

PUBLIC DISCLOSURE

August 15, 2016

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Farmers and Miners Bank

658924

41526 West Morgan Avenue

Pennington Gap, VA 24277

**Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261**

NOTE: 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.

TABLE OF CONTENTS

	Page
Institution Rating	
Institution’s CRA Rating	1
Summary of Major Factors Supporting Rating.....	1
Institution	
Scope of Examination	1
Description of Institution	1
Conclusions With Respect to Performance Tests	2
Nonmetropolitan Statewide Area (reviewed using full-scope review)	
Description of Institution’s Operations in Lee County, VA NonMSA	4
Conclusions with Respect to Performance Criteria	5
Metropolitan Areas (reviewed without using full-scope review)	
Description of Institution’s Operations in Kingsport-Bristol-Bristol, TN-VA MSA.....	9
Conclusions with Respect to Performance Criteria	9
CRA Appendices	
CRA Appendix A: Loan, Branch, and Deposit Volume by Assessment Area.....	10
CRA Appendix B: Limited Review Table.....	11
CRA Appendix C: Glossary.....	12

INSTITUTION RATING

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

The major factors supporting this rating include:

- A majority of the bank's Home Mortgage Disclosure Act (HMDA) and small business loans were originated to borrowers within the bank's assessment areas.
- The bank's borrower distribution performance is considered excellent for both HMDA and small business lending.
- The geographic distribution performance is considered reasonable overall.
- The bank's loan-to-deposit ratio is considered less than reasonable given the bank's size, financial condition and demand for credit within its assessment areas.
- There have been no complaints regarding the bank's CRA performance since the previous evaluation.

SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures for a small bank developed by the Federal Financial Institutions Examination Council (FFIEC). Farmers and Miners Bank (FMB) is required to report certain information regarding its home mortgage lending in accordance with the HMDA. Accordingly, FMB's 2014 and 2015 HMDA loan originations were considered in the evaluation. In addition, small business lending was identified as a significant product line and was also considered in the evaluation. The analysis includes all small business loans that were originated by the bank during 2015.

Full-scope evaluation procedures were applied to the Lee, VA nonmetropolitan (NonMSA) assessment area as the bank's operations primarily serve this market based on loan and deposit volumes. The remaining assessment area, Kingsport-Bristol-Bristol, TN-VA, is smaller and was evaluated using the FFIEC's limited review procedures. For the limited review, a determination was made as to whether the performance was consistent with the assigned overall rating. Appendix A includes information detailing the lending volume, branch locations, and deposit volume by each of the two assessment areas.

DESCRIPTION OF INSTITUTION

FMB is headquartered in Pennington Gap, Virginia, and operates six offices in southwest Virginia. The bank has no subsidiaries or affiliates. The bank received a Satisfactory rating at its prior CRA evaluation dated July 30, 2012. No known legal impediments exist that would constrain the bank in meeting the credit needs of its assessment areas.

As of June 30, 2016, FMB held \$137.1 million in assets, of which 44.7% were net loans. During the same time period, deposits totaled \$119 million. Various deposit and loan products are available through the institution including loans for residential mortgage, business, and consumer purposes. The composition of the loan portfolio (reflecting gross loans) is represented in the following table.

Composition of Loan Portfolio

Loan Type	6/30/2016	
	\$(000s)	%
Secured by 1-4 Family dwellings	29,175	46.3
Multifamily	1,520	2.4
Construction and Development	701	1.1
Commercial & Industrial/ NonFarm NonResidential	17,669	28.0
Consumer Loans and Credit Cards	10,206	16.2
Agricultural Loans/ Farmland	3,182	5.1
All Other	548	0.9
Total	63,001	100.0

As indicated in the preceding table, the bank is an active residential mortgage, commercial, and consumer lender. While the preceding table reflects all loans currently held by the bank, recent bank lending activity has been concentrated in residential mortgage and commercial loan products.

As previously stated, FMB operates six branches in two assessment areas. No branches were opened or closed since the previous evaluation. The assessment areas are contiguously located in southwestern Virginia and the following table reflects the composition of each.

