

PUBLIC DISCLOSURE

January 26, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Metamora State Bank
RSSD #533227

120 East Main Street
Metamora, OH 43540

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:

- The loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs;
- A majority of loans and other lending-related activities are in the assessment area;
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income);
- The distribution of loans to businesses reflects a reasonable penetration among businesses of different sizes given the demographics of the assessment areas, and;
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA examination as of December 6, 2010 resulted in a “Satisfactory” performance rating.

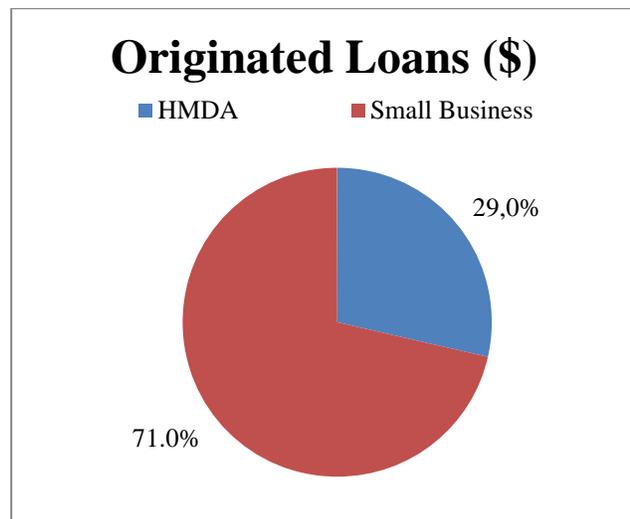
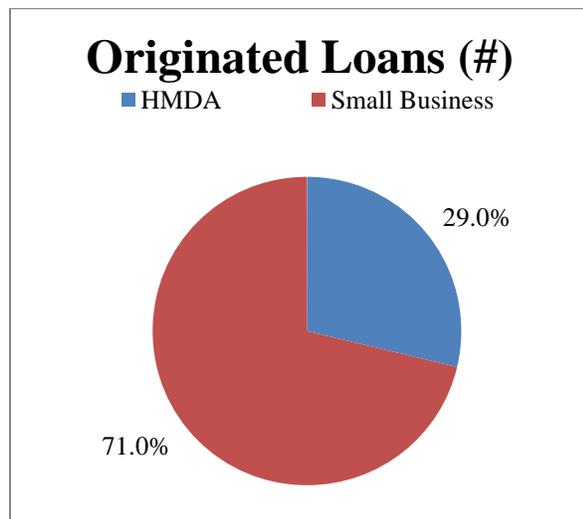
SCOPE OF EXAMINATION

The Metamora State Bank (Metamora) Community Reinvestment Act (CRA) performance was evaluated using the interagency small bank examination procedures under Regulation BB.

Metamora’s CRA performance was evaluated based on lending data for the period of January 1, 2013 to September 30, 2014. The loan products evaluated include mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small business (commercial loans). HMDA loans are comprised of home purchase, refinance, home improvement, and multi-family loans. There was not enough consumer or agricultural loans originated during the evaluation period for a meaningful analysis.

The following table and charts illustrate the volume and distribution of loans originated within Metamora’s assessment area during the evaluation period.

Loan Type	Number of Loans	Dollar Amount of Loans (000s)
HMDA	46	7,883
Small Business	114	19,679
Total	160	27,562



Based on the total volume by number and dollar amount, small business lending received the most weight, followed by HMDA.

Although both geographic and borrower distributions were evaluated in order to determine the bank's overall CRA performance, this analysis discusses the borrower distribution in more detail, since the bank's assessment area does not include any low-income geographies and consists of one moderate-, 21 middle-, and 11 upper-income census tracts. There are no distressed or underserved middle-income tracts and the majority of the lending is originated within the middle- and upper-income tracts. Additionally, it is noted that lending was performed in 14 of the bank's 33 census tracts.

DESCRIPTION OF INSTITUTION

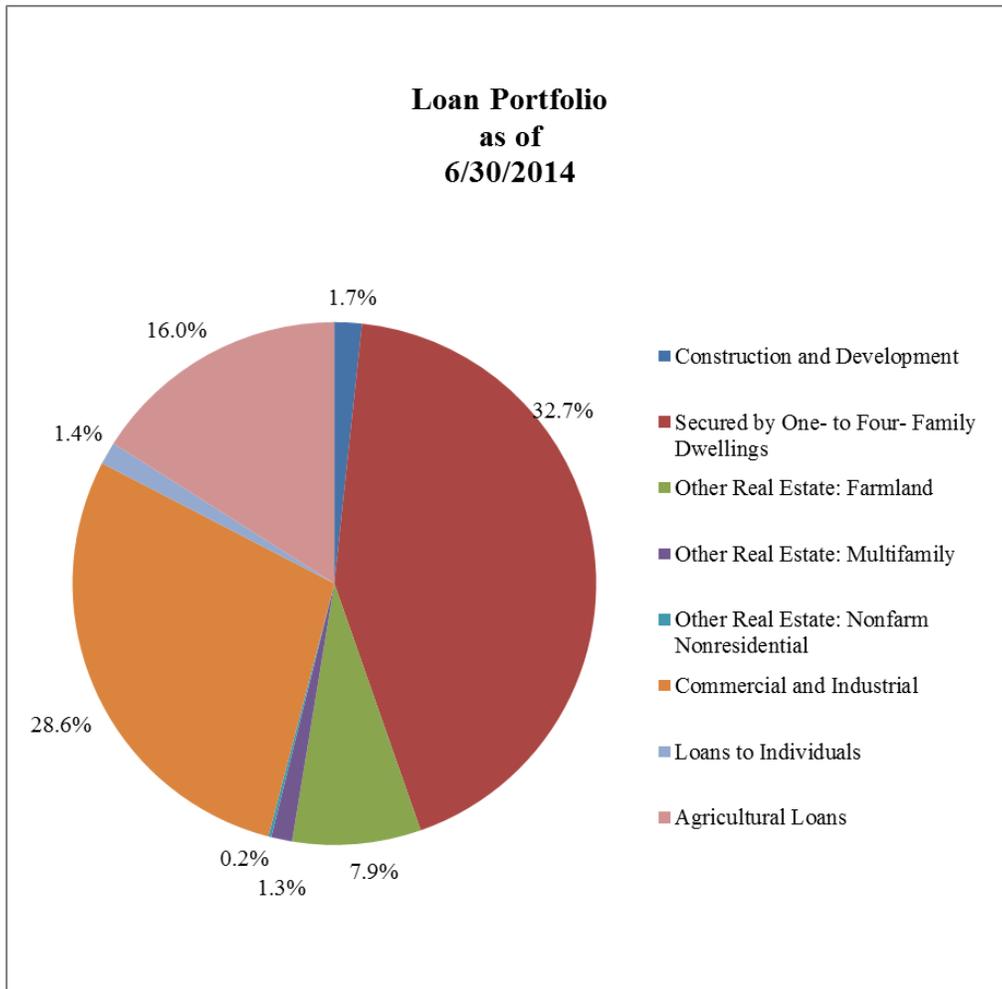
The financial holding company, Metamora Bancorp, owns Metamora State Bank (Metamora) and is located in Metamora, Ohio.

