



PUBLIC DISCLOSURE

MARCH 25, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**BUTTE STATE BANK
RSSD# 1004256**

**510 THAYER STREET
BUTTE, NEBRASKA 68722**

**Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198**

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Butte State Bank (the bank) is rated Satisfactory and was also rated Satisfactory under the Community Reinvestment Act (CRA) at its March 16, 2015 performance evaluation.

- The bank is meeting the credit needs of its community based on an analysis of lending activity.
- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- An excellent dispersion of loans occurs throughout the bank's AA.
- Lending reflects a reasonable penetration among businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, and market competition, as well as AA demographic and economic characteristics and credit needs. Lending performance was assessed within the bank's Northeast Nebraska AA. The following criteria were reviewed:

- **NLTD** – A 15-quarter average NLTD ratio was calculated for the bank and compared to a sample of similarly situated institutions.
- **Lending in the AA, Geographic Distribution, and Distribution to Businesses and Farms of Different Sizes** –
 - A statistical sample of the bank's small farm loans and the universe of small business loans originated from January 1, 2015 through December 31, 2017, were reviewed and compared to applicable demographic and aggregate data. These products comprise the bank's key lending products and a majority of its lending by both dollar and origination volume. More weight was placed on small farm lending in these analyses due to the bank's focus on agricultural lending.
 - The geographic distribution evaluated loans originated from January 1, 2015 through December 31, 2016. The evaluation did not consider loans originated from January 1, 2017 through December 31, 2017 due to changes in the AA census tract composition in 2017 which resulted in all AA census tracts being designated as middle-income census tracts. Therefore, an evaluation of lending during that time period was not considered meaningful. Additionally, more weight was placed on the borrower distribution test due to the changes in the bank's AA census tract

composition during the evaluation period and the resulting impact to the geographic distribution analysis.

- **Response to Substantiated Complaints** – Neither the bank nor the Reserve Bank received any CRA-related complaints since the previous evaluation. Therefore, this criterion was not evaluated.
- **Community Contacts** – Two community representatives from local development and agricultural organizations were contacted to provide insight into the needs of small businesses and small farms within the AA.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Butte, Nebraska. The bank's characteristics include the following:

- The bank's total assets were \$40.1 million (MM) as of September 30, 2018.
- In addition to its main office in Butte, the bank has a full-service branch located in Spencer, Nebraska.
- The bank has two full-service automated teller machines (ATMs) in the communities of Spencer, Nebraska, and Bonesteel, South Dakota; and two cash-only ATMs, one at the main branch in Butte, and the other in Naper, Nebraska.
- The bank's primary business focus is agricultural lending, followed by commercial lending.

TABLE 1
BUTTE STATE BANK LOAN PORTFOLIO
AS OF SEPTEMBER 30, 2018

Loan Type	\$(000)	%
Agriculture	16,256	66.8
Commercial	6,303	25.9
Consumer	1,299	5.3
Residential Real Estate	449	1.9
Other	16	0.1
Gross Loans	24,323	100.0

Note: Percentages may not total 100.0 percent due to rounding.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA is comprised of Boyd County, Nebraska, in its entirety as well as single census tracts in Holt County, Nebraska, and Gregory County, South Dakota (see Appendix A for an AA map).

- The AA is comprised entirely of middle-income census tracts, which is a change from the prior evaluation. The AA's composition at the prior evaluation consisted of two moderate- and one middle-income census tracts (see Appendix B for additional demographic information).
- The AA delineation remains unchanged since the prior evaluation.
- As of the June 30, 2018 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank's deposit market share of 4.5 percent ranked 8th out of 12 FDIC-insured financial institutions operating in the AA's counties.

TABLE 2
POPULATION CHANGE

Area	2010 Population	2015 Population	Percent Change
Northeast Nebraska Assessment Area	5,934	5,702	(3.9)
Boyd County, Nebraska	2,099	2,039	(2.9)
Holt County, Nebraska	10,435	10,398	(0.4)
Gregory County, South Dakota	4,271	4,226	(1.1)
State of Nebraska	1,826,341	1,869,365	2.4

Source: 2010 U.S. Census Bureau Decennial Census
2011-2015 U.S. Census Bureau: American Community Survey

- Overall, the AA and statewide populations remained relatively stable between 2010 and 2015.
- While the AA's population declined by a modest 3.9 percent, the statewide population experienced a slight increase of 2.4 percent.
- Boyd County and Gregory County experienced the largest declines in the AA, at 2.9 percent and 1.1 percent, respectively.