Assessment Area Delineations		
Assessment Area	City/County	Census Tracts Included
Lee, VA NonMSA	Dickenson County	All
	Lee County	All
	Wise County	All
	City Norton	All
Kingsport-Bristol-Bristol, TN-VA	Scott County	All

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Overall, the bank's performance is rated Satisfactory. This rating considers the bank's loan-to-deposit ratio, level of lending in its assessment areas, borrower distribution performance, and geographic distribution performance. Each of these components is discussed in the following sections.

While HMDA data from calendar years 2014 and 2015 were fully analyzed and considered in the evaluation, bank and aggregate data from only 2014 is reflected in the tables, unless otherwise noted. In instances when the bank's performance during 2015 varies significantly from its performance during 2014, such variance and the corresponding impact on the overall performance is discussed. Analysis of the bank's small business lending includes all such lending during 2015.

Area demographic, available market aggregate, and Dun & Bradstreet (D&B) business data are used as proxies for demand when evaluating the bank's performance. Aggregate HMDA lending data includes all activity reported by lenders subject to reporting residential mortgage data that originated or purchased such loans within the bank's assessment area. Because FMB is not required to report small business loan data, its lending is not included in the aggregate data. While demographic data is from the 2010 census, the D&B business demographic data is from 2015, and the aggregate HMDA and small business data are from 2014 and 2015, respectively. HMDA aggregate data from 2015 could not be considered in this evaluation because the data is currently not available. Additionally, within the bank's assessment areas, a high level of small business lending activity has been reported by specialized lenders, who often originate small business loans in the form of credit cards. These loans, however, tend

to be much smaller in size than traditional small business bank loans, and a substantial majority of such loans do not have revenue data reported. The presence of these lenders is reflected in a smaller market share for traditional lenders and tends to understate the percentage of aggregate lending to businesses with annual revenues of \$1 million or less. Consequently, the presence of these lenders was considered as an aspect of performance context when evaluating the level and distribution of bank lending. Therefore, to better gauge performance, FMB's lending is also compared to a group of traditional small business lenders that excludes credit card/specialty lenders.

When evaluating the borrower and the geographic distribution for a specific loan category within an assessment area, primary emphasis is placed on the number of loans originated or purchased. To arrive at an overall assessment area conclusion regarding the distribution of lending, performance in each loan category is then generally weighted by the dollar volume of such loans in the assessment area.

Loan-To-Deposit Ratio

The bank's current loan-to-deposit ratio equals 51.5% and averaged 52.1% for the 16-quarter period ending June 30, 2016. In comparison, the quarterly average loan-to-deposit ratios for four similarly situated institutions that operate in FMB's assessment area ranged from 55.7% to 91% during the same 16-quarter period. The four institutions selected are headquartered in Lee or Wise County, are similar in asset size, offer similar loan programs, and operate full-service branch offices within the assessment area. The review of competitor data reveals that FMB and these four institutions also experienced moderate deposit growth and declining loan volume during the evaluation period; however, FMB significantly lagged behind the competitors' loan-to deposit ratios. Since June 30, 2012, bank assets and deposits have increased by 3.4% and 3%, respectively; however, net loans have decreased by 8.6%. The bank's loan-to-deposit ratio is considered less than reasonable given the institution's size, financial condition, and local credit needs.

Lending in Assessment Areas

To determine the institution's volume of lending within its assessment areas, the geographic location of the bank's HMDA lending during 2014 and 2015 and small business lending in 2015 was considered. The lending distribution is presented in the following table for the combined assessment areas.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	\$(000)	%	#	%	\$(000)	%
Home Purchase	73	85.9	3,805	59.8	12	14.1	2,557	40.2
Home Improvement	105	89.7	1,472	89.0	12	10.3	182	11.0
Refinancing	90	95.7	5,759	92.2	4	4.3	486	7.8
Multi-Family Housing	2	100.0	600	100.0	0	0.0	0	0.0
Total HMDA related	270	90.6	11,636	78.3	28	9.4	3,225	21.7
Small Business	61	82.4	3,003	61.7	13	17.6	1,865	38.3
TOTAL LOANS	331	89.0	14,639	74.2	41	11.0	5,090	25.8

As indicated in the preceding table, a majority of both the number and dollar amount of HMDA and small business loans were originated within the bank's two assessment areas. As a result, the overall level of lending within its assessment areas is considered responsive to community credit needs.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Adequate policies, procedures, and training programs have been developed to support nondiscrimination in lending activities.

