the formation of subsidiaries.

Attachment 2: List of approval dates for operating subsidiaries of national banks. Prepared by the Office of the Comptroller of the Currency, Administrator of National Banks, dated February 10, 1998. National banks have had the authority since 1980 to form subsidiaries. There was only one national bank in 1990 which had taken advantage of this option.

Attachment 3: List of state bank investment subsidiaries according to date of notification to State Banking Department.

Attachment 4: List of top 100 national banks who have initiated subsidiaries. It is anticipated there will be many more falling into this category as tax savings upwards of \$200,000 per year is possible through such a plan.

Attachment 5: List of state banks with investment operating subsidiaries. State banks appear to have approximately 40% of their loans in the real estate market.

Senator Barone introduced the former bank commissioner, Frank Dunnick. Mr. Dunnick reviewed his banking interests in St. Paul, Girard, and Prescott, Kansas. He explained his reasoning for using the "wild card" and allowing state banks to exercise the option of forming investment subsidiaries being due to pressure from CPA's and banks who were threatening to switch to national charters. The Office of the State Banking Commissioner informed the Governor's office, legislative leadership, Department of Revenue, the State Banking Board, and the Budget Department of their actions. There was concern regarding the ultimate fiscal impact this order would have. He understood that privilege taxes would be reduced but had no idea of how much as it was impossible to forecast the number of banks which would opt to form subsidiaries. No response was received from any of those notified. In response to questions as to why he had not formed subsidiaries in his banks: he felt that in his public position such action would be perceived as self-serving.

Mr. Dunnick explained the necessity of having the availability of the "wild card" provision in order to operate the dual banking system which works well in Kansas. Removing the wild card authorization statute would destroy the banking industry in Kansas. He explained that the banking board was aware of the subsidiary granting wild card prior to its publication. He also praised the banking board for its cooperation in working with the Office of the State Banking Commission. To the best of his knowledge the wild card authority has never been abused. He explained the necessity of being able to react quickly to federal authorizations for national banks. Charter changes in the five years were eight national banks changing to state charters and six

CONTINUATION SHEET

MINUTES OF THE Senate Committee on Financial Institutions & Insurance, Room 529-S Statehouse, on February 17 , 1998.

state banks changing their charters to national status. This is considered to be a very low number for the 400 plus banks in Kansas. Reasons for changing from national to state are: 1) higher lending limits, 2) easier access to state regulators and officers; and 3) less expensive fees. The Bank Commissioner reports directly to the state banking board which is made up of nine members--three private citizens and six bankers.

Mr. Dunnick asked that the Committee give thought and reason to any decision made regarding limiting the wild card authorization. He suggested that out of state charters be studied and further investigation be made to determine exactly why there is a lack of tax revenue from the banking industry. He urged the Committee to not pass legislation which would reinstate privilege taxes on all banks without a thorough investigation and assurance that the lowering of tax revenues is due to a reduction in the assessment of privilege taxes and not from other factors.

James Needham, President of the Community Bankers Association and President and CEO of Troy State Bank in Troy, Kansas, explained the desirability of the flexibility of a dual banking system for the banking industry in Kansas (Attachment 6). The competition between the parallel regulatory tracks benefits the public and the banking industry. He asked the Committee to not banish the wild card authority granted the Bank Commissioner as he has a need to be "reactive" in order to maintain parity between state and national banks.

The hearing was continued.

The meeting was adjourned at 10:00 a.m. The next meeting is scheduled for February 18 , 1998.

SENATE FINANCIAL INSTITUTIONS & INSURANCE
COMMITTEE GUEST LIST

DATE: 2-17-98

NAME	REPRESENTING
Dean Davies	Exchange State Bank
Frank Dunnick	Exchange State Bank
W. Newton Male	OFFICE / STATE BANK COMM.
Judi Stork	✓
Sonya Allen	✓
Terrel Wright	Ks Dept of Credit Unions
Jack Holman	✓ ✓
DARYL BECKER	ST. BANK OF MERIDEN
Chuck Stones	KBA
Jim Maag	KBA
CHUCK JOHNS	MERCANTILE BANK
Mary Ellen O'Brien	Assoc. Tech. for Kansas
Alan Steppat	Pete McGill & Assoc.
Michael Steppat	VISITOR
Sue Anderson	Community Bankers Assn.
JAMES A. NEEDHAM	COMMUNITY BANKERS ASSN.
Mike Astle	✓ ✓ ✓
Kathryn Olsen	KBA

KANSAS

BILL GRAVES
GOVERNOROFFICE OF THE
STATE BANK COMMISSIONER

October 3, 1995

Frank D. Dunnick
Bank CommissionerJudi M. Stork
Deputy CommissionerKevin C. Glendening
Assistant Deputy CommissionerWilliam D. Grant, Jr.
General CounselRuth E. Glover
Administrative Officer

The Hon. Paul "Bud" Burke
President of the Kansas Senate
Rm. 359-E, Kansas Statehouse
Topeka, Kansas 66612

Re: K.S.A. 9-1715, as amended; Special Order 1995-6

Dear Senator Burke:

This correspondence is directed to your attention pursuant to K.S.A. 9-1715 (c). Enclosed is a copy of Special Order 1995-6 issued pursuant to the "wild-card" authority found at K.S.A. 9-1715(a). The wild-card statute provides this office with the ability to protect the balance of competitive equality between state and national banks, which is crucial to the viability of the dual banking system. To this end, Special Order 1995-6 was formulated to eliminate competitive inequities created by discrepancies between the laws governing state and national banks.

Special Order 1995-6 was passed at the request of a number of Kansas state banks seeking the ability to form a wholly owned subsidiary to hold all or a portion of the banks' investment portfolios. According to the information received by our department, placing certain government securities under the auspices of the investment subsidiary results in a substantial reduction in the banks' tax liability. Federal law currently allows national banks in Kansas to enjoy the tax benefits presented by the establishment and operation of this type subsidiary. Until issuance of this order, Kansas law contained no similar allowance. The potential savings constitute a competitive disadvantage for state banks, which the special order is designed to eliminate.

Should you have questions or comments on this or any other matter, please do not hesitate to contact me or my General Counsel, William Grant.

Respectfully,

Frank D. Dunnick
State Bank Commissioner

FDD:WDGjr:mdt

Enclosure

Senate F D S
Attachment!

2/17/98

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FEB 11 1998



Comptroller of the Currency
Administrator of National Banks

Midwestern District Office
2345 Grand Blvd., Suite 700
Kansas City, Missouri 64108-2625

February 10, 1998

Mr. Clyde Graeber
Legislative Liaison
Office of the Governor
State Capital, 2nd Floor
Topeka, KS 66612-1590

Re: Investment Operating Subsidiary Request

Dear Mr. Graeber:

Enclosed is the list of operating subsidiaries you had provided us, along with the date of our approval for each subsidiary. As I explained on the phone to you on Monday, we do not require the bank to notify us of the date the operating subsidiary actually begins operation.

Changes to 12 C.F.R. 5, which were effective 12/31/96, changed the **prior approval** requirement of investment operating subsidiaries to an **after-the-fact notice** requirement. The new rule requires the bank to notify the Office of the Comptroller of the Currency within 10 days of establishing such an operating subsidiary. The "decision date" on the list for operating subsidiaries established in 1997 therefore is not an approval date, but the date we received the notice from the bank.

Please feel free to call me if you have any questions about the information I've provided. I can be reached at (816) 556-1860.