According to the September 30, 2014 Uniform Bank Performance Report (UBPR), Metamora had total assets of \$62 million, a 2.1% increase from the \$60.8 million since the previous CRA evaluation in December 2010.

Metamora serves its assessment area through one main office and one branch office. The main office is located in the Village of Metamora with a full-service ATM and is located in Fulton County. Metamora's second branch office also maintains a full-service ATM and is located in Lucas County (City of Sylvania). Metamora has not opened or closed any branches since the previous evaluation.

Metamora is a full-service retail bank offering deposit accounts, residential mortgages, consumer, commercial and agricultural loans, small business and small farm loans. The following charts represent the bank's loan portfolio as of June 30, 2014.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	6/30/2014		12/31/2013		12/31/2012	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	763	1.7%	847	1.9%	1,095	2.5%
Secured by One- to Four- Family Dwellings	19,441	43.0%	19,824	43.7%	21,641	49.3%
Other Real Estate: Farmland	3,594	7.9%	3,008	6.6%	3,199	7.3%
Other Real Estate: Multifamily	581	1.3%	590	1.3%	607	1.4%
Other Real Estate: Nonfarm Nonresidential	82	0.2%	379	0.8%	499	1.1%
Commercial and Industrial	12,922	28.6%	12,332	27.2%	10,382	23.7%
Loans to Individuals	632	1.4%	766	1.7%	863	2.0%
Agricultural Loans	7,237	16.0%	7,664	16.9%	5,600	12.8%
Total	\$45,252	100.00%	\$45,410	100.00%	\$43,886	100.00%



There are no legal or financial constraints preventing Metamora from meeting the credit needs of its assessment area consistent with its asset size, business strategy, resources, and local economy.

DESCRIPTION OF ASSESSMENT AREA

Metamora delineated one assessment area for CRA purposes. The one assessment area is within northwestern Ohio, consisting of portions of Lucas and Fulton Counties and portions of Lenawee and Monroe Counties in southcentral Michigan. Lucas and Fulton Counties are located in the Toledo Metropolitan Statistical Area (MSA) #45780, while Monroe County is part of the Monroe Metropolitan Statistical Area (MSA) #33780. Lenawee County is not in a metropolitan statistical area. The bank's assessment area consists of 33 census tracts, one moderate- (3.0%), 21 middle- (63.6%) and 11 upper-income census tracts (33.3%). None of the middle-income tracts are designated as distressed or underserved.

Metamora serves this assessment area through its main office and one branch office. The main office is located in Metamora, Ohio and is located in a middle-income tract. The second branch office in Sylvania, Ohio is located in an upper-income tract. Both offices maintain full-service ATMs.

Fulton County is located in northwestern Ohio and borders on the Michigan state line. The city of Wauseon is the largest city and county seat and is a heavily agricultural area. The county had a population of 42,698, according to the 2010 U.S. Census. In the portion of Fulton County, Metamora has included four middle-income census tracts in its assessment area.

Lucas County is also located in northwestern Ohio and borders on the Michigan state line just east of Fulton County. Toledo is the largest city and county seat and is evenly divided between urban and agricultural. The county had a population of 441,815, according to the 2010 U.S. Census. In the portion of Lucas County, Metamora has included 25 census tracts in its assessment area and includes one moderate-, 14 middle-, and 10 upper-income census tracts.

Lenawee County is located in southeastern Michigan and borders Ohio. Adrian is the largest city and county seat and is mainly agricultural. The county had a population of 99,892, according to the 2010 U.S. Census. In the portion of Lenawee County, Metamora has three census tracts in its assessment area, which includes two middle- and one upper-income census tracts.

Monroe County is located in southeastern Michigan just east of Lenawee County and borders Ohio. It is directly situated between Detroit to the north and Toledo to the south. Monroe is the largest city and county seat and is characterized by urban and industrial areas along its eastern shoreline and agricultural areas in its western sector. The county had a population of 152,021, according to the 2010 U.S. Census. In the portion of Monroe County, Metamora has one middle-income census tract in its assessment area.

According to the FDIC Deposit Market Share Report as of June 30, 2014,¹ Metamora ranked 18th out of 27 institutions in Fulton, Lucas, Lenawee and Monroe Counties with two offices and a market share of 0.5%. The following top three largest institutions by deposit share are larger national institutions: Fifth Third Bank (19.7%) with 27 offices, The Huntington National Bank (16.3%) with 26 offices, and KeyBank National Association (11.3%) with 28 offices.