TABLE 3
MEDIAN FAMILY INCOME CHANGE

Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Northeast Nebraska Assessment Area	44,778	55,224	23.3
Boyd County, Nebraska	41,326	55,156	33.5
Holt County, Nebraska	54,899	59,279	8.0
Gregory County, South Dakota	44,333	51,023	15.1
State of Nebraska	61,888	67,225	8.6

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey

- A community representative stated that the AA's farmers continued to experience above average crop yields, which may be a contributing factor to the significant increase in the AA's median family income (MFI).
- Despite the increase in the AA's MFI, it remains below the statewide MFI of \$67,225.

TABLE 4
HOUSING COSTS CHANGE

Area	Median Housing Value		Percent Change	Median Gross Rent		Percent Change
	2010	2015		2010	2015	
Northeast Nebraska AA	60,963	68,425	12.2	393	485	23.4
Boyd County, NE	52,100	51,700	(0.8)	364	466	28.0
Holt County, NE	82,300	95,600	16.2	485	598	23.3
Gregory County, SD	56,100	61,200	9.1	423	480	13.5
State of Nebraska	123,900	133,200	7.5	648	726	12.0

Source: 2006-2010 U.S. Census Bureau: American Community Survey
2011-2015 U.S. Census Bureau: American Community Survey

- A community representative indicated there was a significant shortage of houses and rental properties in the AA, which contributed to rising housing values and rents.
- While housing values increased, the community representative also noted that housing remains affordable. The AA's affordability ratio¹, at 61.2 percent, is higher than the statewide rural ratio, at 48.0 percent, indicating that AA housing is more affordable than in other rural areas in the state.

TABLE 5
UNEMPLOYMENT RATES

Region	2013	2014	2015	2016	2017
Boyd County, Nebraska	3.5	3.3	2.7	3.0	3.3
Holt County, Nebraska	3.1	2.7	2.4	2.5	2.5
Gregory County, South Dakota	3.9	3.4	3.2	3.0	3.6
State of Nebraska	3.8	3.3	3.0	3.1	2.9

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- A community representative indicated employment in the AA was relatively stable as local economic conditions are stable.
- The AA is highly dependent on the agricultural sector. Many of the AA businesses support agricultural operations, including farm supply companies and farm equipment sales and maintenance companies.

¹ The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio indicates that housing is generally less affordable.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank's average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, and the demographic and economic factors present in the AA. Additionally, the bank's NLTD ratio was compared to the ratios of several similarly situated FDIC-insured institutions. The bank's NLTD ratio is reasonable.

TABLE 6 COMPARATIVE NLTD RATIOS	
Institution	NLTD Ratio (%)
	15-Quarter Average
Butte State Bank	67.0
Chambers State Bank	94.1
Tri-City Bank	82.2
Nebraska State Bank (Bristow)	62.0
First Fidelity Bank	57.2
Nebraska State Bank (Lynch)	51.7

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. A majority of the bank's loans, by number and dollar, are originated inside the AA.

TABLE 7 LENDING INSIDE AND OUTSIDE THE AA								
Loan Type	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Small Business Loans	28	1,881	84.8	88.2	5	251	15.2	11.8
Small Farm Loans	39	2,984	95.1	97.9	2	63	4.9	2.1
Total Loans	67	4,865	90.5	94.0	7	313	9.5	6.0

Note: Percentages may not add to 100.0 percent due to rounding.

Geographic Distribution of Loans

This performance criterion evaluates the bank's distribution of lending within its AA by income level of census tracts. The bank's geographic distribution of loans reflects an excellent dispersion among the different census tracts within the AA.

