

Subject Matter Folder

Public File

AT#20190252

Doc Date: (Scanned Date) | INTERAGENCY BANK MERGER ACT APPLICATION

Transaction Summary

This application relates to the proposed merger (the "Bank Merger") of Bank of Blue Valley, a Kansas state member bank with 5 full-service banking offices in Kansas ("Target"), with and into Morrill & Janes Bank and Trust Company, a Kansas state non-member bank with 8 full-service banking offices in Kansas and Missouri ("Applicant"). Applicant will be the surviving banking corporation in the Bank Merger (the "Surviving Bank") and, upon the closing of the Bank Merger, the Surviving Bank's name will be changed to Bank of Blue Valley. Target and Applicant have executed an Agreement of Merger, dated January 16, 2019 (the "Bank Merger Agreement") providing for the Bank Merger that is contingent, among other things, on the approval by the Federal Deposit Insurance Corporation (the "FDIC") of the Bank Merger under the Bank Merger Act (12 U.S.C. § 1828(c)(2)(C)) and expiration of applicable waiting periods, approval of the State Bank Commissioner of Kansas, and consummation of the Holding Company Merger (as defined below) simultaneous with the Bank Merger. Upon consummation of the Bank Merger, the main office of Morrill & Janes Bank and Trust Company located in Merriam, Kansas will be the main office of the Surviving Bank, and the main office and branches of Bank of Blue Valley will become branch offices of the Surviving Bank. As part of the overall integration of the merging banks, Applicant will evaluate whether to re-locate the main office of the bank and will file any required applications if and when it becomes necessary to do so.

Target is currently a wholly-owned subsidiary of Blue Valley Ban Corp. ("BVBC"), a Kansas corporation and registered bank holding company pursuant to the federal Bank Holding Company Act (the "BHCA"). Applicant is a wholly-owned subsidiary of Heartland Financial USA, Inc. ("Heartland"), a publicly-held Delaware corporation and registered bank holding company pursuant to the BHCA. The Bank Merger is intended to occur immediately following the merger of BVBC with and into Heartland, in which Heartland will be the surviving corporation (the "Holding Company Merger"). BVBC and Heartland have executed an Agreement and Plan of Merger, dated January 16, 2019 (the "Holding Company Merger Agreement"), providing for the Holding Company Merger. Holders of common stock of BVBC will receive shares of Heartland common stock in the Holding Company Merger. Pursuant to Section 225.12(d)(2) of Regulation Y (12 C.F.R. § 225.12(d)(2)), the Holding Company Merger does not require approval of the Board of Governors of the Federal Reserve System ("Federal Reserve Board") under Section 3 of the BHCA, but instead Heartland is notifying the Federal Reserve Board of the Holding Company Merger simultaneously with the filing of this application.

The Holding Company Merger is contingent upon, among other things, approval of the Holding Company Merger by the shareholders of BVBC at a meeting to be solicited by a proxy statement/prospectus (the "Proxy Statement/Prospectus") that also relates to the issuance of Heartland common stock in the Holding Company Merger.

The Proxy Statement/Prospectus will not be circulated to shareholders of BVBC until a registration statement on Form S-4 (of which the Proxy Statement/Prospectus is a part) is declared effective by the Securities and Exchange Commission. Assuming approval of the Bank Merger by the FDIC and expiration of applicable waiting periods, and approval of the Bank Merger by the State Bank Commissioner of Kansas, it is anticipated that the Holding Company Merger will occur during the second quarter of 2019, and will be effective upon filing of a Certificate of Merger with the Delaware Secretary of State and a Certificate of Merger with the State of Kansas Office of the Secretary of State. The Bank Merger Agreement provides that the Bank Merger will be effective immediately following the Holding Company Merger, and will be effective upon filing a Certificate of Merger with the State of Kansas Office of the Secretary of State.