Sincerely,

Jill K. Kennard
Acting Licensing Manager

enclosure

*Senate F.D.S.
Attachment 2*

2/17/98

KANSAS NATIONAL BANKS WITH INVESTMENT OPERATING SUBSIDIARIES

Banks	Decision Date	Total Assets	Total Deposits	Loans				Net Loans & Leases	Loans to Deposits	Securities U.S. Government	Securities Income
				Commercial	Agricultural	Individual	Real Estate				
The First Natl. Bank of Smith Center, Smith Center	9-12-97	\$ 38,036	\$ 34,145	\$ 2,479	\$ 5,031	\$ 904	\$ 8,213	16,524	48.4%	\$ 13,405	869
The Stockton National Bank	9-4-97	44,730	36,210	3,097	13,953	2,304	15,903	34,739	95.9%	6,361	355
First Natl. Bank in Wellington, Wellington	8-22-97	66,254	58,798	7,333	9,034	4,768	19,051	40,111	68.2%	14,771	1,102
First Natl. Bank of Olathe, Olathe	7-29-97	317,099	267,185	79,321	151	8,047	67,486	153,447	57.4%	117,853	6,270
The First Natl. Bank of Dighton, Dighton	7-21-97	40,551	32,927	2,015	18,800	1,013	644	23,225	70.5%	5,670	408
First Natl. Bank of Holcomb, Holcomb	7-21-97	30,250	27,079	3,286	1,833	10,050	6,140	21,002	77.6%	4,287	267
First Natl. Bank & Trust Company in Larned, Larned	7-8-97	57,422	46,490	3,195	16,912	2,470	9,290	32,136	69.1%	21,246	912
The First Natl. Bank of Scott City, Scott City	6-16-97	46,608	40,161	5,385	15,340	2,428	4,518	29,052	72.3%	12,575	625
Security Natl. Bank, Manhattan	2-27-97	103,979	90,766	7,590	1,301	7,855	48,221	64,141	70.7%	27,884	1,447
The First Natl. Bank in Quinter, Quinter	2-5-97	66,507	56,437	5,980	22,384	1,460	6,104	35,043	62.1%	20,068	1,304
The Peoples Natl. Bank and Trust Company, Burlington	1-29-97	47,977	40,839	2,323	563	1,666	9,385	14,442	35.4%	25,863	1,613
The Farmers Natl. Bank of Osborne, Osborne	1-27-97	33,919	29,671	1,730	5,739	1,366	5,022	14,517	48.9%	13,003	755
First United Natl. Bank & Trust Company, Great Bend	11-12-96	149,795	130,755	14,974	19,708	9,307	30,285	79,594	60.9%	28,393	2,376
The First National of Washington, Washington	12-11-96	47,412	35,751	1,872	2,875	1,710	5,052	10,746	30.1%	25,715	1,332
Exchange National Bank, Marysville	12-30-96	199,660	172,656	57,618	7,255	8,004	81,988	154,990	89.8%	24,211	1,242
Farmers Bank & Trust, National Association, Great Bend	1-6-97	183,114	151,254	27,762	22,562	8,835	27,899	85,843	56.8%	70,089	3,928
First National Bank, Palco	10-7-96	26,279	24,261	4,829	3,218	1,693	8,132	17,684	72.9%	5,220	236
Emprise Bank, National Associate, Hays	8-19-96	81,759	74,680	11,314	721	17,975	23,597	53,149	71.2%	12,272	639
First Natl. Bank, Abilene	8-19-96	95,094	85,147	4,098	5,715	3,983	40,655	55,067	64.7%	27,689	1,565
The First Natl. Bank, Beloit	6-25-96	44,691	39,540	3,487	5,099	2,255	9,201	19,753	50.0%	16,169	969
People Natl. Bank & Trust, Ottawa	11-6-96	76,065	69,684	5,665	2,588	2,419	29,119	40,248	57.8%	23,947	1,455
The Leavenworth Natl. Bank & Trust Company, Leavenworth	6-12-96	72,444	64,015	7,778	183	7,940	24,484	40,169	62.7%	20,003	1,415
First Natl. Bank & Trust Co. Of Leavenworth, Leavenworth	6-12-96	76,558	64,743	3,815	1,402	23,112	28,291	55,925	86.4%	9,496	500
The Exchange Natl Bank & Trust Company, Atchison	6-12-96	104,561	88,418	6,853	3,814	44,358	26,221	78,242	88.5%	17,592	948
Sunflower Bank, National Association, Salina	6-12-96	609,374	506,514	91,436	36,451	61,062	249,041	437,879	86.4%	95,345	6,012
First Natl. Bank & Trust, Osawatomie	6-18-96	72,016	64,514	4,806	1,749	5,425	37,297	49,213	76.3%	12,861	781
First Natl. Bank, Independence	5-29-96	20,172	18,531	3,885	1,030	1,611	7,961	14,272	77.0%	3,491	173
UMB Natl. Bank of America, Salina	5-29-96	677,413	531,419	34,360	14,651	28,955	53,494	145,072	27.3%	444,239	16,088
Community Natl. Bank, Chanute	5-29-96	62,121	53,861	6,852	3,653	5,945	30,046	47,792	88.7%	5,745	

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Banks	Total Assets	Total Deposits	Loans				Net Loans & Leases	Loans to Deposits	Securities U.S. Government	Secu Income
			Commercial	Agricultural	Individual	Real Estate				
The First Natl. Bank & Trust Company, Parsons	57,415	47,570	6,349	4,032	6,297	18,413	36,053	75.8%	14,502	816
The First Natl. Bank of Louisburg, Louisburg	44,806	35,342	1,795	470	1,694	15,209	21,404	60.6%	12,680	825
Citizens Natl. Bank, Fort Scott	138,545	115,916	28,584	3,683	5,912	55,860	97,684	84.3%	22,305	1,367
The Girard Natl. Bank, Girard	118,255	98,678	15,558	22,053	8,145	26,484	73,409	74.4%	29,001	1,694
INTRUST Bank, National Associate, Wichita	1,675,149	1,339,356	525,950	25,290	361,192	246,269	1,151,618	86.0%	244,914	11,736
First Natl. Bank, Derby	58,790	53,262	2,197	638	6,590	21,120	30,300	56.9%	15,358	853
Bankers' Bank of Kansas, National Association, Wichita	35,561	22,833	3,571	833	2,287	4,713	18,984	83.1%	3,793	164
The Peoples National Bank of Clay Center	69,365	58,547	5,502	8,413	4,299	19,327	37,453	64.0%	17,518	1,493
First Natl. Bank in Pratt, Pratt	49,247	43,287	8,884	8,273	6,290	5,725	29,023	67.0%	15,415	877
Citizens Bank of Kansas, National Association, Kingman	98,323	78,925	5,844	18,001	5,169	33,728	62,377	79.0%	24,309	1,163
The First Natl. Bank of Hutchinson, Hutchinson	278,815	227,302	34,930	6,915	12,361	53,903	122,184	53.8%	66,585	4,771
The Citizens Natl. Bank in Independence, Independence	90,241	73,521	7,979	3,703	9,636	27,953	48,679	66.2%	20,388	112
The Southwest Natl. Bank of Wichita, Wichita	119,320	106,647	9,410	45	36,716	27,094	72,378	68.3%	29,148	1,099
Twin Lakes Natl. Bank, Wichita	120,092	109,052	6,009	0	67,186	14,381	86,802	79.6%	22,898	994
First Natl. Bank, Elkhart	35,229	31,300	1,978	7,246	5,145	12,946	27,667	88.4%	4,213	199
First Natl. Bank, Liberal	161,329	136,636	23,543	29,369	7,386	20,569	83,175	60.9%	57,698	2,939
TOTALS	\$ 6,642,342	\$ 5,514,625	\$ 1,103,221	\$ 382,679	\$ 825,225	\$ 1,516,434	\$ 3,863,707	70.1%	\$ 1,726,188	\$ 87,043

SUMMARY

Commercial Loans as a percentage of deposits	20%
Agricultural loans as a percentage of deposits	7%
Real Estate loans as a percentage of deposits	27%
Individual loans as a percentage of deposits	15%
All loans and leases as percentage of deposits	70%

Source: FDIC Institution Directory, 9/30/97 (dollar figures in thousands).

State Bank Investment Subsidiaries

1995 - Date of Notification to Dept.