Between the last evaluation and the end of 2016, the bank's AA was comprised of two moderate- and one middle-income census tracts. As of 2017, following the release of the 2015 ACS data, the bank's AA consists solely of middle-income census tracts. Thus, a geographic distribution is

not considered meaningful for loans originated in 2017. The geographic analysis was conducted only on loans originated in 2015 and 2016 for this evaluation.

Additionally, while the geographic analysis assessed small business and small farm lending over a two-year period between January 1, 2015 and December 31, 2016, loan data for each year was aggregated and evaluated collectively given the overall low volume of loan originations. The bank's lending was compared only to 2016 demographic data, which was similar to 2015 demographic data. See Appendix C for the 2015 and 2016 small business and small farm lending tables for all related information.

Small Business Lending

The geographic distribution of small business lending is excellent. In 2015 and 2016, the bank originated all of its small business loans to businesses operating in moderate-income census tracts. This performance exceeded the percentage of businesses operating in moderate-income census tracts, at 69.4 percent.

Small Farm Lending

The geographic distribution of small farm lending is excellent. In 2015 and 2016, the bank originated 88.2 percent of loans by number and 91.9 percent by dollar to farms in moderate-income census tracts. This performance exceeded the percentage of farms operating in moderate-income census tracts, at 60.3 percent.

Lending to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank's lending to businesses and farms of different revenue sizes, with emphasis placed on lending to those with gross annual revenues of \$1MM or less. The bank's lending displays a reasonable penetration among businesses and farms of different sizes.

Small Business Lending

The borrower distribution of small business lending is reasonable. In 2017, the bank originated 57.9 percent of loans by number and 38.8 percent by dollar to businesses with gross annual revenues of \$1MM or less. This performance was below the percentage of small businesses within the AA, at 85.8 percent. However, the bank's performance exceeded aggregate lending by number, at 50.8 percent, but lagged by dollar, at 60.1 percent. The bank's lower volume of lending to small businesses is due in large part to multiple loans to the same business relationship. Five of the eight loans to businesses with gross annual revenues over \$1MM were made to the same business.

In comparison, the bank originated all of its 2015 and 2016 small business loans to businesses with gross revenues of \$1MM or less, and exceeded the demographic figure, at 87.7 percent.

Furthermore, nearly all of the bank's small business loans originated during the three-year period were in loan amounts of \$250,000 or less, indicating the bank's willingness to meet the credit needs of small businesses. Typically, smaller businesses do not have the need or capacity to borrow large amounts; as such, smaller loan amounts are used as a proxy to estimate the bank's support of small entities.

TABLE 8
DISTRIBUTION OF 2017 SMALL BUSINESS LOANS
BY REVENUE SIZE OF BUSINESSES

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	11	436	57.9	38.8	85.8
Over \$1 Million	8	687	42.1	61.2	8.0
Not Known	0	0	0.0	0.0	6.3
Total	19	1,123	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	15	440	78.9	39.2	
\$100,001 - \$250,000	4	683	21.1	60.8	
\$250,001 - \$1 Million	0	0	0.0	0.0	
Total	19	1,123	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	10	236	90.9	54.1	
\$100,001 - \$250,000	1	200	9.1	45.9	
\$250,001 - \$1 Million	0	0	0.0	0.0	
Total	11	436	100.0	100.0	
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS. NOTE: Percentages may not add up to 100.0 due to rounding.					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. In 2017, the bank originated 95.5 percent of loans by number and 94.4 percent by dollar to farms with gross annual revenues of \$1MM or less. This lending dispersion was comparable to the percentage of small farms within the AA, at 100.0 percent. The bank originated 88.2 percent by number and 90.9 percent by dollar of its small farm loans in 2015 and 2016 to farms with gross revenues of \$1MM or less, which was below the demographic figure.

