

PUBLIC DISCLOSURE

January 25, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Hamler State Bank
RSSD # 887827

210 Randolph Street
Hamler, OH 43524

Federal Reserve Bank of Cleveland

P.O. Box 6387
Cleveland, OH 44101-1387

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.

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

The major factors and criteria contributing to this rating include:

- A reasonable loan-to-deposit ratio given the bank's size and the level of competition from larger competitors in the assessment area;
- A majority of loans and other lending-related activities are in the assessment area;
- An excellent penetration among farms of different revenue sizes;
- An excellent penetration among borrowers of different income levels; and,
- No CRA-related complaints filed against the bank since the prior CRA examination.

The previous CRA examination as of January 23, 2006 resulted in a "Satisfactory" performance rating.

SCOPE OF EXAMINATION

The CRA public evaluation is based on the level of the bank's lending within its assessment area, including the distribution to borrowers of different income levels and to small farms of different revenue sizes, and is based on loans originated between January 1, 2009 and June 30, 2009. Hamler's performance was evaluated using the interagency small bank examination procedures. Under this examination method, the bank is evaluated by considering its lending activity. The lending test includes an analysis of the following:

- The loan-to-deposit ratio;
- The volume of loans extended inside and outside of the bank's assessment areas;
- The geographic distribution of loans in the bank's assessment area, including low- and moderate-income census tracts;
- The extent of lending to borrowers of different income levels, including low- and moderate-income borrowers and businesses of different sizes, including small businesses and small farms; and,
- The bank's record of taking action in response to written complaints about its performance in helping to meet credit needs in its assessment areas.

The bank's major loan products, including consumer and small farm loans, were evaluated. Small farm loans accounted for 50.4% and consumer loans accounted for 49.6% of the total loan volume for this review period; however, small farm loans were given greater weight, as this product represented 92.0% by dollar volume for the assessment period. The consumer loan category includes all consumer-purpose loans, excluding those secured by real estate.

Typically, both the geographic and borrower-income distributions are assessed in evaluating a bank's overall CRA performance; however, in this analysis, only Hamler's borrower-income distribution was evaluated due to the bank's assessment area consisting solely of five middle-income census tracts.

The bank's borrower income distribution with respect to consumer loans was assessed by comparing the percentage of loans made to consumers in each income category (low-, moderate-, middle-, and upper-income) to the percentage of households in each income category. In addition, poverty levels were considered in the analysis. Poverty level is determined by both income and family size. Generally, a larger proportion of families at poverty level are found in the low-income category and, to some extent, in the moderate-income category. The percentage of families below poverty level was considered when evaluating lending performance to low-and moderate-income borrowers.

The bank's borrower distribution with respect to small farm loans was assessed by comparing the percentage of loans made to farms in each revenue category (less than or equal to \$1 million or greater than \$1 million) to the percentage of total farms in each revenue category.

DESCRIPTION OF INSTITUTION

Hamler is a community bank located in northwest Ohio. Hamler has no holding company or subsidiaries and operates from one location at 210 Randolph Street. The bank has one ATM machine located at a local gas station around the corner from the main office.

According to the September 30, 2009 Uniform Bank Performance Report, Hamler reported total assets of \$59.7 million. Net loans and leases have increased 7.9% over the previous year, while total assets have remained relatively stable, increasing only 0.8% over the same time period. The bank is primarily a retail lender, with 85.4% of all loans secured by real estate, of which 36.2% are secured by 1-4 family residential properties and 48.6% are secured by other real estate (which includes 39.7% farmland and 8.9% non-farm, non-residential properties. Agricultural loans comprise 7.9% and commercial loans represent 3.7% of the bank's lending portfolio. Consumer loans account for 3.0% of all loans.

Hamler competes with national and regional financial institutions in providing retail-banking services within its assessment area. According to the FDIC/OTS Summary of Deposits¹ as of June 30, 2009, Hamler was ranked 8th out of 14 institutions in the market within Henry and Putnam Counties with an overall deposit share of 0.3%. It is noted that Hamler is a much smaller institution whose total assets are much less than those of its major competitors, who include, but are not limited to, Huntington National Bank, Union Bank, JPMorgan Chase, First Federal Bank of the MidWest, and National City Bank.

Hamler has one branch office is located in the village of Hamler in Henry County. The village of Hamler is located in the southern central section of Henry County, approximately six miles from the border of Putnam County. The bank's assessment area is entirely rural and is comprised of five contiguous middle-income census tracts within Henry and Putnam Counties. Henry County consists of eight census tracts (seven middle- and one upper-income), and Putnam County consists of seven census tracts (three middle- and four upper-income). Hamler's CRA assessment area incorporates three middle-income tracts in the southwest portion of Henry County and two middle-income tracts in the northwest portion of Putnam County. None of the tracts are distressed or underserved within either county.