- 10-11-95 Wichita - Emprise Bank
- 10-12-95 Junction City - 1st State Bank
- 10-13-95 Garden City - Fidelity State Bank
- 10-13-95 Oberlin - The Bank
- 10-19-95 Norton - 1st Security Bank
- 10-19-95 Olathe - Heritage Bank
- 11-14-95 Topeka - Commerce Bank
- 11-21-95 Colwich - State Bank of Colwich
- 11-27-95 Baxter Springs - American Bank
- 11-29-95 Beloit - Guaranty State Bank + Trust
- 12-5-95 Overland Park - Metcalf State Bank
- 12-5-95 Parsons - Commercial Bank
- 12-6-95 Paola - Citizens State Bank
- 12-15-95 Overland Park - Bank of Blue Valley
- 12-18-95 Topeka - Fidelity State Bank + Trust
- 12-19-95 Augusta - Prairie State Bank
- 12-28-95 Holton - The Denison State Bank

1996

- 1-3-96 Emporia - Lyon County State Bank
- 1-3-96 Haisington - First Kansas Bank
- 1-3-96 Ottawa - Kansas State Bank
- 1-3-96 Salina - First Bank Kansas
- 1-9-96 Johnson - The Johnson State Bank
- 1-24-96 Fredonia - State Bank of Fredonia
- 2-14-96 Eureka - Home Bank + Trust Co.
- 3-6-96 Wichita - Chisholm Trail State Bank
- 3-16-96 Macksville - Farmers + Merchants State Bank
- 4-5-96 Larned - First State Bank
- 4-10-96 Lyndon - Lyndon State Bank
- 4-24-96 Iola - Iola Bank + Trust Co.
- 5-9-96 Altamont - Labette County State Bank
- 5-9-96 ~~Holton~~ - ~~Kansas State Bank~~
- 5-9-96 Plains - Plains State Bank
- 5-14-96 Dodge City - Fidelity State Bank + Trust Co.

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5-15-96 Sedgwick - Sedgwick State Bank
5-17-96 Overland Park - Mercantile Bank
5-21-96 Clay Center - Union State Bank
5-31-96 Plainville - Plainville State Bank
6-4-96 Manhattan - Kansas State Bank
6-12-96 Newton - First Bank of Newton
6-18-96 Kansas City - First State Bank
7-3-96 Tonganoxie - First State Bank + Trust
7-9-96 Toia - Emprise Bank
8-27-96 Hugoton - Citizens State Bank
8-29-96 Ellis - The Ellis State Bank
9-15-96 Moundridge - Citizens State Bank ✓
10-31-96 Hutchinson - Central Bank and Trust
10-31-96 Pratt - The Peoples Bank
11-8-96 Emporia - Emporia State Bank
11-8-96 Leoti - The First State Bank
12-12-96 Council Grove - Farmers + Drovers Bank
12-19-96 Gardner - First Kansas Bank + Trust Co.

1997

1-6-97 Seneca - Citizens State Bank + Trust Co.
2-28-97 Wichita - Garden Plain State Bank
3-5-97 Atwood - Farmers Bank + Trust
4-9-97 Lakin - The Kearny County Bank
5-15-97 Kansas City - Industrial State Bank
5-16-97 Kansas City - Security Bank of Kansas City
5-19-97 Mission - The Mission Bank
5-19-97 Overland Park - Valley View State Bank
6-13-97 Goodland - BANKWEST
8-12-97 Caldwell - Caldwell State Bank
9-2-97 Hill City - Farmers + Merchants Bank of Hill Ci
9-5-97 Wakeeney - Trego-Wakeeney State Bank
9-9-97 Kansas City - First Community Bank
9-11-97 LaCygne - Linn County Bank

9-11-97 McPherson - Home State Bank + Trust
9-29-97 Garnett - Kansas State Bank
10-28-97 Tescott - The Bank of Tescott
11-19-97 Harper - Freeport State Bank
11-19-97 Argonia - The Farmers + Merchants State Bank
11-19-97 Topeka - Kaw Valley State Bank + Trust Co.
11-21-97 Kansas City - Brotherhood Bank + Trust
12-4-97 Sabetha - Farmers State Bank
12-5-97 Bonner Springs - Commercial State Bank
12-8-97 Hill City - The Consolidated State Bank
12-17-97 Salina - Bennington State Bank
12-17-97 Topeka - Columbian Bank + Trust Company
12-19-97 Hiawatha - Citizens State Bank + Trust
12-24-97 Riley - The State Bank