INTERAGENCY BANK MERGER ACT APPLICATION

Check all that apply:

- | | | |
|--|---|---|
| Type of Filing | Form of Transaction | Filed Pursuant To |
| <input type="checkbox"/> Affiliate/Corporate Reorganization | <input checked="" type="checkbox"/> Merger | <input checked="" type="checkbox"/> 12 U.S.C. 1828(c)(2)(C) |
| <input type="checkbox"/> Combination with Interim Depository Institution | <input type="checkbox"/> Consolidation | <input type="checkbox"/> 12 U.S.C. 1815(d)(2) |
| <input checked="" type="checkbox"/> Nonaffiliate Combination | <input type="checkbox"/> Purchase and Assumption | <input type="checkbox"/> 12 U.S.C. 1815(d)(3) |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Branch Purchase of Assets Only | <input type="checkbox"/> 12 U.S.C. 215, 215a-c |
| | <input type="checkbox"/> Other _____ | <input type="checkbox"/> 12 U.S.C. 1815(a) |
| | | <input type="checkbox"/> Other _____ |

Applicant Depository Institution

MORRILL & JANES BANK AND TRUST COMPANY (Cert. No. 1143)
Name Charter/Docket Number
6740 Antioch Road
Street
Merriam Kansas 66204
City State Zip Code

Target Institution

BANK OF BLUE VALLEY (Cert No. 32722)
Name Charter/Docket Number
11935 Riley Street
Street
Overland Park Kansas 66213
City State Zip Code

Resultant Institution (if different than Applicant)

Name Charter/Docket Number
Street
City State Zip Code

Contact Person

J. Daniel Patten Executive Vice President, Finance and Corporate Strategy, Heartland Financial USA, Inc.
Name Title/Employer
707 17th Street, Suite 2950
Street
Denver Colorado 80202
City State Zip Code
[Redacted] Telephone Number [Redacted] Fax Number [Redacted] E-mail Address

INTERAGENCY BANK MERGER ACT APPLICATION

1. Describe the transaction's purpose, structure, significant terms and conditions, and financing arrangements, including any plan to raise additional equity or incur debt. Also provide the approximate approval date needed to consummate.

This application relates to the proposed merger (the "Bank Merger") of Bank of Blue Valley, a Kansas state member bank with its main office in Overland Park, Kansas ("Target"), with and into Morrill & Janes Bank and Trust Company, a Kansas state non-member bank with its main office in Merriam, Kansas ("Applicant"). The Bank Merger would occur pursuant to a Agreement of Merger, dated as of January 16, 2019 (the "Bank Merger Agreement"), between Applicant and Target, a copy of which is included as Exhibit A to this application. As a result of the Bank Merger, Applicant would acquire Target's full-service banking locations consisting of the main office and four branch offices of Target. Upon consummation of the Bank Merger, the main office of Morrill & Janes Bank and Trust Company located in Merriam, Kansas will be the main office of the Surviving Bank, and the main office and branches of Bank of Blue Valley will become branch offices of the Surviving Bank. As part of the overall integration of the merging banks Applicant will evaluate whether to re-locate the main office of the bank and will file any required applications if and when it becomes necessary to do so.

Purpose

The Bank Merger is intended to expand Applicant's presence in the Kansas market within the Kansas City, MO-KS Metropolitan Statistical Area ("Kansas City MSA"); to increase the level of services that can be offered through Target's branch using the product offerings of Applicant and thereby better serving the existing customers of Target; and to maintain the focus of Target, which is consistent with the focus of Applicant, on community banking, including serving small business customers.

Additionally, after considering Target's future prospects, Target believes that the Bank Merger will allow the combined bank to be better able to grow, gain market share and serve the public in Target's banking market better than Target could alone. Target also believes that, to the extent additional capital is needed in the future, Heartland (defined below) would be better positioned to raise capital at a lower cost; thus, ensuring that the combined bank's mission to better serve its existing customers is better protected.

Structure

The Bank Merger involves the merger of Target with and into Applicant, with Applicant being the surviving bank. As a result, Applicant will acquire all the assets and assume all the liabilities of Target, including Target's main office and four branch offices.

The Bank Merger will occur immediately after the merger of Blue Valley Ban Corp. ("BVBC"), the sole shareholder of Target, with and into Heartland Financial USA, Inc. ("Heartland"), the sole shareholder of Applicant (the "Holding Company Merger").