¹ FDIC Summary of Deposits: www.fdic.gov

The following table illustrates deposit market share by financial institutions in the assessment area:

#	Financial Institution	Deposit Market Share
1	Fifth Third Bank	19.7%
2	The Huntington National Bank	16.3%
3	KeyBank National Association	11.3%
4	PNC Bank, National Association	9.0%
5	Monroe Bank & Trust	8.5%
6	Citizens Bank, National Association	5.7%
7	Signature Bank, National Association	5.6%
8	United Bank & Trust	4.1%
9	The Farmers & Merchants State Bank	3.7%
10	Waterford Bank, N.A.	3.6%
11	First Federal Bank of the Midwest	3.3%
12	Bank of America, National Association	2.3%
13	First Federal Savings and Loan Association	1.4%
14	Firstmerit Bank, National Association	1.1%
15	The Genoa Banking Company	0.8%
16	Blissfield State Bank	0.8%
17	The State Bank and Trust Company	0.7%
18	The Metamora State Bank	0.5%

Two community contacts were conducted to provide additional information regarding the credit needs of the local community and context to the demographic and economic characteristics discussed below. Both contacts were conducted with economic development organizations in Fulton and Lucas Counties, the main counties of the bank’s assessment area. The first community contact is involved with attracting businesses primarily in the manufacturing and transportation industries. According to the contact, with a constant flow of employees across state and county lines, the county is a net importer of laborers, which has resulted in higher home prices, lengthy commute times, and employee turnover. More housing would result in fewer commuters and lower employee turnover. It was also stated that local banks are doing a good job and are not being pushed out by the larger regional banks.

The second community contact is involved with providing housing needs for low- and moderate-income families. The organization has helped provide several tax credit programs and assisted in providing over 160 single family housing units to low- and moderate- income families and additional units for senior living. There are approximately five other development corporations within the same proximity, so the organization’s focus is on green and sustainable development. According to the contact, unemployment in this area is over 25.0% (Lucas County) and many residents of the community are considered unbankable. Financial literacy education is a significant need in the community and the contact would like to see a better working relationship or partnership with banks of any size to provide this education.

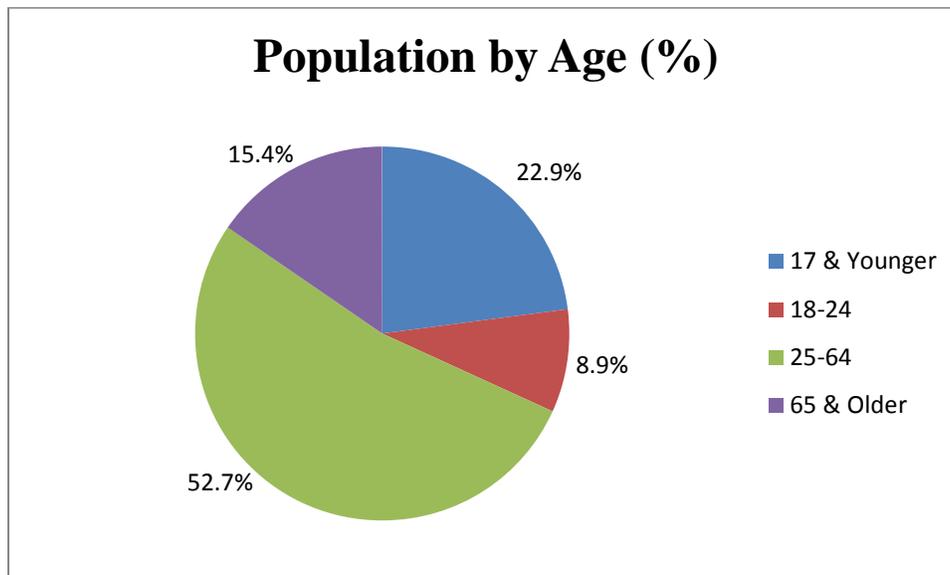
Overall, opportunities for participation by local financial institutions do exist; the challenge is getting the financial institutions to make that commitment and the individuals in the community to attend.

Population Characteristics

According to the 2010 U.S. Census, the total population in its assessment area is 115,966. The following table depicts the 2010 and estimated 2013 population of the four counties within the bank’s assessment area, as well as the estimated population change.²

County	2010 Population	2013 Population	Population Percent Change
Fulton (OH)	42,698	42,488	-0.5%
Lucas (OH)	441,815	436,393	-1.2%
Lenawee (MI)	99,892	99,188	-0.7%
Monroe (MI)	152,021	150,376	-1.1%
Total	736,426	728,445	

Approximately 22.9% of the population is under 18, which is the legal age to enter into a contract, while 61.6% of the population is between the ages of 18 and 64 and more likely to have credit needs. The following chart illustrates the population by age within the assessment area.



² American Fact Finder, <http://factfinder2.census.gov>

There are no low-income census tracts in the assessment area, therefore, of the population in the county, 3.6% lived in moderate-income, 59.7% in middle-income and 36.7% in upper-income tracts.

Income Characteristics

According to the U.S. Census data, the median family income for the assessment area was \$68,992, which is higher than Ohio’s median family income of \$59,680. Based on 2014 HUD data, the median family income increased to \$55,700 for Ohio and \$53,900 for Michigan.³

Median Family Income (MFI)		
County	2013 MFI	2014 MFI
Toledo, OH - MSA	\$57,100	\$60,800
Monroe, MI - MSA	\$63,700	\$63,800
Ohio	\$53,000	\$55,700
Michigan	\$51,700	\$53,900

In 2010, the assessment area contains 60,815 households, of which 40,284 (66.2%) are designated as families. Low- and moderate-income families represent 15.0% and 14.3% of all families in the this assessment area, respectively, with 7.0% of families below the poverty level, compared to Ohio’s rate of 10.3% and Michigan’s rate of 10.6%.