There has been no application activity since the previous evaluation nor has there been any consumer litigation or any other legal or financial impediments preventing Hamler from meeting the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA IN NON-METROPOLITAN AREA IN NORTHWESTERN OHIO

The bank's entire assessment area consists of five middle-income tracts, with three in Henry County and two in Putnam County. There are no low-income, moderate-income, or upper-income tracts.

Families comprise 76.5% of the total households in the assessment area, of which 5.4% were families below the poverty level. Of the families residing in the assessment area, 14.0% are low-income families and 16.1% are moderate-income families. The remaining 70.0% are middle- and upper-income families.

Population Characteristics

According to the 2000 U.S. Census, the total population within Hamler's assessment area is 22,264. Approximately, 49.0% of the population is in the 25 to 64 age category, which is in line with the 50.2% in Henry County, 48.7% in Putnam County, and 52.0% for the State of Ohio in that same age group. This group is more likely to be net borrowers rather than savers. Those under the age of 17 are the second largest age group (28.6%), which is indicative of the high percentage of families residing in the area. The over-65 age group is the third largest category in the assessment area at 14.2% and is the group more likely to be net savers rather than borrowers.

According to the Ohio Department of Development's Office of Policy, Research, and Strategic Planning, the total population for Henry County declined slightly between 2001 and 2007 from 29,142 to 28,931, but is projected to increase in 2010 to 29,540.

Income Characteristics

Based on the 2000 U.S. Census, the median family income for the bank's assessment area is \$49,067, which is lower than each of the following: Henry County (\$49,881), the State of Ohio (\$50,037), and Putnam County (\$52,859).

The median household income for the bank's assessment area (\$42,821) is also in line with Henry County (\$42,657) and the State of Ohio (\$40,956), but lower than the \$46,426 for Putnam County.

The assessment area contains 8,022 households, of which 6,133 are designated as families. Approximately 7.03% of the households and 5.4% of the families residing in the area live beneath the poverty level. Further, 135 households (1.7%) receive public assistance, and 290 households (3.6%) have rental costs that exceed 30% of their income.

Housing Characteristics

According to the 2000 U.S. Census, there are 8,502 housing units in the assessment area, of which 79.5% are owner-occupied. The owner-occupancy rate is considerably higher than the 64.0% rate for the State of Ohio, but in line with the 80.4% for Putnam County and 75.7% for Henry County. Approximately 88.0% of the units are one-to-four family dwellings, 2.0% are multi-family dwellings, and more than 9.0% are mobile homes.

The housing affordability ratio for the assessment area of 53.0%, calculated by dividing the median household income by the median housing value, is a good indication that owning a home in the assessment area is less of a challenge for low-and moderate-income borrowers than for borrowers in the State of Ohio with an affordability ratio of only 40.0% and the MSA at 44.0%.

The median age of housing in the assessment area is 45 years, which is higher than Henry County (42 years) and considerably higher than Putnam County (36 years); however, the housing stock seems to be in fairly decent condition, as only 5.9% of units are vacant and none are boarded-up. Generally, the older the housing in an area, the greater the need is for home improvement loans. The median gross rent for the assessment area is \$482, which is slightly higher than Henry (\$480) and Putnam (\$446) Counties, but still lower than the State of Ohio (\$515).

Rental units represent only 14.5% of the total units in the assessment area. Rent costs are greater than 30.0% of the income for less than a quarter (23.5%) of the assessment area's renters. This is an indication that rents are more affordable in the assessment area compared to the State of Ohio, where 33.8% of the renters pay more than 30.0% of their income to cover rent.

The median value of housing in the assessment area is \$79,817, compared to \$85,400 for Henry County, \$91,300 for Putnam County, and \$100,500 for the State of Ohio.

According to Sperling's Best Places,¹ the median cost of a home in Hamler, Ohio is \$77,550 and home values have depreciated by 4.60%. The age of the housing stock indicates an opportunity for home improvement-type lending.

According to RealtyTrac² in December 2009, there were 101,614 properties in Ohio and one in 50 housing units that received a foreclosure notice. Overall, Ohio experienced a 10.5% decrease in total property foreclosures during the past year. Henry County had a total of 67 foreclosed properties (one in 914 housing units) that received a foreclosure notice in December. Putnam County had a total of 54 foreclosed properties (1 in 2,560 housing units) that received a foreclosure notice in December. This demonstrates that both counties have experienced low overall foreclosure rates. As expected in a mostly rural assessment area, the housing stock is stable, which indicates an opportunity for mortgage lending.