Significant Terms and Conditions

The Boards of Directors of Target and Applicant have approved the Bank Merger. See Exhibit C and Exhibit D of this application for copies of the resolutions of Target's Board of Directors and the Applicant's Board of Directors, respectively, providing for such approvals.

The Bank Merger is subject to the approval by the Federal Deposit Insurance Corporation (the "FDIC") under the Bank Merger Act, and expiration of the applicable waiting periods, and approval by the Office of the State Bank Commissioner of Kansas.

The Holding Company Merger is not required to be approved by the Board of Governors of the Federal Reserve System. See 12 CFR § 225.12(d)(2).

Financing Arrangements

Neither the Bank Merger nor the Holding Company Merger is contingent upon financing. The consideration payable will only be comprised of shares of Heartland common stock and there are no other plans to raise equity or incur any debt in connection with the transaction.



Approximate Approval Date Needed to Consummate

Applicant and Target wish to close the Bank Merger in the second quarter of 2019. The Bank Merger is contingent upon, and will be effective immediately upon consummation of the Holding Company Merger. The Holding Company Merger Agreement provides that if the closing with respect to the Holding Company Merger has not occurred by July 31, 2019, either Heartland or BVBC can terminate the Holding Company Merger Agreement. Applicant would like to receive approval for the Bank Merger from the FDIC by March 31, 2019.

2. Provide a copy of (a) the executed merger or transaction agreement, including any amendments, (b) any board of directors' resolutions related to the transaction, and (c) interim charter, names of organizers, and related documents, if applicable.

- (a) A copy of the Bank Merger Agreement is included as Exhibit A to this application. A copy of the Holding Company Merger Agreement is included as Exhibit B to this application.
- (b) A copy of the resolutions of the boards of directors of Target and Applicant related to the Bank Merger are attached as Exhibit C and Exhibit D, respectively, to this application.
- (c) Not applicable.

3. Describe any issues regarding the permissibility of the proposal with regard to applicable state or Federal laws or regulations (for example, nonbank activities, branching, qualified thrift lender's test).

There are no issues relating to the permissibility of the proposal under applicable state or federal laws or regulations.

4. Describe any nonconforming or impermissible assets or activities that Applicant or Resultant Institution may not be permitted to retain under relevant law or regulation, including the method of and anticipated time period for divestiture or disposal.

Applicant will not receive or engage in any nonconforming or impermissible assets or activities as a result of the Bank Merger that Applicant would not be permitted to retain under relevant law or regulation.

5. Provide the indicated financial information and describe the assumptions used to prepare the projected statements, including those about the effect of the merger transaction. Material

changes between the date of the financial statements and the date of the application should be disclosed. If there are no material changes, a statement to that effect should be made.

- a. **Pro Forma Balance Sheet**, as of the end of the most recent quarter and for the first year of operation after the transaction. Indicate separately for the Applicant and Target Institution each principal group of assets, liabilities, and capital accounts; debit and credit adjustments (explained by footnotes) reflecting the proposed acquisition; and the resulting pro forma combined balance sheet. Goodwill and all other intangible assets should be listed separately on the balance sheet. Indicate the amortization period and method used for any intangible asset and the accretion period of any purchase discount on the balance sheet.
- b. **Projected Combined Statement of Income** for the first year of operation following consummation.
- c. **Pro Forma and Projected Regulatory Capital Schedule**, as of the end of the most recent quarter and for the first year of operation, indicating:
 - Each component item for Tier 1 (Core) and Tier 2 (Supplementary) Capital, Subtotal for Tier 1 and Tier 2 Capital (less any investment in unconsolidated or non-includable subsidiaries), Total Capital (*include Tier 3 if applicable*).
 - Total risk-weighted assets.
 - Capital Ratios: (1) Tier 1 capital to total risk-weighted assets; (2) Total capital to total risk-weighted assets; and (3) Tier 1 capital to average total consolidated assets (leverage ratio).

Refer to Confidential Exhibit E of this application for information responsive to this Item 5. Confidential Exhibit E also includes common equity Tier 1 capital ratios. There are no material changes between the date of the financial statements in Exhibit E and the date of this application.

