

PUBLIC DISCLOSURE

July 14, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

SJN Bank of Kansas
Certificate Number: 4766

116 East 3rd Avenue
Saint John, Kansas 67576

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The bank's Community Reinvestment Act (CRA) performance under all applicable criteria supports the overall rating. The following points summarize this performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and the credit needs of the assessment area.
- A majority of the reviewed loans are in the assessment area.
- The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes in the assessment area.
- The geographic distribution of loans was not analyzed since there are no low- or moderate-income census tracts in the assessment area.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not impact the rating.

DESCRIPTION OF INSTITUTION

SJN Bank of Kansas is a full-service institution operating in southcentral Kansas. The bank is wholly owned by SJN Banc Co., a one-bank holding company. The bank received a Satisfactory rating at its prior FDIC Performance Evaluation dated July 22, 2019, based on Interagency Small Institution Examination Procedures.

The institution is headquartered in Saint John, Kansas, and has branches in Burdett, Greensburg, Hudson, La Crosse, and Macksville, Kansas. The Saint John, Hudson, and Macksville offices are in Stafford County, the Burdett office is in Pawnee County, the Greensburg office is in Kiowa County, and the La Crosse office is in Rush County. The bank has not opened or closed any branches, and no merger or acquisition activities have occurred since the previous evaluation.

SJN Bank of Kansas offers agricultural, commercial, home mortgage, and consumer loans. The bank also originated loans under the Small Business Administration's Paycheck Protection Program, which was established in 2020 to provide relief to small businesses during the Coronavirus Disease 2019 pandemic. The bank provides a variety of deposit services including checking, savings, and certificates of deposit. Alternative banking services include internet banking, mobile banking, bill pay, and bank-owned ATMs.

According to the March 31, 2025 Reports of Condition and Income, the institution reported total assets of \$268.3 million, total loans of \$158.1 million, and total deposits of \$202.6 million. The following table illustrates the loan portfolio composition based on dollar volume. This information illustrates the bank’s primary focus is agricultural lending.

Loan Portfolio Distribution as of 03/31/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,626	1.0
Secured by Farmland	30,446	19.3
Secured by 1-4 Family Residential Properties	11,060	7.0
Secured by Multi-family (5 or more) Residential Properties	-	-
Secured by Non-farm Non-Residential Properties	12,155	7.7
Total Real Estate Loans	55,287	35.0
Commercial and Industrial Loans	47,500	30.0
Agricultural Production and Other Loans to Farmers	52,175	33.0
Consumer	2,291	1.5
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	-	-
Lease Financing Receivables (net of unearned income)	887	0.6
Less: Unearned Income	-	-
Total Loans	158,140	100.0
<i>Source: Reports of Condition and Income Due to rounding, totals may not equal 100.0%.</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet the credit needs of the assessment area.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. SJN Bank of Kansas designated one assessment area comprised of Edwards, Kiowa, Pawnee, Rush, and Stafford counties. The five counties are adjacent nonmetropolitan counties in Kansas. The assessment area has not changed since the previous evaluation. The following sections discuss demographic and economic information for the bank’s assessment area.

Economic and Demographic Data

The assessment area contains eight census tracts. All census tracts in the assessment area are middle-income census tracts. The following table illustrates select demographic information for the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	8	0.0	0.0	100.0	0.0	0.0
Population by Geography	18,648	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	10,227	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	5,646	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	2,267	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	2,314	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,536	0.0	0.0	100.0	0.0	0.0
Farms by Geography	381	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	4,638	16.0	20.7	27.0	36.3	0.0
Household Distribution by Income Level	7,913	21.4	19.5	19.7	39.5	0.0
Kansas Non-MSA Median Family Income		\$65,183	Median Housing Value			\$78,961
Families Below Poverty Level		4.5%	Median Gross Rent			\$630
<i>Source: 2020 U.S. Census and 2024 D&B Data</i> <i>(*) The NA category consists of geographies that have Not been assigned an income classification.</i> <i>Due to rounding, totals may not equal 100%.</i>						

According to 2024 D&B data, agriculture, forestry, and fishing industries represent the largest portion of businesses in the assessment area at 19.9 percent; followed by non-classifiable establishments (10.5 percent); and other services (10.2 percent). In addition, 76.4 percent of the businesses have 4 or fewer employees, and 84.9 percent operate from a single location.

Competition

SJN Bank of Kansas faces direct competition from other financial institutions with branches in the assessment area. The competition for agricultural loans is particularly strong, as there is also competition from government-sponsored enterprises, such as the Farm Credit Administration.

According to the June 30, 2024 FDIC Deposit Market Share report, there are 14 financial institutions operating full-service branches in the assessment area. Of these institutions, SJN Bank of Kansas ranks first with 24.8 percent of the deposit market share.