NONMETROPOLITAN AREAS
DESCRIPTION OF INSTITUTION'S OPERATIONS IN LEE, VA NONMSA ASSESSMENT AREA

The Lee, VA NonMSA assessment area operates five full-service branches and includes all of Dickenson, Lee, and Wise counties, and the City of Norton, Virginia. According to 2010 census data, the assessment area has a population of 86,900 and a median housing value of \$75,920. The owner-occupancy rate for the market (61.5%) exceeds the rate for nonmetropolitan areas of Virginia (59.9%), but is slightly less than the rate for the Commonwealth of Virginia (61.8%). Within the assessment area, 16.4% of families are considered below the poverty level, which significantly exceeds the level in nonmetropolitan areas of Virginia (11.8%) as well as the commonwealth (7.2%). The 2014 and 2015 HUD estimated median family incomes for nonmetropolitan areas of Virginia equaled \$52,000 and \$52,700, respectively. The following table includes pertinent demographic data for the assessment area.

Assessment Area Demographics

Lee, VA NonMSA <i>(Based on 2010 ACS Data and 2014 D&B Information)</i>								
Income Categories*	Tract Distribution		Families by Tract		Families < Poverty as a % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,050	26.5
Moderate	11	50.0	11,525	50.5	2,097	18.2	5,034	22.1
Middle	10	45.5	10,194	44.7	1,584	15.5	4,138	18.1
Upper	1	4.5	1,096	4.8	50	4.6	7,593	33.3
NA	0	0.0	0	0.0	0	0.0		
Total	22	100.0	22,815	100.0	3,731	16.4	22,815	100.0
	Owner Occupied Units by Tract		Households					
			HHs by Tract		HHs < Poverty by Tract		HHs by HH Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	10,296	30.7
Moderate	12,632	52.3	17,452	52.1	3,874	22.2	6,078	18.1
Middle	10,341	42.8	14,453	43.1	3,106	21.5	5,639	16.8
Upper	1,187	4.9	1,615	4.8	134	8.3	11,507	34.4
NA	0	0.0	0	0.0	0	0.0		
Total	24,160	100.0	33,520	100.0	7,114	21.2	33,520	100.0
	Total Businesses by Tract		Businesses by Tract and 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	1,054	51.2	937	51.4	74	48.7	43	51.8
Middle	872	42.4	763	41.9	73	48.0	36	43.4
Upper	131	6.4	122	6.7	5	3.3	4	4.8
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	2,057	100.0	1,822	100.0	152	100.0	83	100.0
Percentage of Total Businesses:				88.6		7.4		4.0

*NA-Tracts without household or family income as applicable

According to data published by the FFIEC, all ten of the middle-income census tracts were classified as being distressed and/or underserved during 2015. Underserved census tracts are typically located in rural communities that may lack certain community services/infrastructure and are also distant from more urban population centers. Specifically, the four middle-income census tracts within Lee County are considered both underserved and distressed due to high rates of poverty. Additionally, five middle-income census tracts in Wise County are designated as being distressed due to high unemployment rates. Finally, the one middle-income tract located in the City of Norton is considered distressed due to a high poverty rate.

The local economy is based on a variety of manufacturing, service (private and government), and health care industries. Major area employers include Paramount Coal Company, Red Onion and Wallens Ridge Correctional Centers, Wal-Mart stores, Food City, Bristol Regional Health System, and University of Virginia/Blue Ridge Hospital. Additionally, local governments and area school systems provide a significant number of jobs within the assessment area. Unemployment rates as of June of each year dating back to 2013 are presented in the following table.