According to the 2012 data from the Economic Research Service of the United States Department of Agriculture (USDA), household poverty rates were as follows:

County	1999 Poverty Rate	2012 Poverty Rate	Change
Fulton (OH)	5.4%	10.6%	96.3%
Lucas (OH)	13.9%	22.7%	63.3%
Lenawee (MI)	6.7%	13.4%	100.0%
Monroe (MI)	7.0%	11.8%	68.6%
Ohio	10.6%	16.2%	52.8%
Michigan	10.5%	17.4%	65.7%
United States	12.4%	15.9%	28.2%

Of the population, 10.6% of Fulton County’s population was below the poverty level, which is higher than the poverty rate in 1999 of 5.4%, while 22.7% of Lucas County’s population was below the poverty level in 2012.⁴ Lucas County was above Ohio’s rate of 16.2% and the nation’s rate of 15.9%.

³ Department of Housing and Urban Development, www.huduser.org/portal/datasets/il.html

⁴ U.S. Department of Agriculture, www.ers.usda.gov/data/povertyrates

In Michigan, 13.4% of Lenawee County's population was below the poverty level, which is twice the poverty rate in 1999 of 6.7%. Monroe County's poverty rate was 11.8% compared to 7.0% in 1999. Both Lenawee and Monroe Counties' rates were lower than Michigan's poverty rate of 17.4%. This relatively high poverty rate could indicate that individuals, especially those that are low- or moderate-income, may have difficulty in having enough financial resources to obtain loans.

Labor, Employment and Economic Characteristics

According to the Ohio Office of Policy, Research and Strategic Planning, the largest industries by employment sector are manufacturing, trade, transportation and utilities, and education and health services between all four counties. The highest weekly wages by industry are state government (\$1,039), federal government (\$949), and construction (\$924) in Fulton County and manufacturing (\$1,335), other services (\$1,246), and construction (\$1,147) in Lucas County. The following table identifies the employment sectors and major employers in the bank's assessment area.^{5,6,7}

5 Ohio County Profiles, Ohio Office of Policy, Research and Strategic Planning,
https://development.ohio.gov/reports/reports_countytrends_map.htm

6 <http://www.lenaweenow.org/lenawee-county-economic-development/demographic-data/lenawee-county-demographics/>

7 http://www.co.monroe.mi.us/docs/public_nw_oh_se_mi_ceds_draft.pdf

County	Primary Employment Sectors	Major Employers
Fulton (OH)	Manufacturing; Trade, Transportation and Utilities; Local Government; Education and Health Services; Leisure and Hospitality; Professional and Business Services; Construction; Financial Services; Other Services; Natural Resources and Mining	ConAgra, Fulton County Government, Fulton County Health Center, International Automotive Components, North Start Blue Scope Steel LLC, Sanoh America Inc., Sauder Woodworking Co., TRW Automotive, Worthington Industries
Lucas (OH)	Education and Health Services; Trade, Transportation and Utilities; Professional and Business Services; Leisure and Hospitality; Manufacturing; Local Government; Construction; Financial Services; State Government; Other Services	Andersons Inc, BP, Carlye Grup/HCR Manor Care, Chrysler Group LLC, City of Toledo, Dana Corp, General Motors Company, Libbey Inc, Lucas County Government, Mercy Health Partners, Owens Corning, Promedica Health System, Toledo City Schools, United Parcel Service Inc, University of Toledo
Lenawee (MI)	Educational services and health care and social; Manufacturing; Retail Trade; Arts, entertainment, recreation and food services;; Other services, except public administration; Construction; Transportation and utilities; Public Administration; Finance and insurance and real estate; Agriculture, forestry, fishing and mining	ProMedica Health System - North Region, Van Rob Tecumseh, Wacker Chemical-Adrian, Inteva Products, LLC, Masco Builder Cabinet Group, L&W Engineering Company, Adrian College, Adrian Steel, Siena Heights University, Inergy Automotive
Monroe (MI)	Education, health and social services; Manufacturing; Retail trade; Arts, entertainment, recreation and food service; Professional, scientific, manager, administrative; Transportation, warehousing, utilities; Other services; Construction; Finance, insurance, real estate; public administration	Mercy-Memorial Hospital System, DTE Energy, Johnson Controls, Monroe Public Schools, Bedford Public Schools; Chrysler Engine Plant Gerdeau Specialty Steel, La-Z Boy Inc, Meijer Warehouse, Tenneco Inc.

The following table shows the 2013 and 2014 average annual unemployment rates for the counties in the bank’s assessment area, the Toledo and Monroe MSAs, and Ohio and Michigan.

Unemployment Rates*		
Area	Years - Annualized	
	2013	2014
Fulton County	8.2	4.7 (P)
Lucas County	8.5	5.6 (P)
Toledo, OH MSA	8.3	5.3 (P)
Lenawee County	8.8	6.3 (P)
Monroe County	8.1	5.9 (P)
Monroe, MI MSA	8.1	5.9 (P)
Ohio	7.4	5.1 (P)
Michigan	8.8	6.7 (P)

*Not seasonally adjusted
P: Preliminary

The unemployment rate for Fulton County was lower than the Toledo MSA and Ohio for 2014, but slightly higher than Ohio in 2013. Ohio and Fulton and Lucas Counties experienced declines in the rate between the two years, but the counties' rate of decrease was slightly higher than Ohio's overall rate. The Toledo MSA's rate was higher for 2013 and 2014 compared to Ohio. Additionally, the Monroe MSA was slightly below Michigan's unemployment rate for 2013 and 2014.

Housing Characteristics

There were 65,614 housing units in this assessment area, based on the 2010 U.S. Census. Within the assessment area, 69.0% of the units were owner-occupied, 23.7% were rental units, and 7.3% were vacant. From an income perspective, the owner-occupancy rate in middle-, moderate- and upper-income tracts was 43.0%, 65.8%, and 77.9%, respectively. The counties' owner-occupancy rate is similar to Ohio's rate of 61.7%.

The median age of the housing stock is 40 years, with the oldest housing stock in the moderate- and middle-income tracts at 43 years. The age of the housing stock is slightly under the statewide median age of 44 years, which indicates an opportunity for home improvement lending.