1 www.bestplaces.net

2 www.realtytrac.com

Labor, Employment, and Economic Characteristics

The largest type of employment and corresponding salary information for Henry and Putnam Counties listed below is based on 2007 statistics obtained from the Ohio Department of Development.³

For Henry County, the largest industries by average employment are manufacturing, followed by trade, transportation, and utilities; local government; and education and health services. The largest industries by corresponding average weekly corresponding salaries are manufacturing (\$857); local government (\$617); trade, transportation, and utilities (\$542); and education and health services (\$478). For Putnam County, the largest industries by average employment are manufacturing, followed by trade, transportation, and utilities; local government; construction; and education and health services. The wages are slightly lower than in Henry County, as the largest industries by corresponding average weekly corresponding salaries are manufacturing (\$788); construction (\$604); local government (\$527); and trade, transportation, and utilities (\$426).

Agriculture plays a major role in the local economy. As of 2007, the area had 820 farms in Henry County with cash receipts of \$114,265 per farm. Putnam County had 1,310 farms with cash receipts of \$117,806 per farm. Furthermore, approximately 88.0% of the land use in these counties is cropland and only 3.0% is urban.

The unadjusted unemployment rate as of the third quarter 2009 was 9.6% for Putnam and 12.3% for Henry County. Both counties witnessed a -4.1% decline in jobs during the third quarter of 2009. According to the Ohio Department of Development, the major employers in the two counties include, but are not limited to: Alex Products, Campbell Soup, Wal-Mart Stores Inc., Procter & Gamble, and Kalida Manufacturing,

The following demographic table illustrates the bank's entire assessment area.

³ www.odod.state.oh.us

Combined Demographics Report

The Hamler State Bank

Assessment Area(s): NonMSA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	857	14.0
Moderate-income	0	0.0	0	0.0	0	0.0	985	16.1
Middle-income	5	100.0	6,133	100.0	332	5.4	1,498	24.4
Upper-income	0	0.0	0	0.0	0	0.0	2,793	45.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5	100.0	6,133	100.0	332	5.4	6,133	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	8,502	6,765	100.0	79.6	1,235	14.5	502	5.9
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	8,502	6,765	100.0	79.6	1,235	14.5	502	5.9

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	273	100.0	271	100.0	2	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	273	100.0	271	100.0	2	100.0	0	0.0
	Percentage of Total Farms:			99.3		0.7		0.0

Community Contacts

One community contact was utilized in conjunction with this evaluation. The community contact was a local farmer who has farmed in the area for his entire life.

According to the contact, the local economy has experienced some difficulty during the past two years, as the manufacturing sector of the local economy has been hurt by job cutbacks and layoffs. The farming sector, however, has been doing quite well. Many individuals who work manufacturing jobs are also part-time and in some cases, full-time farmers. The contact indicated that most of the farming activity in the area is related to the production of beans, corn, and wheat and that all three have been bringing good prices in the market. With the exception of a brief period in 2008, the primary costs associated with farming (seeds, fertilizer, and chemicals) have remained stable and contributed to the overall profitability of farming. Presently, there are over 1,300 farms in Putnam and over 800 in Henry County.

Many farmers in the area rarely have a need to borrow funds; however, those who borrow are mainly interested in covering operating expenses or facilitating the purchase of land or another farm. The contact indicated that farms in the area rarely exchange hands, but when it happens, it is generally done by auction or private sale. Lenders in the area often assist local farmers with their credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

A financial institution's loan-to-deposit ratio compares the institution's aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution's lending volume relative to its capacity to lend and is derived by adding the quarterly loan-to-deposit ratios and dividing the total by the numbers of quarters. Hamler's peer group consists of all insured commercial banks having assets between \$50 million and \$100 million in a non-metro area with two or fewer full service offices.

Hamler's loan-to-deposit ratio of 66.8% is considered reasonable, despite being slightly lower than the peer group average of 71.2%. Competition from financial institutions with total assets well in excess of \$250 million makes it difficult to maintain a higher loan-to-deposit ratio.

The following table illustrates Hamler's quarterly loan-to-deposit ratios for 15 quarters since the previous evaluation, along with the average loan-to-deposit ratio for the peer group.