Unemployment Rate Trend				
Geographic Area	June 2013	June 2014	June 2015	June 2016
Dickenson County	11.2%	10%	9.7%	9.2%
Lee County	9%	8.5%	7.2%	6.5%
Wise County	10.7%	10%	8.4%	8.3%
City of Norton	8.7%	7.9%	7.1%	6.5%
Commonwealth of Virginia	6.1%	5.4%	4.6%	4%

Although trending downward, the unemployment rates are significantly higher throughout the assessment area when compared to the unemployment rate in the Commonwealth of Virginia. Historically, this disparity has been consistent with previous year trends. This elevated level of unemployment is attributed to the reduction of jobs in the coal mining industry and limited employment opportunities within the assessment area.

An individual knowledgeable of the local market area was contacted during the evaluation to discuss local economic conditions and community credit needs. The contact stated that the demand for affordable housing has outpaced its supply in recent years. In addition, the contact suggested that the government grant-based and private charitable support of affordable housing initiatives have decreased since the recent recession and have not returned to pre-recession levels. In addition to increased financial support for affordable housing activities, the contact suggested that the local community would benefit from increased access to financial literacy training and credit counseling. The contact stated that local financial institutions are reasonably serving the needs of their communities despite challenging local economic conditions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Within this assessment area during 2015, FMB reported originating \$5.1 million in residential mortgage loans and \$2.7 million in small business loans. Accordingly, the bank's HMDA lending performance is given more weight than the small business performance when considering the bank's overall performance.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Both the bank's HMDA and small business loan borrower distribution performances are considered excellent.

Distribution of HMDA Loans by Income Level of Borrower

Lee, VA NonMSA (2014)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
HMDA Totals								
Low	31	23.8	708	14.2	144	13.3	3,839	5.3
Moderate	37	28.5	1,187	23.8	273	25.3	13,166	18.1
Middle	29	22.3	1,060	21.2	309	28.6	19,364	26.6
Upper	33	25.4	2,035	40.8	355	32.8	36,331	50.0
Total	130	100.0	4,990	100.0	1,081	100.0	72,700	100.0
Unknown	6		406		119		12,577	

Percentages (%) are calculated on all loans where incomes are known

Within the assessment area, 26.5% of families are considered low-income, while 22.1% of families are moderate-income. When considering its overall HMDA lending performance, FMB's lending to low-income borrowers (23.8%) substantially exceeded the aggregate level of lending to such borrowers (13.3%) and was similar to the proportion of low-income families. The bank's level of lending to moderate-income borrowers (28.5%) exceeded both the percentage of area moderate-income families and the aggregate level of lending (25.3%). The bank's overall performance during 2014 is considered excellent, primarily because of the strength of its low-income borrower lending performance. The bank's performance during 2015 is substantially similar.

Distribution of Lending by Loan Amount and Size of Business

Lee, VA NonMSA (2015)								
by Revenue	Bank				Aggregate*			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$1 Million or Less	51	89.5	2,306	86.0	284	45.0	8,257	43.4
Over \$1 Million	6	10.5	375	14.0	NA	NA	NA	NA
Unknown	0	0.0	0	0.0	NA	NA	NA	NA
by Loan Size								
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
\$100,000 or less	51	89.5	1,000	37.3	595	94.3	9,373	49.3
\$100,001-\$250,000	5	8.8	781	29.1	27	4.3	4,295	22.6
\$250,001-\$1 Million	1	1.7	900	33.6	9	1.4	5,349	28.1
Total	57	100.0	2,681	100.0	631	100.0	19,017	100.0

** No data is available for Aggregate loans with Revenues over \$1 million and those with Unknown revenues*

D&B data from 2015 indicates that 90.1% of all local businesses have revenues that do not exceed \$1 million per year. According to 2015 aggregate small business data, 45% of reported loans were extended to businesses with annual revenues of \$1 million or less. The remaining loans were extended to businesses that either had revenues exceeding \$1 million or the revenue was not known. As part of the performance context, the aggregate data was also considered after excluding certain specialty lenders. Of the remaining small business loans originated by traditional bank lenders, 42.6% were made to businesses with annual revenues of \$1 million or less. During 2015, 89.5% of FMB's small business loans were to businesses with annual revenues of \$1 million or less. As such, the bank's performance is considered excellent.