The median housing value in the assessment area is \$158,082, with an affordability ratio of 34.4%. The higher the affordability ratio, the more affordable a home is considered. The housing affordability ratio is calculated by dividing the median family income by the median housing value. The housing stock in the assessment area is slightly less affordable than Ohio at 34.7%. Further, based on the 2014 median family income for the Toledo MSA (\$60,800), approximately 26.0% of the homes valued up to \$111,433 in the assessment area would be considered affordable for low-income individuals and 60.9% of the homes valued up to \$178,293 would be considered affordable to moderate-income individuals. These percentages were calculated assuming a housing expense ratio of 28.0% of gross income for a 4.0% fixed-rate 30-year loan.

According to Sperling's Best Places,⁸ the following table depicts the median home cost, housing appreciation in the prior year and cost of living for each of the four counties within the assessment area. All four counties' cost of living was lower than the U.S. average.

County	Median Home Cost	Housing Appreciation	Cost of Living
Fulton (Metamora)	\$125,000	0.60%	10.4%
Lucas (Sylvania)	\$151,700	0.70%	4.60%
Lenawee (Adrian)	\$75,400	0.10%	18.5%
Monroe (Monroe)	\$105,800	4.70%	13.1%

⁸ Sperling's Best Places, <http://bestplaces.net>

RealtyTrac⁹ information reports one in every 1,247 properties in Fulton County and one in every 865 properties in Lucas County were in foreclosure in December 2014 compared to Ohio's ratio of one in every 927 properties in foreclosure. Lenawee and Monroe Counties were above the Michigan foreclosure rate of one in every 1,578 properties. The following table depicts homes that were in foreclosure for December 2014 for all counties in the assessment area, Ohio and Michigan, and the United States.

County	Foreclosed Properties in December 2014
Fulton (OH)	1,247
Lucas (OH)	865
Lenawee (MI)	776
Monroe (MI)	1,070
Ohio	927
Michigan	1,578
United States	1,153

The median gross rent in the assessment area was \$683, with 19.3% of the rents under \$500/month, according to the 2010 U.S. Census. The median gross rent in the county was slightly above Ohio's at \$678, but below Michigan's at \$723.

The following chart illustrates the demographics of Metamora's assessment area.

⁹ RealtyTrac: <http://www.realtytrac.com>

Combined Demographics Report

Assessment Area(s): Metamora

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	6,031	15.0
Moderate-income	1	3.0	1,317	3.3	200	15.2	5,761	14.3
Middle-income	21	63.6	23,724	58.9	1,977	8.3	8,165	20.3
Upper-income	11	33.3	15,243	37.8	634	4.2	20,327	50.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	33	100.0	40,284	100.0	2,811	7.0	40,284	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	2,866	1,233	2.7	43.0	1,318	46.0	315	11.0
Middle-income	40,250	26,500	58.6	65.8	10,743	26.7	3,007	7.5
Upper-income	22,498	17,520	38.7	77.9	3,501	15.6	1,477	6.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	65,614	45,253	100.0	69.0	15,562	23.7	4,799	7.3
	Total Businesses by Tract	Businesses 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	150	1.8	137	1.9	6	1.1	7	2.3
Middle-income	4,598	56.7	4,087	56.5	345	60.7	166	53.5
Upper-income	3,367	41.5	3,013	41.6	217	38.2	137	44.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	8,115	100.0	7,237	100.0	568	100.0	310	100.0
Percentage of Total Businesses:			89.2		7.0		3.8	
	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	1	0.3	1	0.3	0	0.0	0	0.0
Middle-income	263	71.7	258	71.5	5	83.3	0	0.0
Upper-income	103	28.1	102	28.3	1	16.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	367	100.0	361	100.0	6	100.0	0	.0
Percentage of Total Farms:			98.4		1.6		.0	

Based on 2013 D&B information according to 2010 ACSBoundaries.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Metamora’s performance under the lending test is considered reasonable. The loan-to-deposit ratio is reasonable and the bank made a majority of the loans in its assessment area. The geographic and borrower distribution of lending is reasonable. However, as stated earlier, both the geographic and borrower distributions were evaluated in order to determine the bank’s overall CRA performance. In this analysis, the borrower distribution will be discussed further, since the bank’s assessment area does not include any low-income geographies and consists of only one moderate-income census tract.

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 measures 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 number of quarters. The following table shows Metamora’s quarterly loan-to-deposit (LTD) ratios for the 17 quarters since the previous evaluation, along with the average LTDs for the same period.

Metamora State Bank Loan-to-Deposit Ratios					
As of Date	Metamora State Bank	Waterford Bank NA	Bank of Maumee	State Bank & Trust Co.	Custom Peer
September 30, 2014	85.4	83.5	60.8	93.6	79.3
June 30, 2014	82.5	85.4	63.4	95.5	81.5
March 31, 2014	82.6	81.1	58.0	89.4	76.2
December 31, 2013	81.2	81.8	63.8	90.2	78.6
September 30, 2013	82.0	76.3	74.5	89.8	80.2
June 30, 2013	78.7	78.6	66.9	91.0	78.9
March 31, 2013	75.2	80.4	67.3	85.5	77.7
December 31, 2012	78.6	72.8	67.3	87.6	75.9
September 30, 2012	71.6	74.1	66.4	88.9	76.4
June 30, 2012	71.3	78.3	71.5	87.5	79.1
March 31, 2012	71.9	74.7	69.1	82.9	75.6
December 31, 2011	77.6	77.2	0.00	84.9	81.0
September 30, 2011	79.5	72.4	0.00	86.2	79.3
June 30, 2011	76.5	74.2	0.00	88.5	81.4
March 31, 2011	75.2	75.0	0.00	82.3	78.6
December 31, 2010	80.3	75.2	0.00	83.5	79.3
September 30, 2010	80.2	73.6	0.00	83.0	78.3
Quarterly Loan-to-Deposit Ratio Average Since the Previous Evaluation	78.3	77.3	66.3	87.7	77.1

Metamora has averaged 78.3% over the past 17 quarters of operation and is slightly above the peer ratio of 77.1%. Metamora's LTD ratio has increased from a low of 71.3% as of June 30, 2012 to a high of 85.4% September 30, 2014. When discussing the bank's LTD ratio and the reason for the increase in the bank's LTD ratio, bank management stated the ratio has begun to grow the later part of 2014 and is attributed to the increase in the commercial loan portfolio.