Loan-to-Deposit Ratios				
As of Date	Net Loans (000s)	Total Deposits (000s)	Bank Ratio	Peer Ratio
September 30, 2009	31,983	49,844	64.17	71.23
June 30, 2009	31,446	50,462	62.32	70.47
March 31, 2009	30,906	49,534	62.39	69.65
December 31, 2008	30,601	48,813	62.69	71.40
September 30, 2008	29,639	49,353	60.06	72.77
June 30, 2008	30,254	49,886	60.65	71.32
March 31, 2008	29,549	51,186	57.73	69.27
December 31, 2007	31,082	47,931	64.85	70.69
September 30, 2007	29,769	45,569	65.33	72.33
June 30, 2007	30,020	43,443	69.10	71.99
March 31, 2007	30,539	42,899	71.19	70.26
December 31, 2006	31,130	42,073	73.99	70.63
September 30, 2006	31,223	40,256	77.56	73.03
June 30, 2006	31,038	40,738	76.19	72.65
March 31, 2006	30,226	41,367	73.07	70.50
Quarterly Loan- to- Deposit Ratio Average Since Prior Evaluation			66.75	71.21

Lending in the Assessment Area

The bank's consumer (all consumer loans except those secured by real estate) and small farm loans were analyzed to assess the volume of lending inside versus outside the bank's assessment area. Of the small farm loans, 89.2% by volume and 83.7% by dollar amount were made within the bank's assessment area. Of the consumer loans, 83.0% by volume and 88.0% by dollar amount were made within the bank's assessment area. Therefore, a majority of the bank's loans by both volume and dollar amount were made inside its assessment area.

The following table illustrates the percentage of loans made inside and outside Hamler's assessment area.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside the Assessment Area				Outside the Assessment Area			
	# of Loans	%	\$ (000s)	%	# of Loans	%	\$ (000s)	%
Small Farm	74	89.2	4,106	83.7	9	10.8	802	16.3
Consumer	73	83.0	349	88.0	15	17.0	48	12.0
Total	147	86.0	4,456	84.0	24	14.0	849	16.0

Geographic Distribution

While a geographic distribution analysis was not performed since the bank's assessment area only consists of five middle-income census tracts, the gap analysis noted there were no gaps in Hamler's lending. Of the 147 loans made within the bank's assessment area, at least one or more loans of each loan type were made within each of the bank's five census tracts.

Borrower Distribution

Small farm and consumer loans were analyzed in conjunction with the review of the demographic and economic characteristics of the assessment area to determine the extent of lending to borrowers of different income levels and to small farms of different revenue sizes. This analysis revealed that Hamler has an excellent penetration among farms of various revenue sizes and to borrowers of different income levels.

Small Farm Loans

An analysis of small farm lending was conducted to ascertain the extent of lending to farms of different revenue sizes, including small farms. Hamler originated 74 small farm loans, of which 100.0% were to farms with annual revenue less than \$1 million. Farms with annual revenue less than \$1 million presently constitute 99.3% of the farms in the assessment area, so bank lending is in line with the percentage of small farms in the area. In addition, 89.0% of the bank loans were for amounts of \$100,000 or less. Since smaller loans are generally commensurate with the borrowing needs of smaller farm operations, Hamler's lending activity demonstrates the bank's commitment to meeting the credit needs of small farms.

Based on this analysis, the bank's lending to small farms is excellent.

Consumer Loans

The bank originated 73 consumer loans, of which 20 (27.4%) were originated to low-income borrowers, which was greater than the percentage of low-income households at 16.7%. As a result, the bank's lending to low-income borrowers is excellent. The bank made 13 loans (17.8%) to moderate-income borrowers, which was slightly higher than the percentage of moderate-income households (15.2%); therefore, lending to moderate-income households is excellent. The bank made only 5.5% of the loans to middle-income and 11.0% to upper-income households, which is substantially lower than the percentage of middle-income (19.8%) and upper-income (48.4%) households in the assessment area. Lending percentages were somewhat skewed by the fact that 28 of the loans were made to borrowers with "unknown" incomes; therefore, the overall borrower-income distribution is excellent.

Fair Lending or Other Illegal Credit Practices Review

A fair lending review was completed in conjunction with the compliance and CRA examinations. No evidence of discrimination or other illegal credit practices inconsistent with helping to meet community credit needs was identified. Hamler maintains adequate policies and procedures to ensure compliance and provide sufficient guidance to bank staff regarding fair lending laws and regulations.

APPENDIX A

GLOSSARY OF TERMS

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 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, 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.

APPENDIX B

ASSESSMENT AREA MAP

Hamler State Bank
Assessment Area: NonMSA