Geographic Distribution of Loans

There are no low-income census tracts within the assessment area. FMB's geographic distribution performance for HMDA lending ranges from reasonable to excellent and is considered reasonable overall, while small business lending is considered reasonable. Given the greater weight given to the HMDA lending, the overall geographic distribution is considered reasonable.

Distribution of HMDA Loans by Income Level of Census Tract

Lee, VA NonMSA (2014)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
	(36) Home Purchase				(471)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	25	69.4	1,109	62.0	230	48.8	17,428	43.6
Middle	10	27.8	649	36.3	213	45.2	18,729	46.9
Upper	1	2.8	30	1.7	28	6.0	3,801	9.5
	(42) Refinance				(362)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	25	59.5	1,625	61.9	172	47.5	13,846	41.2
Middle	14	33.3	716	27.3	161	44.5	15,639	46.6
Upper	3	7.2	286	10.8	29	8.0	4,098	12.2
	(57) Home Improvement				(343)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	37	64.9	594	67.4	166	48.4	3,716	50.2
Middle	18	31.6	280	31.8	158	46.1	3,027	40.9
Upper	2	3.5	7	0.8	19	5.5	660	8.9
	(1) Multi-Family				(8)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	100.0	100	100.0	5	62.5	1,636	85.7
Middle	0	0.0	0	0.0	2	25.0	180	9.4
Upper	0	0.0	0	0.0	1	12.5	92	4.9
	HMDA Totals							
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	88	64.7	3,428	63.5	573	48.4	36,626	44.2
Middle	42	30.9	1,645	30.5	534	45.1	37,575	45.4
Upper	6	4.4	323	6.0	77	6.5	8,651	10.4
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	136	100.0	5,396	100.0	1,184	100.0	82,852	100.0

NA*-Tracts without household or family income as applicable

During 2014, home improvement and refinance lending were the primary HMDA products extended by the bank, while aggregate lenders extended more home purchase loans. Multifamily lending was not a factor in the analysis due to limited lending. Considering both demographic and aggregate proxies for demand, the bank's performance in moderate-income tracts for home purchase, refinance, and home improvement loans is excellent for all products.

On a combined basis, the bank's level of lending within moderate-income census tracts (64.7%) exceeded the proportion of owner-occupied housing units located in such areas (52.3%) and the aggregate lending level (48.4%). As a result, FMB's performance during 2014 is considered excellent.

The bank's 2015 lending in moderate-income tracts is not as strong as its 2014 level of lending. During 2015, FMB extended 119 HMDA loans totaling \$5.1 million. Of these loans, 58 (48.7%) totaling \$2.8 million (53.6%) were extended in moderate-income geographies, which is slightly less than the percentage of owner-occupied housing units located in moderate-income geographies (52.3%). Nonetheless, this level of lending is considered reasonable.

On a combined basis, FMB's geographic distribution is considered reasonable. In reaching this conclusion, equal weight was given to the performance in 2014 and 2015 as the dollar volume of lending was comparable in each year.

Distribution of Small Business Loans by Income Level of Census Tract

Lee, VA NonMSA (2015)								
Income Categories	Bank				Aggregate			
	#	%	\$(000s)	% \$	#	%	\$(000s)	% \$
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	34	59.6	964	36.0	289	49.9	7,639	43.3
Middle	21	36.8	1,698	63.3	253	43.7	8,296	47.1
Upper	2	3.6	19	0.7	37	6.4	1,696	9.6
NA*	NA	NA	NA	NA	NA	NA	NA	NA
Total	57	100.0	2,681	100.0	579	100.0	17,631	100.0

**NA-Tracts without household or family income as applicable*

Loans where the geographic location is unknown are excluded from this table.

The bank's level of small business lending in moderate-income census tracts (59.6%) was greater than the percentage of businesses located in such areas (51.2%) as well as the aggregate lending level in moderate-income areas (49.9%). FMB's small business lending performance is considered reasonable.