6. **List the directors and senior executive officers of the Resultant Institution and provide the name, address, position with and shares held in Resultant Institution or holding company, and principal occupation (if a director).**

Refer to Exhibit F of this application for information responsive to this Item 6.

7. **Describe how the proposal will meet the convenience and needs of the community. For the combining institutions, list any significant anticipated changes in services or products that will result from the consummation of the transaction. If any services or products will be discontinued, describe and explain the reasons.**

The convenience and needs of the communities served by Applicant and Target will continue to be served by Applicant following consummation of the Bank Merger. Applicant intends to offer bank products and services that are the same or substantially similar to those currently offered by Target, and there will be no adverse changes in products or services that will result from the consummation of the Bank Merger. Applicant will offer the customers of Target the expanded range of bank products and services provided by Applicant to its existing customers. Applicant offers the bank products and services provided by most Heartland subsidiary banks, and believes that the customers of Target will benefit from the expanded scope of these services.

Heartland understands that Target provides a full range of community banking services in the communities it serves. Heartland believes that Target's activities are consistent with Heartland's community banking philosophy for all of its subsidiary banks and intends to make no significant changes to these services and operations after the Bank Merger, except, over time, to offer Target customers the expanded range of products and services provided by Heartland's subsidiary banks.

8. Discuss the programs, products, and activities of the Applicant or the Resultant Institution that will meet the existing or anticipated needs of its community (ies) under the applicable criteria of the Community Reinvestment Act (CRA) regulation, including the needs of low- and moderate-income geographies and individuals. For an Applicant or Target Institution that has received a CRA composite rating of "needs to improve" or "substantial noncompliance" institution-wide or, where applicable, in a state or a multi-state MSA, or has received an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the applicant is expanding as a result of the combination, describe the specific actions, if any, that have been taken to address the deficiencies in the institution's CRA performance record since the rating.

Both Applicant (April 13, 2016) and Target (November 13, 2018) received a "satisfactory" rating in their respective most recent CRA examinations. Applicant intends to continue to offer the existing products and services of Applicant and those of Target; and Applicant therefore believes it will continue to meet the existing needs of its community under applicable CRA criteria and will successfully meet any future needs it identifies in the future.

9. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 imposes additional considerations for certain interstate mergers between insured banks. Savings associations are not subject to 12 U.S.C. 1831u. If subject to these provisions, discuss authority; compliance with state age limits and host state(s) filing requirements; and applicability of nationwide and statewide concentration limits. In addition, discuss any other restrictions that the states seek to apply (including state antitrust restrictions).

Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994

Not applicable. The Bank Merger is a merger of two Kansas chartered banks.

State Restrictions

The Bank Merger would not raise any state antitrust restrictions.

Deposit Concentrations

Neither statewide nor nationwide deposit concentration limits would be exceeded as a result of the Bank Merger.

10. List all offices that (a) will be established or retained as branches, including the main office, of the Target Institution, (b) are approved but unopened branch(es) of the Target Institution, including the date the current federal and state agencies granted approval(s), and (c) are existing branches that will be closed as a result of the proposal to the extent the information is available and indicate the effect on the branch customers served. For each branch, list the popular name, street address, city, county, state, and ZIP code.
 - (a) Target maintains the following main office and branch offices, all of which will be retained by Applicant:

ADDRESS	COUNTY	CITY	STATE	ZIP
Existing Offices of Target				
Main Office 11935 Riley Street	Johnson	Overland Park	KS	66213
Lenexa Branch 9500 Lackman Road	Johnson	Lenexa	KS	66219
Mission Road Branch 13401 Mission Road	Johnson	Leawood	KS	66209
Olathe Branch 1235 East Santa Fe	Johnson	Olathe	KS	66061
Shawnee Branch 5520 Hedge Lane Terrace	Johnson	Shawnee Mission	KS	66226

(b) None.

(c) None.

11. As a result of this transaction, if the Applicant will be or will become affiliated with a company engaged in insurance activities that is subject to supervision by a state insurance regulator, provide:

(a) The name of company.

(b) A description of the insurance activity that the company is engaged in and has plans to conduct.

(c) A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.

Not applicable.

If a nonaffiliate transaction, the Applicant also must reply to items 12 through 14.