Considering the bank's lending related activity, asset size, financial condition and assessment area credit needs, Metamora's LTD ratio is considered reasonable.

Lending in the Assessment Area

The bank's HMDA and small business loans were analyzed to determine the volume of lending inside and outside the bank's assessment area. Of the total loans, 75.0% by volume and 64.6% by dollar amount were made inside the bank's assessment area.

The following table shows the distribution of loans made inside and outside the bank's assessment area.

Lending Inside and Outside the Assessment Area

Loan Type - Description	Inside				Outside				Total			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
CV - Home Purchase - Conventional	19	82.6	2,586	81.0	4	17.4	605	19.0	23	100.0	3,191	100.0
HI - Home Improvement	2	50.0	285	50.6	2	50.0	278	49.4	4	100.0	563	100.0
MF - Multi-Family Housing	1	25.0	1,300	42.4	3	75.0	1,764	57.6	4	100.0	3,064	100.0
RF - Refinancing	9	60.0	614	57.7	6	40.0	451	42.3	15	100.0	1,065	100.0
Total HMDA-related	31	67.4	4,785	60.7	15	32.6	3,098	39.3	46	100.0	7,883	100.0
SB - Small Business	89	78.1	13,023	66.2	25	21.9	6,657	33.8	114	100.0	19,679	100.0
Total Small Bus.-related	89	78.1	13,023	66.2	25	21.9	6,657	33.8	114	100.0	19,679	100.0
TOTAL LOANS	120	75.0	17,808	64.6	40	25.0	9,755	35.4	160	100.0	27,562	100.0

Of the loans made to small businesses, 78.1% by volume and 66.2% by dollar amount were made within the bank's assessment area. The loan products reported under the Home Mortgage Disclosure Act (HMDA), 67.4% by volume and 60.7% 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.

Geographic Distribution of Lending

Metamora's assessment area does not include any low-income geographies and includes only one moderate-income geography. The bank did not perform any lending in the moderate-income census tract for either HMDA or small business; however, lending for these categories was also very low for the proxy and peer group, as there are very few households (proxy) in the moderate-income geography (2.7%) for HMDA lending and very few businesses (1.8%).

The geographic distribution in this assessment area is reasonable due to the bank's good performance for HMDA and small business loans in the middle- and upper-income geographies. Lending was excellent in the middle-income geography while adequate and good in the upper-income geography for small business and HMDA. Further, Metamora made loans in 14 of its 33 census tracts in this assessment area during the evaluation period.

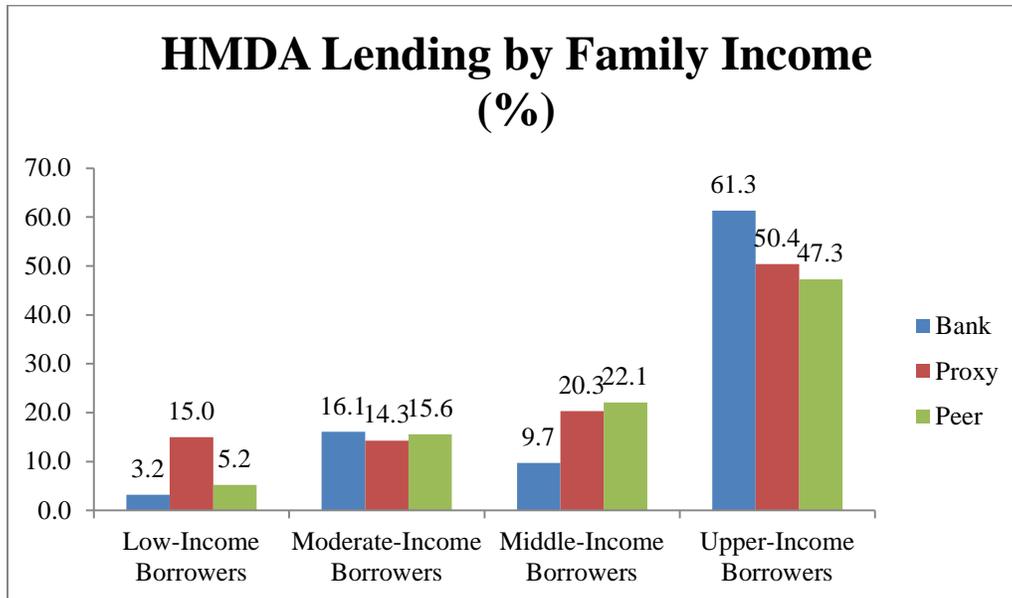
A number of other factors can limit the ability of lenders to originate loans in moderate-income tracts. Depressed real estate values since 2008 make purchasing a home less attractive in terms of personal investment. Stagnant values make it more difficult for existing homeowners with limited equity to refinance their existing mortgage loans. The age of the housing stock at 43 years in the moderate-income tract means that prospective homebuyers would need to budget for home improvement and upkeep costs, in addition to mortgage repayment costs. In addition, 7.1% of the families in moderate-income tracts have income below the poverty level and would likely not be able to qualify for any type of mortgage loan. Consequently, there is also a local golf club located within the moderate-income tract that occupies a large portion of the census tract, along with a local university within close proximity that occupies a large portion of rental housing units (46.0%).

Borrower Distribution of Lending

Metamora's lending to borrowers of different income levels and lending to businesses of different revenue sizes is considered reasonable. The borrower distribution of HMDA lending and lending to small businesses under \$1M in revenue is good.

HMDA Lending

Metamora's HMDA lending performance was compared to the income level of families in the assessment area (proxy) for 2014 and 2013, along with the peer (2013). Metamora's lending to low-income families was significantly lower compared to the proxy, but slightly above the peer in 2013, while lending to moderate-income families was above that of the proxy and peer, as indicated in the chart below. Middle-income borrowers received 9.7% of the HMDA loans compared to the proxy at 20.3% and peer at 22.1%. Upper-income borrowers received 61.3% of the HMDA loans compared to the proxy at 50.4% and peer at 47.3%.