METROPOLITAN AREAS

(For each metropolitan area where no assessment areas were reviewed using full-scope review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KINGSPORT-BRISTOL-BRISTOL, TN-VA MSA ASSESSMENT AREA

The Kingsport-Bristol-Bristol, TN-VA MSA assessment area was reviewed using limited review examination procedures. Information detailing the composition of the market, including selected demographic data, is included in **APPENDIX B** of this report.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Facts and data reviewed for the assessment area, including performance and demographic information, can be found in **APPENDIX B** of this evaluation. A conclusion regarding performance, which did not impact the institution's overall rating, is included in the following table. As demonstrated in the following table, the bank's performance in the assessment area is consistent with the institution's overall rating.

Assessment Area	Lending Test
Kingsport-Bristol-Bristol, TN-VA	Consistent

CRA APPENDIX A

LOAN, BRANCH, AND DEPOSIT VOLUME BY ASSESSMENT AREA

The following table includes the distribution of branch offices, along with deposit and loan volume. The deposit volume includes all bank deposits and is current as of June 30, 2016, while the loan volume includes all HMDA and small business loans considered in the evaluation.

Assessment Area	Loan Volume				Full-Service Branches		Deposit Volume	
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Lee, VA NonMSA	312	94.3%	\$13,224	90.3%	5	83.3%	\$108,959	91.6%
Kingsport-Bristol-Bristol, TN-VA	19	5.7%	\$1,415	9.7%	1	16.7%	\$10,017	8.4%
TOTAL	331	100%	\$14,639	100%	6	100%	\$118,976	100%

CRA APPENDIX B
LIMITED REVIEW TABLE

The bank operates one branch in this assessment area, which includes all of Scott County, Virginia. The assessment area is a portion of the Kingsport-Bristol-Bristol, TN-VA MSA.

Performance Test Data for Kingsport-Bristol-Bristol, TN-VA Assessment Area

Limited Review Lending Table

Kingsport-Bristol-Bristol, VA								
Income Categories	Bank		Aggregate	Demographic	Bank		Aggregate	Demographic
	#	%	%	%	#	%	%	%
	Home Purchase (2014)				Home Improvement (2014)			
<i>Geographic</i>	(2)				(3)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	10.8	15.2	1	33.3	20.9	15.2
Middle	2	100.0	89.2	84.8	2	66.7	79.1	84.8
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	Refinance (2014)				Multi-Family (2014)			
<i>Geographic</i>	(2)				(1)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	8.1	15.2	0	0.0	0.0	15.2
Middle	2	100.0	91.9	84.8	1	100.0	100.0	84.8
Upper	NA	NA	NA	NA	NA	NA	NA	NA
	HMDA Totals (2014)				Consumer			
<i>Geographic</i>	(8)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	1	12.5	11.5	15.2	NA	NA	NA	NA
Middle	7	87.5	88.5	84.8	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Borrower</i>	(7)				(NA)			
Low	1	14.3	12.1	24.0	NA	NA	NA	NA
Moderate	2	28.6	20.8	18.0	NA	NA	NA	NA
Middle	3	42.9	31.7	22.3	NA	NA	NA	NA
Upper	1	14.3	35.4	35.7	NA	NA	NA	NA
	Small Business (2015)				Small Farm			
<i>Geographic</i>	(4)				(NA)			
Low	NA	NA	NA	NA	NA	NA	NA	NA
Moderate	0	0.0	12.6	7.8	NA	NA	NA	NA
Middle	4	100.0	87.4	92.2	NA	NA	NA	NA
Upper	NA	NA	NA	NA	NA	NA	NA	NA
<i>Revenue</i>								
Busn/ Farms with revenues <=\$1 M	3	75.0	47.1	91.5	NA	NA	NA	NA

Geographic () represents the total number of bank loans for the specific Loan Purpose where geography is known

Borrower () represents the total number of bank loans for the specific Loan Purpose where income is known

NA represents no activity in the income category

Though based on limited lending volume, both the geographic distribution of lending is considered reasonable, and the borrower distribution is considered excellent.

CRA 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.

Loans, investments, and services that-

- (i) Support, enable or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
- (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
- (iii) Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 non-relatives 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 Test (and if applicable, consideration of investments and services) 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 Test (and if applicable, consideration of investments and services) 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.