Community Contact

To help gain insight into the area economy, demographic trends, business environment, and credit needs within the assessment area, examiners interview members of the local community. This information helps determine whether local financial institutions are responsive to these needs. It also identifies what credit opportunities are available.

For this evaluation, examiners considered information obtained from a community contact conducted in April 2025 with an individual familiar with the agricultural industry in several counties, including one county in the assessment area. The contact indicated that the agricultural economy is struggling, in part due to droughts over the past few years. The individual noted that some rural residents may commute up to 40 miles for employment. The contact identified agricultural lending as the primary credit need.

Credit Needs

Examiners determined that small farm and small business loans are the primary credit needs in the assessment area based on information from the community contact, bank management, and demographic and economic data.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 22, 2019, to the current evaluation dated July 14, 2025. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's CRA performance.

Activities Reviewed

Examiners reviewed small farm and small business loans to evaluate the bank's lending performance for this evaluation. Examiners selected the loan products based on the bank's business strategy and loan volume during the evaluation period. Small farm lending received more weight when drawing overall conclusions based on the bank's agricultural lending activity and strategic focus. The home mortgage loan category was not reviewed since the bank's mortgage lending activity is limited.

For the small farm and small business loan review, examiners focused on 2024 lending activity as bank management confirmed the lending patterns for that year would be reasonably representative of the bank's lending throughout the evaluation period for both loan products. In 2024, bank records show the institution originated 208 small farm loans totaling \$22.4 million, and 195 small business loans totaling \$21.2 million.

For the Lending Test, examiners analyzed all small farm and small business loans in 2024 to evaluate the Assessment Area Concentration criterion. For the Borrower Profile criterion, examiners reviewed a sample of 55 small farm loans totaling \$11.1 million, and 51 small business loans totaling \$7.4 million that were originated in the assessment area.

The 2024 D&B data provided a standard of comparison for the bank's small farm and small business lending performance. Examiners placed greater weight on the number of loans, as opposed to the dollar volume, as the number of loans is considered a better indicator of the number of farms and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

SJN Bank of Kansas demonstrated satisfactory performance under the Lending Test. The bank's performance in all evaluated criteria supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution’s size and financial condition, as well as the credit needs of the assessment area. The bank’s performance for this criterion was evaluated based on the average of the 23 quarterly net loan-to-deposit ratios since the previous evaluation. The bank’s average net loan-to-deposit ratio compares reasonably to the similarly situated institutions’ ratios during the same period. Examiners selected the similarly situated institutions based on their asset size, geographic location, and product mix. See the following table for details.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2025 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
SJN Bank of Kansas, Saint John, Kansas	268,341	60.4
The Peoples Bank, Pratt, Kansas	524,145	56.4
Centera Bank, Sublette, Kansas	332,113	45.3
The Haviland State Bank, Haviland, Kansas	49,173	75.6

Source: Reports of Condition and Income 9/30/2019 through 3/31/2025

Assessment Area Concentration

As shown in the following table, a majority of the small farm and small business loans reviewed were located inside the assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans (\$000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Farm	168	80.8	40	19.2	208	17,930	80.1	4,447	19.9	22,377
Small Business	140	71.8	55	28.2	195	12,699	59.9	8,510	40.1	21,209

Source: Bank Data

Borrower Profile

Overall, the distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes in the assessment area. Although the small business lending performance was excellent, the bank’s reasonable small farm lending performance was the driver for this conclusion. Examiners focused on the percentage of small farm and small business loans to operations with gross annual revenues of \$1 million or less.

Small Farm Loans

The distribution of small farm loans to operations with revenues of \$1 million or less reflects reasonable penetration. As illustrated in the following table, the bank’s percentage of lending to small farms with revenues of \$1 million or less lags demographic data for this revenue category. However, the 2022 Census of Agriculture data shows that 61.5 percent of farms in the assessment area report no interest expense, and 59.2 percent of producers reported a primary occupation other than farming. These factors suggest there is limited credit demand from many small farmers. Therefore, the bank’s performance is considered reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.3	39	70.9	6,713	60.2
>\$1,000,000	2.4	16	29.1	4,434	39.8
Revenue Not Available	1.3	0	0.0	0	0.0
Total	100.0	55	100.0	11,147	100.0

Source: 2024 D&B Data, Bank Data.

Small Business Loans

The distribution of small business loans reflects excellent penetration of lending to operations with revenues of \$1 million or less. As shown in the following table, the bank’s performance significantly exceeds comparable demographic data in this same revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	76.5	47	92.2	6,218	84.4
>\$1,000,000	4.0	4	7.8	1,145	15.6
Revenue Not Available	19.5	0	0.0	0	0.0
Total	100.0	51	100.0	7,363	100.0

Source: 2024 D&B Data, Bank Data.

Geographic Distribution

The assessment area does not include any low- or moderate-income census tracts, so a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.