12. Discuss the effects of the proposed transaction on existing competition in the relevant geographic market(s) where Applicant and Target Institution operate. Applicant should contact the appropriate regulatory agency for specific instructions to complete the competitive analysis.

The relevant geographic markets where both the Applicant and Target have banking operations are the Kansas City Banking Market and the Kansas City MSA. The combination of Applicant and Target would not result in an increase in the Herfindahl-Hirschman Index (the "HHI") by more than 1 point in either relevant market. Applicant believes that the addition of Heartland's expanded range of bank products and services, and Heartland's strength as a holding company, should also enhance the ability of Target's offices to compete in the relevant markets.

As of June 30, 2018, Applicant held 0.56% of statewide deposits in Kansas and Target held 0.77% of statewide deposits in Kansas. See Exhibit G-1 of this application. Applicant's market area includes portions of the Kansas City MSA in Kansas and Missouri, where Applicant operates two relevant deposit-taking banking offices in each of Kansas and Missouri. Applicant also operates an

additional five deposit-taking banking offices outside of the Kansas City MSA. Target's market area is the southwestern portion of the Kansas City MSA in Kansas, where Target's five deposit-taking banking offices are located.

All of Target's deposits and lending business is centered around its offices located in the Kansas City MSA. Heartland believes the market area served by Target represents a community that includes a business emphasis that is not dissimilar to the markets served by most Heartland subsidiary banks. A majority of the in-market deposits in the relevant market area are held by prominent regional and large national banks, including particularly UMB Bank, Commerce Bank, Bank of America and U.S. Bank, which collectively hold approximately 49% of the deposits in the relevant markets. Heartland believes the acquisition of Target will enhance Target's ability to compete with these larger banks.

The Kansas City Banking Market is comprised of Cass, Clay, Jackson, Lafayette, Platte, and Ray Counties, MO; portions of Bates, Clinton and Johnson County, MO; Franklin, Johnson, Leavenworth, Miami, and Wyandotte Counties, KS; and portions of Linn County, KS. The Kansas City MSA is comprised of Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties, KS; and portions of Linn County, KS; and Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties, MO. Four of Applicant's branch offices are located in the Kansas City Banking Market and Kansas City MSA. All five of Applicant's deposit-taking offices are located in both markets.

In the Kansas City Banking Market as of June 30, 2018 (the date of the most recent deposit statistics available for the MSA), Applicant ranks 30th of 104 banking institutions with \$263.685 million or 0.46% of in-market deposits and Target ranks 18th with \$578.267 million or 1% of in-market deposits. In the Kansas City MSA, as of June 30, 2018 (the date of the most recent deposit statistics available for the MSA), Applicant ranks 30th of 122 banking institutions with \$263.685 million or 0.46% of in-market deposits and Target ranks 17th with \$578.267 million or 1% of in-market deposits. See Exhibit G-2 of this application.

Applicant believes there is no custom market which would contain the offices of both Applicant and Target that would not be nearly identical to the Kansas City Banking Market or the Kansas City MSA.

Competition

Applicant and Target compete with large national banks with significantly greater market power than Applicant and Target combined, including a broader range of bank products and services, and more office locations in each of their respective markets. In the Kansas City Banking Market and the Kansas City MSA shared by Applicant and Target, the four largest institutions control approximately 49% of in-market deposits and operate a total of 168 branch offices in the Kansas City Banking Market and 169 in the Kansas City MSA. Neither Target nor Applicant has an appreciable deposit market share in either of these markets.

Effect on Competition

Four of Applicant's deposit-taking offices and all five of Target's offices share the same markets. In addition, only two of Applicant's deposit-taking offices in the relevant markets are located in the same state as the Target's offices. As discussed above, neither Applicant nor Target currently have more than a 1% market share in either relevant market.

The combination of Applicant and Target would result in the combined institution ranking 14th of 103 banking institutions, with 1.46% of in-market deposits in the Kansas City Banking Market, and

causing the HHI to rise 1 point. In the Kansas City MSA, the combined institution would be 14th of 120 banking institutions, with 1.46% of in-market deposits, and cause the HHI to rise 0.92 of a point. Thus, combination of Applicant and Target does not change the market share of the combined institution to any significant extent in either of the relevant markets.