1998

1-30-98 Ashland - The Stockgrowers State Bank

Bank	City	Total Assets (\$000)	Dec. 1996 (\$000)	% Change Dec. '95 to Dec. '96	Dec. 1996 (\$000)	% Change Dec. '95 to Dec. '96	Dec. 1996 (\$000)	% Change Dec. '95 to Dec. '96	Nonperforming Loans	Net Charge-Offs Average Loans	Core Capital (Tier 1) Assets	Nonperforming Loans & Debt Secs. Core Capital + Reserves
1 MERCANTILE BK	OVERLAND PARK	2007718	1714530	738.1	1247959	629.3	27409	481.2	0.87	2.51	8.14	6.0
2 INTRUST BK NA	WICHITA	1803508	1330644	3.6	1087111	8.2	2574	-81.5	0.99	2.91	7.57	8.5
3 UMB BANK KANSAS	OVERLAND PARK	883982	659257	22.5	263094	5.1	4025	12.9	0.67	0.00	9.50	2.4
4 COMMERCE BK NA	WICHITA	743382	593912	0.1	388021	-1.3	-2888	****	1.31	1.21	6.71	9.4
5 SUNFLOWER BK NA	SALINA	570987	477727	13.1	349478	18.9	5413	44.2	1.09	0.10	6.66	9.5
6 FNB OF KS	OVERLAND PARK	543166	484616	17.8	411511	16.7	1441	-22.5	2.29	4.63	7.79	19.0
7 VALLEY VIEW ST BK	OVERLAND PARK	451084	385086	-1.9	216865	-3.4	8117	-18.9	2.42	0.79	13.51	7.0
8 UMB NB OF AMERICA	SALINA	428338	354144	-1.4	153594	-2.5	3137	8.0	0.73	-0.09	10.33	2.5
9 COMMERCE B&T	TOPEKA	420418	366663	20.6	225893	18.5	5222	2.1	0.16	0.24	7.56	1.1
10 SECURITY BK OF KC	KANSAS CITY	364716	313268	-4.9	202202	-6.2	12263	134.4	4.39	-0.23	12.22	16.3
11 CENTRAL NB	JUNCTION CITY	357906	300398	1.7	220889	11.8	2042	-36.7	1.54	1.29	9.34	8.9
12 MERCANTILE BK	TOPEKA	322034	262368	252.8	222143	320.6	4234	264.1	0.20	0.23	6.86	1.7
13 MISSION BK	MISSION	304846	260289	0.1	173792	-3.5	5903	34.6	5.68	0.78	13.63	19.9
14 BROTHERHOOD B&T	KANSAS CITY	297746	245716	46.6	153471	74.9	2706	20.9	1.67	-0.14	9.33	8.3
15 EMPRISE BK	WICHITA	292998	257564	1.5	182769	5.5	3158	9.7	0.93	0.23	7.02	7.1
16 FIRST NB OF OLATHE	OLATHE	287213	242426	8.7	140523	5.0	3739	14.8	1.56	0.17	8.34	8.8
17 FIRST NB OF HUTCHINSON	HUTCHINSON	270410	211301	6.0	108817	19.5	2921	24.6	0.11	-0.62	9.84	0.4
18 ARMY NB-FT LEAVENWORTH	FORT LEAVENWORTH	268385	214569	2.0	114119	-37.6	7613	-25.0	1.07	0.04	9.14	4.0
19 KAW VALLEY ST B&T	TOPEKA	203239	181106	11.0	112858	6.6	2081	4.5	1.95	0.58	8.38	11.9
20 SHAWNEE ST BK	SHAWNEE	202589	176684	2.8	101916	-3.2	2851	22.9	0.15	0.22	11.11	0.6
21 COUNTRY CLUB BK NA	PRAIRIE VILLAGE	179903	165296	14.6	90654	20.3	2024	5.7	0.14	0.00	7.29	0.9
22 FARMERS B&T NA	GREAT BEND	178825	155913	28.2	76157	18.8	2428	17.6	1.22	0.22	11.09	4.6
23 FIRST NB	GOODLAND	178433	160657	8.2	104492	16.6	1547	-5.4	1.39	0.03	7.03	10.9
24 HOME NB OF ARKANSAS CITY	ARKANSAS CITY	175039	154720	13.0	81929	10.7	1644	-4.6	1.05	0.56	10.17	4.6
25 COMMERCIAL BK	PARSONS	172595	144129	1.5	51091	17.6	1815	34.7	0.38	-0.14	12.83	0.8
26 PEOPLES BK	PRATT	166319	144998	8.3	66577	5.0	2212	5.7	0.54	-0.06	12.18	1.7
27 FIDELITY ST BK	GARDEN CITY	164883	151069	29.3	101073	23.2	1820	41.2	3.03	0.09	8.49	20.4
28 INDUSTRIAL ST BK	KANSAS CITY	163546	141771	-0.1	67239	-7.8	1187	10.6	4.48	6.16	12.17	13.9
29 EXCHANGE NB	MARYSVILLE	162943	143469	17.4	113806	32.4	1202	15.0	0.28	0.25	8.01	2.4
30 BANK OF BLUE VALLEY	OVERLAND PARK	158532	139669	23.9	102376	41.9	1802	41.3	0.40	0.24	6.32	3.8
31 FIRST NB OF LIBERAL	LIBERAL	158238	134142	12.3	81036	-4.2	1009	7.8	2.30	2.33	8.24	12.6
32 CAPITAL CITY ST B&T	TOPEKA	153300	120588	8.5	94970	42.3	1264	12.0	1.05	0.33	6.03	9.8
33 CITIZENS ST BK OF MARYSVILLE	MARYSVILLE	150734	129691	26.6	90206	39.7	1653	17.8	0.76	0.00	7.47	5.5
34 AMERICAN NB-WICHITA	WICHITA	148993	133817	17.7	121264	14.7	2353	23.8	0.00	0.21	9.28	0.0
35 BENNINGTON ST BK	SALINA	148398	129653	7.2	91068	9.1	2117	14.1	1.10	0.07	10.08	6.3
36 MIAMI COUNTY NB OF PAOLA	PAOLA	147501	129075	5.7	93949	2.5	1448	12.8	1.51	0.44	7.68	12.0
37 KANSAS ST BK	MANHATTAN	146803	116110	10.1	108026	10.0	2225	12.0	0.37	0.38	8.94	3.0
38 METCALF ST BK	OVERLAND PARK	144390	127717	11.9	61500	31.8	1349	10.2	2.07	0.04	8.37	10.1
39 FIRST UNITED NB&T	GREAT BEND	141889	124157	3.1	78843	7.9	1709	21.1	1.78	0.01	6.03	15.0
40 DOUGLAS COUNTY BK	LAWRENCE	137828	117242	0.1	72258	3.1	1574	6.9	0.28	0.10	14.80	1.0
41 FIRST NB OF WINFIELD	WINFIELD	135220	113259	9.5	77914	11.2	847	-38.3	1.35	1.28	7.88	9.9
42 PRAIRIE ST BK	AUGUSTA	133570	120694	29.4	77681	19.9	1613	48.8	0.67	-0.05	8.74	3.9
43 CITIZENS NB OF FT SCOTT	FORT SCOTT	123225	107169	-4.7	83745	14.7	1686	14.4	1.16	0.06	8.60	8.1
44 CITIZENS NB-GREENLEAF	GREENLEAF	121508	111091	20.1	51293	25.2	756	-24.4	0.31	0.20	7.63	1.6
45 GIRARD NB	GIRARD	120932	103532	9.0	67820	14.6	1843	15.4	1.22	0.04	14.16	4.8
46 TWIN LAKES NB	WICHITA	120758	109467	6.8	89801	7.7	1649	14.5	0.50	0.39	8.63	4.0
47 FIRST NB&T	PHILLIPSBURG	115328	102362	2.3	72023	4.7	843	-10.3	5.21	0.73	10.76	27.2
48 CITY NB OF PITTSBURG	PITTSBURG	114505	96542	4.4	51269	2.4	1608	3.3	0.26	0.04	11.39	1.0
49 SOUTHWEST NB OF WICHITA	WICHITA	113200	100382	2.3	79200	5.0	1756	4.7	0.24	0.35	9.45	1.6
50 GUARANTY B&T	KANSAS CITY	112421	92611	8.0	76238	15.2	1566	73.8	1.02	0.27	10.15	6.5