**TABLE 9
DISTRIBUTION OF 2017 SMALL FARM LOANS
BY REVENUE SIZE OF FARMS**

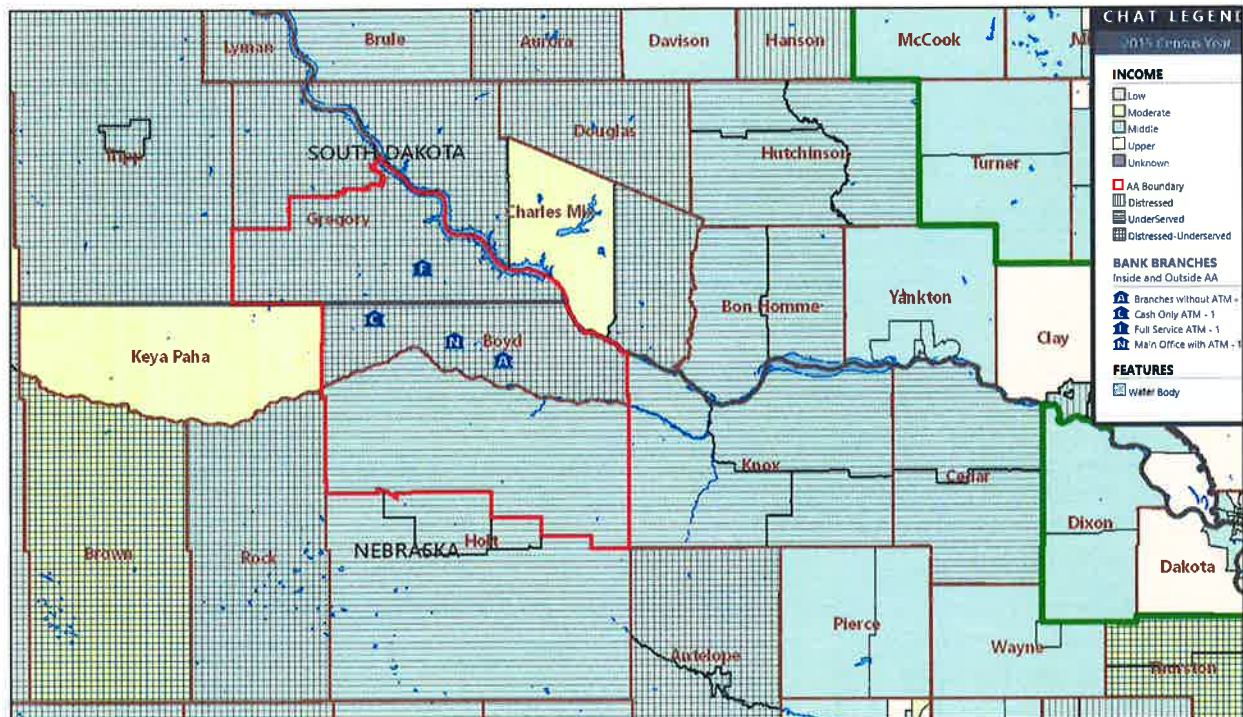
	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	21	1,379	95.5	94.4	100.0
Over \$1 Million	1	82	4.5	5.6	0.0
Not Known	0	0	0.0	0.0	0.0
Total	22	1,461	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	19	774	86.4	53.0	
\$100,001 - \$250,000	2	338	9.1	23.2	
\$250,001 - \$500,000	1	349	4.5	23.9	
Total	22	1,461	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	18	692	85.7	50.2	
\$100,001 - \$250,000	2	338	9.5	24.5	
\$250,001 - \$500,000	1	349	4.8	25.3	
Total	21	1,379	100.0	100.0	
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS. NOTE: Percentages may not add up to 100.0 due to rounding.					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