For the foregoing reasons, the proposed transaction will have no material adverse effect on existing competition in the relevant geographic markets, and the benefits of the transaction will outweigh any immaterial adverse effect.

13. **If the proposed transaction involves a branch sale or any other divestiture of all or any portion of the bank, savings association or nonbank company (in the case of a merger under 12 U.S.C. 1828(c)(1)) to mitigate competitive effects, discuss the timing, purchaser, and other specific information.**

Not Applicable.

14. **Describe any management interlocking relationships (12 U.S.C. 3201-3208) that currently exist or would exist following consummation. Include a discussion of the permissibility of the interlock with regard to relevant laws and regulations.**

Not Applicable.

FEDERAL DEPOSIT INSURANCE CORPORATION

SUPPLEMENT TO INTERAGENCY BANK MERGER ACT APPLICATION

All FDIC Applicants should provide the following supplemental information with their application:

15. This section supplements question 12 of the Interagency Bank Merger Act Application for transactions between nonaffiliated parties. Additional guidance relating to the FDIC's consideration of the competitive factors in a proposed merger transaction is contained in the FDIC's Rules and Regulations (12 C.F.R. § 303 Subpart D) and Statement of Policy on Bank Merger Transactions (2 FDIC Law, Regulations, and Related Acts 5145), which may be found at <http://www.fdic.gov/regulations/laws/rules/index.html>.

I. Delineation of the relevant geographic market(s).

The relevant geographic market includes the areas in which the offices to be acquired are located and from which those offices derive the predominant portion of their loans, deposits, or other business. The relevant geographic market also includes the areas where existing and potential customers impacted by the proposed merger may practically turn for alternative sources of banking services.

- (a) Prepare schedules for the Applicant Institution and Target Institution showing the total number of accounts and total dollar volume of deposits for each municipality or census tract, where applicable, according to the recorded address of the depositor (do not submit supporting data). Small amounts may be aggregated and identified as "other." *If the Applicant Institution is a multi-office institution, Applicant Institution deposit information should be provided only for those offices within or proximate to the area(s) described below under paragraph (b).*

The total deposits for each municipality within the relevant markets is as indicated in the Applicant and Target Bank Offices table below. As indicated on table below, only Applicant's Woodland branch and Target's Lenexa branch have any material amount of deposits from the same municipality, Lenexa, KS. In addition, these two branch offices and substantially all of the related deposits in Lenexa, KS relate to customers residing from different zip codes.

- (b) Identify those areas where existing and potential customers of the offices to be acquired may practically turn for alternative sources of banking services. If consideration of the availability of such alternative banking services results in a market area considerably different from that indicated by the sources of the deposits, discuss and provide necessary supporting information.

In the Kansas City MSA, there are at least 120 other banks with a total of 682 banking offices to which existing and potential customers of Target may practically turn for alternative sources of banking services. In the Kansas City Banking Market, there are at least 101 other banks with a total of 676 banking offices to which existing and potential customers of Target may practically turn for alternative sources of banking services. In addition, there are numerous non-bank financial service providers in each of these markets, including credit unions as well as agencies of large insurance companies affiliated with banks. Neither Target nor Applicant holds an appreciable share of the deposits in these markets.

- (c) Using the information collected in paragraphs (a) and (b), provide a narrative description of the delineated relevant geographic market(s).

The Kansas City Banking Market is comprised of Cass, Clay, Jackson, Lafayette, Platte, and Ray Counties, MO; portions of Bates, Clinton and Johnson County, MO; Franklin, Johnson, Leavenworth, Miami, and Wyandotte Counties, KS; and portions of Linn County, KS. The Kansas City MSA is comprised of Johnson, Leavenworth, Linn, Miami, and Wyandotte Counties, KS; and portions of Linn County, KS; and Bates, Caldwell, Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties, MO. Four of Applicant's branch offices are located in the Kansas City Banking Market and Kansas City MSA. All five of Applicant's deposit-taking offices are located in both markets.