Anette F.I.T. + F
 ATTACHMENT 4
 2-17-98

Denate 2/17/98
 Attachment 4

DEPOSITS, LOANS AND PROFITS

Ranked by Total Assets

Bank	City	Total Assets \$(000)	TOTAL DOMESTIC DEPOSITS		TOTAL DOMESTIC LOANS		INCOME BEFORE EXTRA. ITEMS		LOAN QUALITY		CAPITAL		Non-performing Loans & Debt Secs
			Dec. 1996 \$(000)	% Change Dec. '95 to Dec. '96	Dec. 1996 \$(000)	% Change Dec. '95 to Dec. '96	Dec. 1996 \$(000)	% Change Dec. '95 to Dec. '96	Nonperforming Loans Gross	Net Charge Offs Average	Core Capital (Tier 1) Assets	Core Capital + Reserves	
✓51 CENTRAL B&TC	HUTCHINSON	111867	97545	8.3	75263	6.5	1314	7.6	1.07	0.43	6.77	9.3	
✓52 EXCHANGE NB&TC-ATCHISON	ATCHISON	111210	97460	7.7	74718	8.7	1776	13.5	0.05	0.07	9.90	0.4	
✓53 FIDELITY ST B&TC	DODGE CITY	108320	90258	19.0	32646	5.6	1497	17.9	0.16	0.08	13.75	0.4	
✓54 COMMERCE BK NA	HAYS	105889	92718	1.6	41742	-2.1	1127	104.9	0.25	0.26	8.67	1.0	
✓55 BANK OF TESCOTT	TESCOTT	104769	92972	4.5	67434	8.0	1058	80.5	1.46	0.03	8.73	9.4	
✓56 SECURITY NB	MANHATTAN	103221	89690	0.5	63882	0.7	751	-0.7	0.36	0.03	8.86	2.3	
✓57 OAK PARK BK	OVERLAND PARK	98780	88292	4.8	76297	9.5	1357	17.4	0.65	0.13	7.31	5.9	
✓58 PREMIER BK	LENEXA	98723	84739	-0.2	71627	1.0	1217	-17.5	0.62	0.75	8.20	3.6	
✓59 GRANT COUNTY BK	ULYSSES	98402	68321	2.3	44317	-1.9	867	3.2	1.44	-0.22	9.99	6.5	
✓60 WESTERN ST BK	GARDEN CITY	97092	87262	10.0	71041	19.0	1747	36.3	0.46	0.34	9.61	3.2	
✓61 FIRST NB	ABILENE	96715	87940	1.7	55382	3.1	1320	27.0	0.48	0.26	8.26	3.0	
✓62 CITIZENS BK OF KS NA	KINGMAN	94782	76804	9.2	65095	5.3	1044	0.5	3.55	0.13	9.55	23.2	
✓63 CITIZENS NB-INDEPENDENCE	INDEPENDENCE	94247	84781	3.9	48631	14.9	1200	30.7	0.56	0.00	9.82	2.9	
✓64 FIRST ST B&TC	TONGANOXIE	93981	80940	16.0	50383	7.2	881	29.0	0.17	-0.10	6.71	1.2	
✓65 SECURITY ST BK	SCOTT CITY	93408	78179	6.1	52203	7.4	1555	27.3	0.23	-0.18	15.45	0.7	
✓66 FIRST ST B&TC	PITTSBURG	93222	83412	6.3	54988	1.8	1195	13.5	0.49	0.11	9.17	3.0	
✓67 THE BANK	OVERLAND PARK	92379	81634	5.2	54899	11.7	1335	-23.1	2.47	0.02	8.56	15.4	
✓68 EMPORIA ST B&TC	EMPORIA	91879	80157	4.8	42153	-2.1	1154	12.5	0.31	0.05	11.28	1.2	
✓69 STANLEY BK	STANLEY	89542	76512	3.2	51920	6.5	1909	30.2	0.22	0.18	14.00	0.8	
✓70 BANK OF COMMERCE	CHANUTE	89128	78707	4.9	35668	6.5	709	3.8	0.05	0.01	6.86	0.3	
✓71 OLATHE BK	OLATHE	85019	74900	8.1	55978	-11.5	823	20.9	0.24	0.42	6.89	2.1	
✓72 KEARNY COUNTY BK	LAKIN	84780	69778	5.5	27521	12.7	1232	10.0	0.52	0.01	19.09	0.9	
✓73 DENISON ST BK	HOLTON	84158	69643	10.8	46643	6.0	1381	0.0	0.50	-0.02	15.20	1.7	
✓74 HASKELL COUNTY ST BK	SUBLETTE	84087	76513	3.2	44416	4.4	1185	16.6	0.06	0.04	8.19	0.4	
✓75 EMPRISE BK NA	HILLSBORO	82215	68342	15.2	61116	25.9	657	1.1	0.05	-0.01	7.72	0.4	
✓76 FIRST COMMUNITY BK	KANSAS CITY	82019	70484	13.9	61575	15.5	553	****	0.86	0.20	7.13	8.2	
✓77 MIDLAND NB OF NEWTON	NEWTON	81428	74106	10.6	48516	10.2	837	32.6	0.34	0.13	8.30	2.3	
✓78 CITIZENS ST BK	HUGOTON	80178	70791	0.4	46726	26.1	1054	10.4	0.56	-0.14	9.18	3.3	
✓79 FARMERS & DROVERS BK	COUNCIL GROVE	79643	61121	4.5	31924	1.3	1385	-5.0	0.05	0.00	22.39	0.1	
✓80 STOCK GROWERS ST BK	ASHLAND	79138	69850	6.3	52714	8.8	837	58.2	1.45	0.23	10.20	8.1	
✓81 FIRST BK KS	SALINA	77953	71531	10.9	45485	10.6	637	12.5	0.80	0.00	7.19	6.1	
✓82 COLUMBUS ST BK	COLUMBUS	78388	67025	-1.1	39194	0.9	1244	1.5	2.27	0.22	11.07	9.8	
✓83 KANSAS ST BK	HOLTON	75512	64762	4.3	51282	14.2	900	21.8	0.20	0.02	6.85	1.8	
✓84 EMPRISE BK NA	HAYS	74855	68002	-3.9	50266	7.7	942	18.3	0.01	0.04	7.64	0.0	
✓85 FIRST NB&TC-LEAVENWORTH	LEAVENWORTH	74525	63525	5.9	53349	7.7	1004	3.6	0.09	-0.11	7.85	0.7	
✓86 UNION ST BK	CLAY CENTER	74475	61496	-3.2	27472	-6.8	790	104.7	2.94	0.55	13.26	7.9	
✓87 PEOPLES NB & TRUST	OTTAWA	74150	68544	-31.3	32554	-39.9	1474	27.5	0.87	0.02	6.81	5.7	
✓88 BANKWEST	GOODLAND	74138	66610	1.4	47729	1.8	411	11.7	0.12	-0.01	9.33	0.8	
✓89 PEOPLES NB CLAY CENTER	CLAY CENTER	72324	60940	2.7	33724	14.7	896	29.1	0.01	-0.18	8.47	0.1	
✓90 FIDELITY ST B&TC	TOPEKA	72025	61030	2.1	27253	8.8	562	-20.6	0.23	0.00	9.59	0.8	
✓91 LEAVENWORTH NB&TC	LEAVENWORTH	71835	65311	5.4	35349	16.1	728	3.7	1.16	0.21	7.39	6.9	
✓92 COLUMBIAN B&TC	TOPEKA	71303	61625	12.6	40324	24.6	355	-40.1	0.02	0.33	7.16	0.1	
✓93 IOLA B&TC	IOLA	70981	61424	4.6	43285	14.8	686	29.7	0.48	0.03	7.28	3.6	
✓94 CONDON NB COFFEYVILLE	COFFEYVILLE	70938	61916	1.1	21252	11.3	985	38.7	0.54	0.02	9.09	1.7	
✓95 FIRST NB&T	OSAWATOMIE	70817	63471	3.7	48371	12.9	608	6.7	0.67	0.16	8.38	5.2	
✓96 CITIZENS ST BK	MOUNTAIN RIDGE	70517	62409	18.0	38859	20.0	989	19.4	1.09	-0.06	10.46	4.9	
✓97 MORRILL & JANES B&TC	HIAWATHA	69254	61994	7.3	25165	0.9	788	12.9	0.09	0.02	9.35	0.3	
✓98 SILVER LAKE BK	TOPEKA	69078	58501	15.1	45312	26.1	443	3.0	0.00	0.01	10.26	0.0	
✓99 PEOPLES B&TC	MCPHERSON	68278	59496	13.9	48548	25.7	919	6.2	0.15	-0.12	8.20	1.1	
✓100 COMMERCIAL ST BK	BONNER SPRINGS	67532	61452	2.7	39563	1.4	781	****	0.55	-1.23	8.05	3.5	

		Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (YTD)	Sep 1997 (QTR)	Sep 1997 (YTD)
	City	Total Assets	Total Deposits	Total Nonmortgage Loans	Commercial Loans	Consumer Loans	Mortgage Loans	Mortgage Loans Closed	Mortgage Pool Securities	Qualified Thrift Investment Percentage	US Govt & Agency Securities
Kansas Aggregate(SL)	N/A	8,159,064	5,990,007	169,779	26,833	141,971	4,995,025	1,176,733	1,495,394	n/a	784,281
Home Savings Bank	Chanute	68,533	55,228	1,900	0	1,890	20,104	2,472	29,442	84.54	2,899
Landmark FSB	Dodge City	223,360	143,588	18,467	3,899	14,816	140,444	35,107	19,276	90.09	17,298
Mid-Continent FSB	El Dorado	405,713	217,373	7,272	37	7,262	240,053	85,270	28,348	86.95	79,390
Golden Belt Bank, FSA	Ellis	91,219	59,452	23,603	7,600	15,888	31,225	9,377	6,653	79.32	24,169
Liberty SA, FSA	Fort Scott	41,608	36,340	1,611	32	1,602	9,554	1,479	25,178	99.08	1,500
First FS&LA	Independence	111,114	76,627	2,522	0	2,532	72,492	14,702	15,537	88.02	6,984
Argentine Federal Savings	Kansas City	46,160	38,468	388	0	385	27,199	7,511	11,655	96.83	2,515
Inter-State FS&LA	Kansas City	240,040	201,241	506	0	498	86,823	9,612	89,083	94.21	0
Citizens S&LA, FSB	Leavenworth	159,294	135,926	2,617	0	2,607	115,498	30,391	29,096	98.26	5,009
Mutual SA, FSA	Leavenworth	234,964	157,158	9,510	1,673	7,826	173,410	38,732	5,831	93.75	5,698
Lyons FSA	Lyons	41,936	38,443	3,053	1,103	1,964	12,659	2,358	7,592	72.16	5,999
First Savings Bank, FSB	Manhattan	143,097	104,682	12,842	7,125	5,952	91,205	59,164	4,732	70.86	15,130
Neodesha S&LA, FSA	Neodesha	14,186	12,854	2,235	0	2,249	7,310	958	0	85.61	2,514
First FS&LA	Olathe	33,674	25,622	0	0	0	25,168	4,706	0	96.09	4,896
First Kansas FSA	Osawatomie	98,591	83,633	2,206	437	1,753	44,826	8,307	6,471	95.78	3,832
Security Savings Bank, FSB	Salina	287,437	222,624	14,719	4,927	9,708	233,200	117,979	2,396	86.56	21,154
Capitol FS&LA	Topeka	4,957,880	3,820,026	57,317	0	56,034	3,292,470	634,334	759,138	89.61	585,294
First FS&LA	Wakeeney	31,104	27,777	1,419	0	1,414	14,746	2,505	4,970	74.65	0
Fidelity Bank	Wichita	929,154	532,945	7,592	0	7,591	356,639	111,769	449,996	94.91	0

Qualified Thrift Investment Percentage is the savings and loan equivalent of the loan-to-deposit ratio.