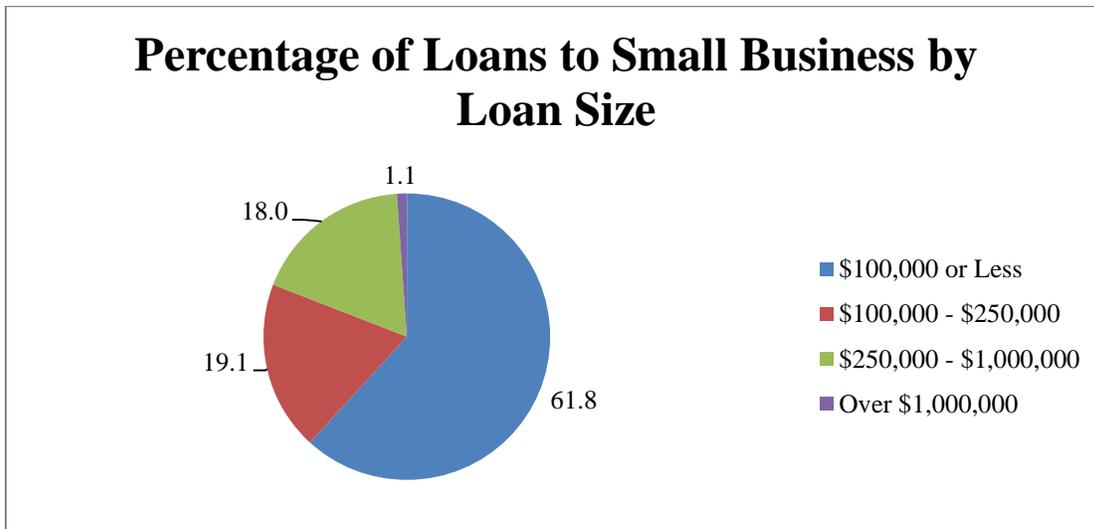
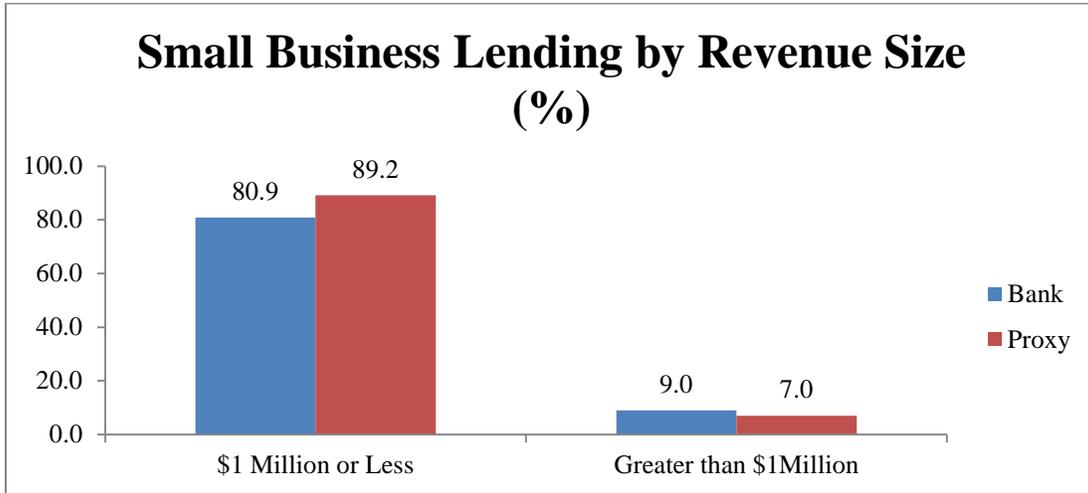


A number of factors limit the ability of creditors to originate HMDA loans to low- and moderate-income borrowers. A limited percentage of homes would be marginally affordable for low- (26.0%) or moderate-income (60.9%) families. The increased age of housing stock means that prospective buyers would need to budget for home improvement and upkeep costs, in addition to mortgage repayment costs. Unemployment rates in Fulton and Lucas Counties are 4.7% and 5.6%, respectively, compared to Ohio’s average of 5.1% and unemployment rates in Lenawee and Monroe Counties are 6.3% and 5.9%, respectively, which is slightly below Michigan’s average of 6.7%. Lastly, 7.0% of families in the assessment area have income below the poverty level and 8.5% and 14.0% of the families in Fulton and Lucas County were below the poverty level.

Small Business Lending

The borrower distribution for small business loans is considered reasonable. Small business lending was comparable to the percentage of small businesses in the assessment area.

An analysis of small business lending was conducted to determine the extent of lending to businesses of different revenue sizes. Metamora originated 72 loans (80.9%) of its loans to businesses with revenues of \$1 million or less, which is below the percentage of small businesses (proxy) in the assessment area of 89.2%. Loan size was also considered, as smaller loans are generally commensurate with the borrowing needs of smaller businesses. This review showed that 61.8% of small business loans were for loan amounts of \$100,000 or less.



Given the bank’s level of lending to borrowers of different income levels (in particular, low- and moderate-income borrowers and to businesses of various sizes), the overall borrower distribution of loans is reasonable. Refer to the tables in Appendix B for additional information.