In the Kansas City Banking Market as of June 30, 2018 (the date of the most recent deposit statistics available), Applicant ranks 30th of 104 banking institutions with \$263.685 million or 0.46% of in-market deposits and Target ranks 18th with \$578.267 million or 1% of in-market deposits. In the Kansas City MSA, as of June 30, 2018 (the date of the most recent deposit statistics available for the MSA), Applicant ranks 30th of 122 banking institutions with \$263.685 million or 0.46% of in-market deposits and Target ranks 17th with \$578.267 million or 1% of in-market deposits. See Exhibit G-2 of this application.

- (d) Provide any additional information necessary to support the delineated relevant geographic market(s). Supporting information may include relevant demographic information, locations of major employers, retail trade statistics, and/or information on traffic patterns. *Applicants should consult with the applicable FDIC Regional Office in determining whether additional information is necessary.*

II. Competition in the relevant geographic market(s).

- (a) Prepare a schedule of participating and competing banking institutions' offices, divided into three sections:
- (i) Applicant Institution offices within or proximate to the relevant geographic market(s);
 - (ii) Target Institution offices within or proximate to the relevant geographic market(s); and
 - (iii) Competitor banking offices located or competing within the delineated relevant geographic market(s).
- (b) For each office listed in paragraph (a), provide the street address; total deposits as reported in the most recent *FDIC Summary of Deposits Data Book* (<http://www2.fdic.gov/sod/index.asp>); and distance and general direction from the nearest office of Applicant and Target Institution. *In cases where the delineated relevant geographic market includes a significant portion of a larger metropolitan area, provide only a listing of financial institutions and the aggregate total deposits of all offices operated by each within the delineated relevant geographic market(s).*
- (c) Discuss the extent and intensity of competition in the delineated relevant geographic market(s) provided by nonbank institutions, such as other depository institutions (for example, credit unions) and non-depository institutions (for example, finance companies, or government agencies). For those institutions regarded as competing in

the delineated relevant geographic market(s), provide name, address, and services supplied.

Given that neither Target nor Applicant holds an appreciable share of the deposits in the relevant markets and the large market share held by the four largest banking organizations in these markets, consideration of the role played by non-bank institutions does not have a significant impact on the overall competitive position of Target or Applicant.

Applicant and Target Bank Offices

As indicated in the chart below, four of the Applicant's nine deposit-taking office are within the deposit market served by Target's five deposit-taking offices. The total deposits of each office as of June 30, 2018 and the distance from each office to the closest office of the other institution are also indicated below.

Name and Location of Main Office and Branch Offices	Total Deposits (000 omitted) at 6/30/18	Its Distance and Direction from Nearest Office of	
		Applicant Institution	Target Institution
(i) Applicant Offices			
Main Office 6740 Antioch Road Merriam, KS	\$ 105,844		5.3 miles northeast of Lenexa branch
Woodland Branch 10101 Woodland Drive Lenexa, KS	\$ 83,771		2.9 miles east of Lenexa branch
Lee's Summit Branch 701 Lakewood Boulevard Lee's Summit, MO	\$ 42,065		16.9 miles northeast of Mission Rd branch
Branch 2301 Burlington Street North Kansas City, MO	\$32,005		16.4 miles northeast of Lenexa branch
(ii) Target Offices			
Main Office 11935 Riley Street Overland Park, KS	\$ 378,509	6.6 miles south of Main Office	
Lenexa Branch 9500 Lackman Road Lenexa, KS	\$ 55,088	2.9 miles west of Woodland branch	
Mission Road Branch 13401 Mission Road Leawood, KS	\$ 60,553	8.9 miles southeast of Main office	
Olathe Branch 1235 East Santa Fe Olathe, KS	\$ 66,450	4.3 miles south of Woodland branch	

[New Location following completion of previously approved branch relocation: 1010 West Santa Fe Olathe, KS]			
Shawnee Branch 5520 Hedge Lane Terrace Shawnee, KS	\$ 17,667	5.8 miles north of Woodland branch	

(iii) **Competitor Banking Offices.** Tables setting forth the bank participants and market share of the bank participants in the Kansas City MSA and Kansas City Banking Market can be found in **Exhibit G-2** to this Application.