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Definition of Terms

Total Assets is defined as: The sum of Cash, deposits and investment securities; Mortgage pool securities; Mortgage loans; Nonmortgage loans; Repossessed assets; Real estate held for investment; Investment in service corps and subsidiaries; Office premises and equipment; and Other assets. Valuation allowances are deductions in determining total assets.

Total Deposits is defined as: All deposits at their face value except zero coupon deposits, which are reported at face value net of the unamortized discount. Includes: All deposits whether interest-bearing or not; Deposits exceeding SAIF insurance limits, including those collateralized by the thrift's assets, such as deposits of public funds; Unposted credits net of unposted debits; Outstanding cashier's checks, money orders, or other official checks issued in the usual course of business for any purpose; Accounts pledged by the directors and/or organizers of the thrift as protection against operating deficits whether or not they were used in determining compliance with minimum capital requirements; Accounts pledged against sinking-fund mortgages and as additional collateral for loans; U.S. Treasury tax and loan accounts that represent funds received as of the close of business of the reporting date; and Funds received from stock subscribers for unissued stock.

Total Nonmortgage Loans is defined as: The sum of Commercial loans: Secured, other than mortgage, unsecured and financing leases + Consumer loans: Closed-end and Open-end + Accrued interest receivable - Contra- assets to nonmortgage loans: Loans in process, Unamortized yield adjustments and Valuation allowances.

Commercial Loans is defined as: All loans to corporations, partnerships, and individuals for business purposes that are secured by tangible property other than real estate + All unsecured loans to corporations, partnerships, and individuals for business purposes + All financing lease (leveraged leases) to corporations, partnerships, and individuals for business purposes.

Consumer Loans is defined as: The sum of Closed-end consumer loans: (Loans on Deposit + Home Improvement loans + Education Loans + Auto Loans + Mobile Home Loans + Other, including leases) + Open-end consumer loans: (Revolving loans secured by 1-4 dwelling units + Unsecured, including credit cards and other)

Mortgage Loans is defined as: The sum of construction loans on 1-4 dwelling units, 5 or more dwelling units, residential property and nonresidential property - Permanent mortgages on 1-4 dwelling units (First mortgages and closed-end junior liens and revolving, open-end loans), 5 or more dwelling units, residential property, nonresidential property and land + Accrued interest receivable + Advances for taxes and insurance - Contra-assets to mortgage loans: Loans in Process; Unamortized yield adjustments; and Valuation allowances.

Mortgage Loans Closed is defined as: All loans closed in the name of the reporting thrift whether or not the actual closing is performed by the thrift, an affiliate, or another entity; Increases in loan balances of existing loans; The gross amount of loans closed where the full amount of the principal is expected to be disbursed within a specific time frame; The gross amount of refinanced loans where the reporting thrift held the original loan being refinanced; and Combination construction/permanent loans both at the time the construction loan is closed and at the time it converts to permanent financing.

Mortgage Pool Securities is defined as: The sum of all mortgage pool securities insured or guaranteed by an agency or instrument of the United States + All mortgage pool securities not insured or guaranteed by an agency or instrument of the United States + Accrued interest receivable on mortgage pool securities - Contra-assets to mortgage pool securities: The net amount of unamortized premiums and discounts on mortgage pool securities and all specific and general valuation allowances established on mortgage pool securities.

Qualified Thrift Investments: Under the Qualified Thrift Lender test, a thrift institution must hold **Qualified Thrift Investments** (QTI) equal to at least 65 percent of its portfolio assets. The ratio of an institution's QTI (numerator) divided by its portfolio assets (denominator) is the institution's actual thrift investment percentage (ATIP). QTI fall into one of two categories: assets includable without limit, or assets limited to 20 percent of portfolio assets. Assets includable without limit count in full as QTI. The 20 percent of portfolio assets limit applies to the aggregate amount of assets in the category, not to the amount of each asset in the category.

Portfolio assets are total assets minus goodwill and other intangible assets, office property, and liquid assets not exceeding 20 percent of total assets. A thrift institution ceases to be a QTL when its ATIP falls, at month end, below 65 percent for four months within any 12-month period.

Assets includable as QTI without limit consist of:

- Loans (including qualifying real estate owned as a result of such loans) to purchase, refinance, construct, improve, or repair domestic residential or manufactured housing.
- Home equity loans.
- Educational loans.
- Small business loans.
- Loans made through credit cards or credit card accounts.
- Securities backed by or representing an interest in mortgages on domestic residential or manufactured housing.
- FHLB stock.
- Obligations of the FDIC, FSLIC, RTC, and the FSLIC Resolution Fund (depending on the date of the issue of such obligations).

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Assets includable as QTI up to 20 percent of portfolio assets consist of:

- 50 percent of the amount of domestic residential housing mortgage loans originated and sold within 90 days. A thrift may on a consistent basis include as QTI either the sales amounts from a previous quarter or the previous rolling 90 days or three-month period.
- Investments in a service corporation that derives at least 80 percent of its gross revenues from activities related to domestic or manufactured residential housing.
- 200 percent of the amount of investments in "starter homes."
- 200 percent of the amount of investments in "credit-needy areas."
- Loans for the purchase, construction, development, or improvements of "community service facilities" not in credit-needy areas.
- Loans for personal, family, or household purposes (other than those reported in the assets includable without limit category).
- FNMA and FHLMC stock.

US Government & Agency Securities is defined as: Nonmortgage debt instruments issued by the U.S. government and its agencies. Include:

1. IO and PO strips of U.S. government and agency securities;
2. U.S. Treasury bills, certificates, notes, and bonds;
3. Nonmortgage debt issued by FHLBanks, FNMA, FHLMC, and GNMA;
4. Federal agency debt securities, such as: SBA nonmortgage pools, TVA, Federal Farm Credit Bank, Federal Land Bank, Federal Intermediate Credit Bank, SLMA, and the Export-Import Bank;
5. FICO bonds; and
6. FSLIC Resolution Fund notes not related to capital securities issued by the reporting association.

Do not Include:

1. Investments in mutual funds that invest in U.S. government and agency securities;
2. Stock of FHLBanks;
3. Equity securities issued by agencies of the U.S. government (e.g., FHLMC preferred stock);
4. Securities issued by state and local governments;
5. Securities pledged as collateral on margin accounts for futures and options;
6. Securities purchased under a repurchase or dollar-repurchase agreement;
7. Mortgage-backed instruments and derivatives issued or guaranteed by FNMA, FHLMC, or GNMA; and
8. Securities issued by federal agencies.