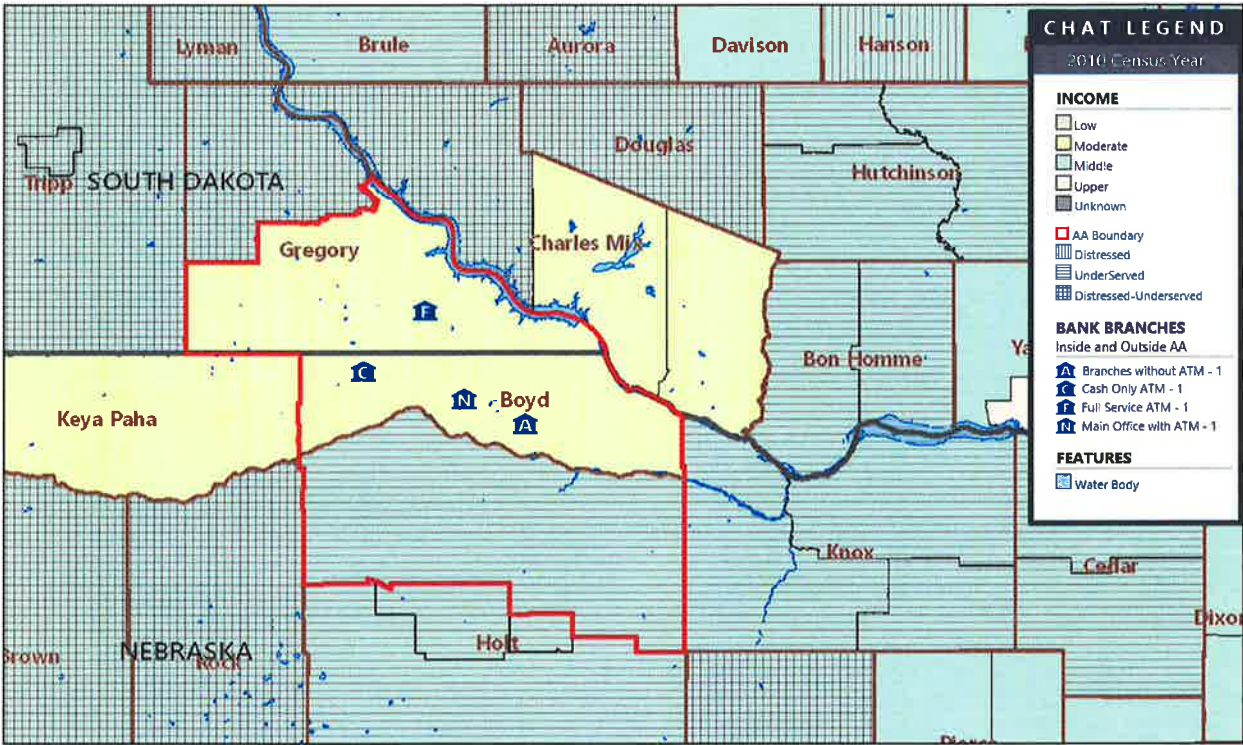
An evaluation of the bank's compliance with fair lending laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

APPENDIX A – Map of the Assessment Area

2017 (Based on ACS data)



2015 – 2016 (Based on ACS data)



APPENDIX B – Demographic Information

**TABLE B-1
NORTHEASTERN NEBRASKA AA 2017 DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	376	23.5
Moderate	0	0.0	0	0.0	0	0.0	295	18.4
Middle	3	100.0	1,599	100.0	187	11.7	427	26.7
Upper	0	0.0	0	0.0	0	0.0	501	31.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	1,599	100.0	187	11.7	1,599	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	0	0	0.0	0.0	0	0.0	0	0.0
Middle	3,525	1,870	100.0	53.0	652	18.5	1,003	28.5
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	3,525	1,870	100.0	53.0	652	18.5	1,003	28.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	352	100.0	302	100.0	28	100.0	22	100.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	352	100.0	302	100.0	28	100.0	22	100.0
Percentage of Total Businesses:				85.8		8.0		6.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	196	100.0	196	100.0	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	196	100.0	196	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-2
NORTHEAST NEBRASKA AA 2016 DEMOGRAPHICS

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	334	18.9
Moderate	2	66.7	1,278	72.3	87	6.8	512	29.0
Middle	1	33.3	489	27.7	24	4.9	408	23.1
Upper	0	0.0	0	0.0	0	0.0	513	29.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	1,767	100.0	111	6.3	1,767	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	2,756	1,509	75.0	54.8	470	17.1	777	28.2
Middle	863	503	25.0	58.3	127	14.7	233	27.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	3,619	2,012	100.0	55.6	597	16.5	1,010	27.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	270	69.4	232	68.0	19	73.1	19	86.4
Middle	119	30.6	109	32.0	7	26.9	3	13.6
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	389	100.0	341	100.0	26	100.0	22	100.0
Percentage of Total Businesses:				87.7		6.7		5.7
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	141	60.3	141	60.3	0	0.0	0	0.0
Middle	93	39.7	93	39.7	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	234	100.0	234	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.

NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-3
NORTHEAST NEBRASKA AA 2015 DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	334	18.9
Moderate	2	66.7	1,278	72.3	87	6.8	512	29.0
Middle	1	33.3	489	27.7	24	4.9	408	23.1
Upper	0	0.0	0	0.0	0	0.0	513	29.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3	100.0	1,767	100.0	111	6.3	1,767	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	2,756	1,509	75.0	54.8	470	17.1	777	28.2
Middle	863	503	25.0	58.3	127	14.7	233	27.0
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	3,619	2,012	100.0	55.6	597	16.5	1,010	27.9
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	285	68.3	249	66.8	19	79.2	17	85.0
Middle	132	31.7	124	33.2	5	20.8	3	15.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	417	100.0	373	100.0	24	100.0	20	100.0
Percentage of Total Businesses:				89.4		5.8		4.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	169	62.4	169	62.4	0	0.0	0	0.0
Middle	102	37.6	102	37.6	0	0.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	271	100.0	271	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

2015 FFIEC Census Data & 2015 Dun & Bradstreet information according to 2010 ACS.

NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-4
DISTRIBUTION OF 2015 & 2016 SMALL BUSINESS LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Small Business Loans				% of Businesses
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	9	759	100.0	100.0	69.4
Middle	0	0	0.0	0.0	30.6
Upper	0	0	0.0	0.0	0.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.

NOTE: Percentages may not add up to 100.0 due to rounding.

TABLE B-5
DISTRIBUTION OF 2015 & 2016 SMALL FARM LOANS
BY INCOME LEVEL OF GEOGRAPHY

Census Tract Income Level	Bank Small Farm Loans				% of Farms
	#	\$(000)	#%	\$%	
Low	0	0	0.0	0.0	0.0
Moderate	15	1,401	88.2	91.9	60.3
Middle	2	123	11.8	8.1	39.7
Upper	0	0	0.0	0.0	0.0

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.

NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-6
DISTRIBUTION OF 2015 & 2016 SMALL BUSINESS LOANS
BY REVENUE SIZE OF BUSINESSES**

	Bank Loans				Total Businesses
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	9	759	100.0	100.0	87.7
Over \$1 Million	0	0	0.0	0.0	6.7
Not Known	0	0	0.0	0.0	5.7
Total	9	759	100.0	100.0	
By Loan Size					
\$100,000 or less	6	155	66.7	20.4	
\$100,001 - \$250,000	2	342	22.2	45.1	
\$250,001 - \$1 Million	1	262	11.1	34.5	
Total	9	759	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	6	155	66.7	20.4	
\$100,001 - \$250,000	2	342	22.2	45.1	
\$250,001 - \$1 Million	1	262	11.1	34.5	
Total	9	759	100.0	100.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

**TABLE B-7
DISTRIBUTION OF 2015 & 2016 SMALL FARM LOANS
BY REVENUE SIZE OF FARMS**

	Bank Loans				Total Farms
	#	\$(000)	#%	\$%	%
By Revenue					
\$1 Million or Less	15	1,385	88.2	90.9	100.0
Over \$1 Million	2	138	11.8	9.1	0.0
Not Known	0	0	0.0	0.0	0.0
Total	17	1,523	100.0	100.0	100.0
By Loan Size					
\$100,000 or less	11	468	64.7	30.7	
\$100,001 - \$250,000	5	705	29.4	46.3	
\$250,001 - \$500,000	1	350	5.9	23.0	
Total	17	1,523	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less					
\$100,000 or less	9	330	60.0	23.8	
\$100,001 - \$250,000	5	705	33.3	50.9	
\$250,001 - \$500,000	1	350	6.7	25.3	
Total	16	1,385	100.0	100.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS.
NOTE: Percentages may not add up to 100.0 due to rounding.

APPENDIX C – 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.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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

nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which 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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, 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.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 percent 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 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

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