KANSAS STATE BANKS WITH INVESTMENT OPERATING SUBSIDIARIES

SENATE FILE
ATTACH 5
2-17-98

Bank	Date of Operation	Total Assets	Total Deposits	Net Loans & Leases	Loans to Deposits	U.S. Gov't. Securities	Loans				Securities Income
							Commercial	Agricultural	Individual	Real Estate	
Labelle County State Bank, Altamont	6-1-96	\$ 57,281	\$ 52,696	\$ 37,607	71.37%	\$ 8,544	\$ 4,709	\$ 6,722	\$ 5,731	\$ 20,565	\$ 580
The Farmers & Merchants State Bank, Argonia	1-1-98	14,710	13,044	5,178	39.70%	5,585	595	1,508	902	2,357	320
The Stockgrowers State Bank, Ashland	2-20-98	84,545	72,558	59,394	81.86%	14,199	5,570	39,727	3,305	10,392	997
Prairie State Bank, Augusta	1-10-96	143,886	129,303	85,654	66.24%	36,423	13,503	728	16,028	56,852	2,131
Farmers Bank & Trust, Atwood	3-20-97	30,687	26,053	13,317	51.12%	11,355	961	7,759	608	4,768	674
American Bank, Baxter Springs	1-1-96	53,892	45,729	34,055	74.47%	12,142	3,892	744	5,321	23,717	1,110
Guaranty State Bank & Trust, Beloit	1-1-96	60,064	48,105	38,988	81.05%	12,229	5,694	17,993	588	14,927	908
Commercial State Bank, Bonner Springs	12-20-97	69,789	59,879	39,237	65.53%	22,222	4,481	436	21,335	13,610	1,149
Caldwell State Bank, Caldwell	8-18-97	26,336	22,521	14,595	64.81%	6,873	3,019	4,044	1,473	6,022	461
Union State Bank, Clay Center	6-21-96	73,526	59,825	27,705	46.31%	36,897	7,021	5,645	3,403	10,062	2,030
State Bank of Colwich, Colwich	5-1-96	76,701	67,850	51,993	76.63%	11,425	12,834	2,292	4,176	33,097	753
Farmers & Drovers Bank, Council Grove	1-1-97	82,081	61,672	32,019	51.92%	31,946	3,643	5,058	6,707	17,913	1,977
Fidelity State Bank & Trust Company, Dodge City	7-1-96	112,895	83,769	37,827	45.16%	44,871	9,285	12,023	3,988	13,111	2,820
The Ellis State Bank, Ellis	9-15-96	34,775	29,770	10,154	34.11%	19,337	1,387	2,909	1,316	4,729	1,018
Emporia State Bank, Emporia	11-23-96	97,038	84,878	45,693	53.83%	39,343	5,392	2,389	12,071	26,019	1,906
Lyon County State Bank, Emporia	1-18-96	43,220	39,390	22,279	56.56%	12,226	3,929	723	4,008	13,653	623
Home Bank & Trust Company, Eureka	2-29-96	37,286	34,159	21,283	62.31%	9,378	4,024	2,064	2,637	12,724	426
State Bank of Fredonia, Fredonia	2-21-96	54,282	46,665	29,257	62.70%	14,670	3,726	8,180	2,053	14,287	1,048
Fidelity State Bank, Garden City	11-1-95	170,098	146,763	111,998	76.31%	39,764	14,362	45,861	5,206	45,689	1,782
First Kansas Bank & Trust Company, Gardner	1-2-97	73,433	66,093	40,187	60.80%	15,384	19,559	1,253	3,070	16,693	759
Kansas State Bank, Garnett	10-14-97	45,228	40,727	25,812	63.38%	10,705	2,522	3,833	3,567	16,144	799
BankWest, Goodland	7-1-97	71,251	62,075	48,284	77.78%	13,514	5,780	19,844	3,308	19,550	749
Freeport State Bank, Harper	1-1-98	10,845	9,905	4,390	44.32%	5,095	449	806	425	2,725	222
Citizens State Bank & Trust, Hiawatha	**	63,383	54,833	31,520	57.48%	21,528	4,343	11,894	3,122	12,043	1,290
Farmers & Merchants Bank of Hill City, Hill City	10-1-97	24,972	22,060	15,241	69.09%	7,554	3,588	5,871	970	5,051	363
The Consolidated State Bank, Hill City	12-23-97	36,581	29,140	23,898	82.01%	7,765	5,579	7,563	1,987	9,034	527
First Kansas Bank, Hoisington	1-18-96	48,050	42,189	11,487	27.23%	24,737	1,221	2,031	2,032	5,913	1,454
The Dennison State Bank, Holton	1-15-96	93,289	78,264	49,428	63.16%	22,640	3,576	8,832	3,864	33,075	1,634
Kansas State Bank, Holton	6-1-96	76,965	68,762	16,296	23.70%	11,711	9,007	8,435	5,362	30,908	845
ens State Bank, Hugoton	9-15-96	79,274	61,379	53,859	87.75%	14,164	3,867	26,451	3,017	18,885	12
tral Bank and Trust Company, Hutchinson	11-15-96	118,549	102,914	80,739	78.45%	19,307	34,582	4,690	2,962	38,804	4
Emprise Bank, Iola	7-24-96	64,940	59,479	43,447	73.05%	9,481	2,468	6,832	15,821	18,917	174

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Bank	Date of Operation	Total Assets	Total Deposits	Net Loans & Leases	Loans to Deposits	U.S. Gov't. Securities	Loans				Securities Inc
							Commercial	Agricultural	Individual	Real Estate	
Iola Bank & Trust Company, Iola	6-1-96	73,548	62,905	45,640	72.55%	16,219	14,618	7,837	4,997	18,558	1,084
The Johnson State Bank, Johnson	2-1-96	41,753	34,556	18,850	54.55%	14,620	1,626	9,592	1,250	6,552	863
First State Bank, Junction City	11-1-95	39,769	36,070	18,486	51.25%	14,493	9,006	442	1,502	7,834	797
The Kearny County Bank, Lakin	4-24-97	84,011	66,450	36,216	54.50%	37,183	6,529	15,347	2,120	12,646	2,225
Brotherhood Bank & Trust, Kansas City	1-1-98	299,859	242,882	176,188	72.54%	95,834	54,504	0	26,515	99,534	5,780
First Community Bank, Kansas City	9-30-97	94,216	79,013	73,635	93.19%	8,246	33,206	0	3,419	37,887	444
Industrial State Bank, Kansas City	5-30-97	165,655	142,053	63,292	44.56%	78,686	26,017	0	3,218	35,486	3,746
Security Bank of Kansas City	5-31-97	399,375	342,856	182,261	53.16%	133,555	46,046	2,580	3,198	122,683	6,414
First State Bank, Kansas City	by 9-30-96	49,798	43,153	30,353	70.34%	7,031	10,812	0	532	18,498	670
Linn County Bank, LaCygne	9-30-97	48,208	32,960	24,982	75.79%	14,737	5,866	1,086	3,030	15,167	776
First State Bank and Trust Company of Larned	5-1-96	56,209	49,454	21,236	42.94%	29,329	1,353	7,117	2,313	10,057	1,489
The First State Bank, Leoti	12-1-96	57,021	50,937	39,224	77.00%	8,049	3,781	23,700	2,237	9,167	504
The Lyndon State Bank, Lyndon	5-1-96	34,834	28,971	24,420	84.29%	6,067	3,138	2,646	3,140	15,606	431
Farmers & Merchants State Bank, Macksville	3-31-96?	22,237	19,827	13,840	69.80%	4,718	2,406	8,053	797	2,798	262
Kansas State Bank, Manhattan	6-19-96	148,978	112,660	116,805	103.68%	19,186	13,067	0	26,642	57,183	987
Home State Bank & Trust, McPherson	10-1-97	59,543	53,824	37,669	69.99%	12,099	7,061	1,414	10,125	19,234	570
The Mission Bank, Mission	6-3-97	303,643	252,810	169,176	66.92%	101,924	53,584	0	2,545	119,087	4,934
Citizens State Bank, Moundridge	11-1-96	70,369	61,798	39,789	64.39%	20,323	5,653	3,789	2,461	29,035	1,137
First Bank of Newton, Newton	7-1-96	59,113	54,681	36,771	67.25%	14,936	6,200	1,853	11,774	16,993	632
First Security Bank, Norton	11-15-95	39,871	35,032	20,912	59.69%	14,600	5,232	6,893	2,547	5,897	718
The Bank, Oberlin	11-1-95	92,507	79,552	58,421	73.44%	15,109	10,080	23,546	2,871	23,027	1,278
Heritage Bank, Olathe	11-1-95	45,488	40,067	33,706	84.12%	6,482	9,161	0	2,695	19,645	295
Kansas State Bank, Ottawa	1-18-96	63,356	56,634	28,065	49.56%	23,098	3,119	2,065	2,431	19,335	1,232
Bank of Blue Valley, Overland Park	1-2-96	181,725	157,619	125,814	79.82%	28,447	48,511	0	13,209	53,722	1,686
Mercantile Bank, Overland Park	7-1-96	3,063,415	2,514,556	2,186,053	86.94%	584,963	519,416	31,400	146,608	1,250,959	34,594
Metcalf State Bank, Overland Park	12-20-95	141,616	124,072	64,461	51.95%	52,743	15,112	0	10,266	39,945	2,614
Valley View State Bank, Overland Park	6-3-97	470,798	393,043	224,717	57.17%	178,560	43,073	0	14,813	167,190	9,116
Citizens State Bank, Paola	12-26-95	43,971	36,920	24,557	66.51%	12,362	3,993	593	2,283	18,139	799
Commercial Bank, Parsons	12-31-95	165,121	136,757	59,631	43.60%	80,019	10,489	4,674	15,376	29,118	4,473
Plains State Bank, Plains	5-24-96	44,517	38,039	20,174	53.04%	18,238	1,537	13,134	1,757	4,032	857
Plainville State Bank, Plainville	7-1-96	27,985	23,930	15,418	64.43%	8,896	2,899	4,839	1,231	6,649	548
The Peoples Bank, Pratt	11-15-96	160,233	137,904	65,081	47.19%	71,027	11,671	17,016	8,019	25,278	3,760
The Riley State Bank, Riley	1-12-98	21,853	19,333	13,643	70.57%	3,618	2,675	4,022	1,991	5,113	290
Farmers State Bank, Sabetha	12-19-97	49,428	42,762	20,766	48.56%	23,113	2,955	4,910	1,566	10,081	1,209
Bennington State Bank, Salina	1-2-97	161,875	140,203	99,113	70.69%	36,436	15,925	20,478	6,849	55,644	2
First Bank Kansas, Salina	1-18-96	85,115	76,135	61,521	80.81%	12,861	5,639	5,129	8,306	42,411	2
Sedgwick State Bank, Sedgwick	5-30-96	19,138	17,042	7,125	41.81%	8,552	2,667	701	754	3,025	414

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Bank	Date of Operation	Total Assets	Total Deposits	Net Loans & Leases	Loans to Deposits	U.S. Gov't. Securities	Loans				Securities Income
							Commercial	Agricultural	Individual	Real Estate	
Citizens State Bank & Trust Company, Seneca	1-21-97	54,812	49,508	32,383	65.41%	14,220	5,435	5,469	2,481	17,528	852
The Bank of Tescott, Tescott	11-14-97	111,778	96,745	77,326	79.93%	23,282	7,026	15,557	6,007	49,849	1,447
First State Bank & Trust, Tonganoxie	8-1-96	103,305	85,908	62,007	72.18%	29,155	12,213	5,231	9,024	34,991	1,684
Columbian Bank and Trust Company, Topeka	1-1-98	83,556	69,103	49,933	72.26%	22,466	12,786	12	3,169	34,729	1,070
Commerce Bank, Topeka	12-1-95	436,519	383,184	266,269	69.49%	79,536	56,695	0	89,835	119,807	6,332
Fidelity State Bank & Trust, Topeka	1-2-96	71,616	61,803	30,754	49.76%	35,618	5,384	0	5,408	20,166	1,667
Kaw Valley State Bank & Trust Company, Topeka	12-1-97	215,931	187,609	114,706	61.14%	65,715	38,965	3,659	15,065	58,404	3,609
Trego-WaKeeney State Bank, WaKeeney	10-1-97	37,279	31,814	18,605	58.48%	16,418	2,783	7,384	922	7,730	830
Chisholm Trail State Bank, Wichita	3-21-96	63,030	56,694	43,157	76.12%	10,681	3,695	1,711	7,759	30,411	650
Emprise Bank, Wichita	10-26-95	524,257	439,314	357,894	81.47%	73,359	49,737	18	40,613	266,988	5,863
Garden Plain State Bank, Wichita	3-19-97	37,081	33,086	26,689	80.67%	3,663	5,073	221	4,822	16,852	246
TOTALS		<u>\$10,855,167</u>	<u>\$9,154,677</u>	<u>\$6,540,555</u>	71.44%	<u>\$2,763,486</u>	<u>\$1,422,987</u>	<u>\$539,258</u>	<u>\$690,855</u>	<u>\$3,662,906</u>	<u>\$158,216</u>

SUMMARY

Commercial loans as a percentage of deposits	15.54%
Agricultural loans as a percentage of deposits	5.89%
Real estate loans as a percentage of deposits	40.01%
Individual loans as a percentage of deposits	7.55%
All loans as a percentage of deposits	71.45%

Source: FDIC Institution Directory, 9/30/97 (dollar figures in thousands).

GG

**Testimony for the
Senate Committee on Financial Institutions and Insurance
Regarding: Senate Bill 574
February 17, 1998**

Good morning Mr. Chairman and members of the Committee. Thank you for the opportunity to present our views on Senate Bill 574- an act abolishing the State Bank Commissioner "wild card" authority.

My name is James Needham. I'm the President of the Community Bankers Association of Kansas and also President and CEO of Troy State Bank, Troy, Kansas.

Our Association represents approximately 150 Kansas banks of which 125 banks are chartered by the State Bank Commissioner's office. Membership in the association is reserved for banks that serve their communities. Our member banks tend to be one of two types: 1) closely held and typically managed by the owners; or 2) owned by members of the community and managed by people from the community. We tend to represent banks in rural communities and many banks in county seat towns.

Our state's banking system is part of what is known as a dual banking system. That is, banks in Kansas may be chartered by the Office of the Comptroller of the Currency, a division of the US Treasury or by the Office of the State Bank Commissioner. Banks, once chartered by either authority, can move to the other by making appropriate application and paying application fees.

Our members believe that the dual banking system provides flexibility for the banking industry and serves as an important component of the checks and balances within the banking system.

We believe that the dual system is healthy for the citizens of the state. We often see decisions made in Washington, DC that have little relevance for Kansas. Dual banking authorities provide the best of both regulators for banks. Competition, yes even between bureaucracies, is healthy.

The State Bank Commission and the Comptroller bring different approaches to bank examination and supervision. This dual system, with two sets of regulators working independently on parallel tracks, is constantly making improvements to the bank regulatory system.

The competition between the parallel regulatory tracks benefits the public and the banking industry. At a time when government is looking to increase its productivity and decrease its costs, state and federal regulators can look to each other for new methods of performing the traditional tasks of bank supervision, and for emerging new responsibilities as the industry continues to change.

The Kansas Legislature saw the need for state chartered bank powers to maintain parity with national bank powers. The State Bank Commissioner was granted "Wild Card" authority to grant

*Senate FDD
Attachment 6
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state chartered banks any authority given to national banks. If the Commissioner's "Wild Card" authority is banished, the dual banking system will be seriously impaired. State banks, if disallowed the same options as national banks, will soon convert to nationally chartered banks. Defection of state banks to the national system would likely seriously impair the Bank Commissioner's ability to provide cost effective supervision to the remaining banks.

It is important to understand that the Commissioner's authority is "reactive" in accordance with Kansas Banking Laws designed to assure that parity is maintained between banks chartered by the federal government and banks chartered by the state government. The Bank Commissioner reviews and acts on actions taken by federal regulators when necessary to maintain parity between the two regulators.

In conclusion, we oppose SB541 on the grounds it would seriously hamper the flexibility and competitive foresight of the dual banking system.