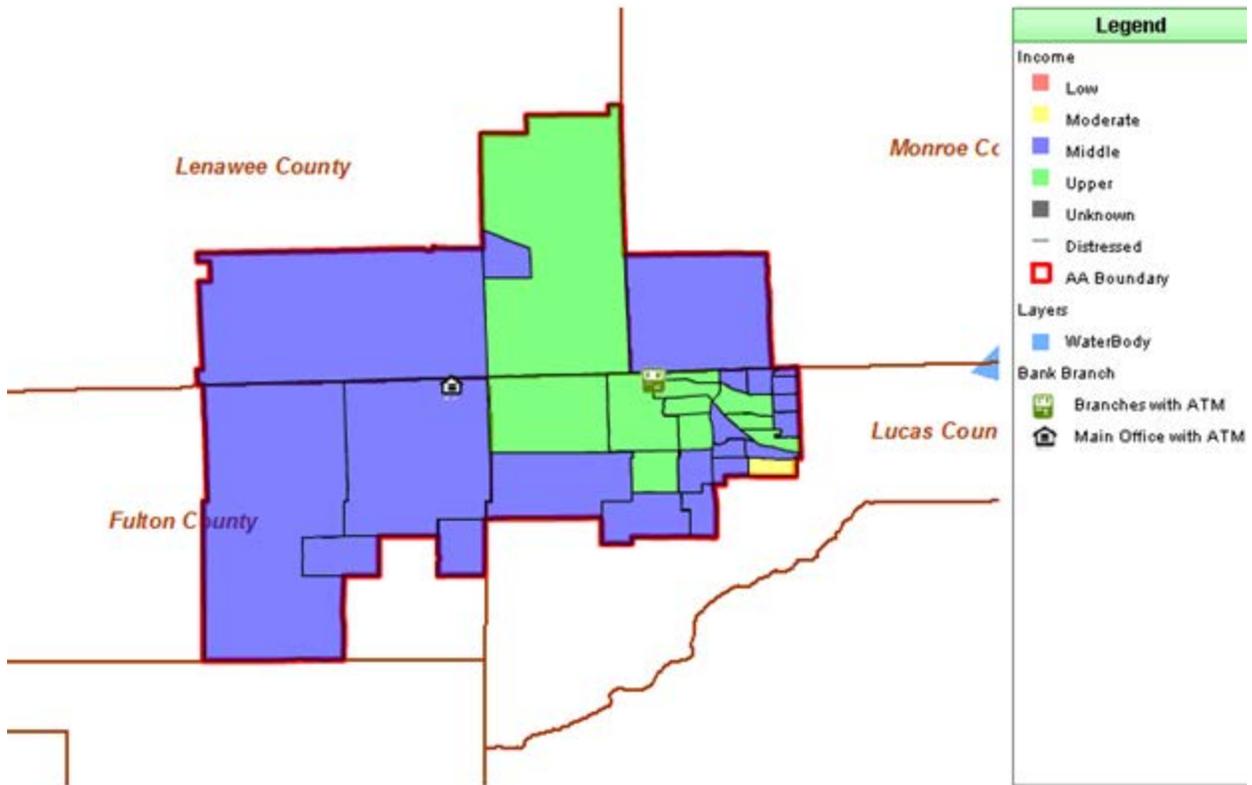
Response to Consumer Complaints

No CRA-related complaints were filed against Metamora during the evaluation period.

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 during this evaluation period.

APPENDIX A ASSESSMENT AREA MAP



APPENDIX B
LENDING TABLES

HMDA Loan Distribution Table

Exam: Metamora State Bank 2015

Assessment Area/Group :All Assessment Areas

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	3	15.8%	410	15.9%
Low/Moderate Total	0	0.0%	0	0.0%	3	15.8%	410	15.9%
Middle	14	73.7%	1,938	74.9%	2	10.5%	317	12.3%
Upper	5	26.3%	648	25.1%	12	63.2%	1,617	62.5%
Unknown	0	0.0%	0	0.0%	2	10.5%	242	9.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	19	100.0%	2,586	100.0%	19	100.0%	2,586	100.0%
Refinance								
Low	0	0.0%	0	0.0%	1	11.1%	63	10.3%
Moderate	0	0.0%	0	0.0%	2	22.2%	180	29.3%
Low/Moderate Total	0	0.0%	0	0.0%	3	33.3%	243	39.6%
Middle	5	55.6%	281	45.8%	1	11.1%	60	9.8%
Upper	4	44.4%	333	54.2%	5	55.6%	311	50.7%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	9	100.0%	614	100.0%	9	100.0%	614	100.0%
Home Improvement								
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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	100.0%	285	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	2	100.0%	285	100.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	2	100.0%	285	100.0%	2	100.0%	285	100.0%
Multi-Family								
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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	1,300	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%	1	100.0%	1,300	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	1,300	100.0%	1	100.0%	1,300	100.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	1	3.2%	63	1.3%
Moderate	0	0.0%	0	0.0%	5	16.1%	590	12.3%
Low/Moderate Total	0	0.0%	0	0.0%	6	19.4%	653	13.6%
Middle	22	71.0%	3,804	79.5%	3	9.7%	377	7.9%
Upper	9	29.0%	981	20.5%	19	61.3%	2,213	46.2%
Unknown	0	0.0%	0	0.0%	3	9.7%	1,542	32.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	31	100.0%	4,785	100.0%	31	100.0%	4,785	100.0%

*Information based on 2010 ACS data

Peer Group HMDA Loan Distribution Table

Exam ID: Metamora State Bank 2015

Selected Year: 2013

Metamora 2013

	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Home Purchase							
Low	0	0.0 %	0	0.0 %	101	5.1 %	6,371	2.2 %
Moderate	24	1.2 %	1,777	0.6 %	350	17.7 %	32,519	11.3 %
<i>Low/Moderate Total</i>	<i>24</i>	<i>1.2 %</i>	<i>1,777</i>	<i>0.6 %</i>	<i>451</i>	<i>22.8 %</i>	<i>38,890</i>	<i>13.5 %</i>
Middle	1,009	50.9 %	112,772	39.1 %	471	23.8 %	56,782	19.7 %
Upper	949	47.9 %	174,189	60.3 %	853	43.0 %	164,705	57.0 %
Unknown	0	0.0 %	0	0.0 %	207	10.4 %	28,361	9.8 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	1,982	100.0 %	288,738	100.0 %	1,982	100.0 %	288,738	100.0 %
	Refinance							
Low	0	0.0 %	0	0.0 %	176	5.2 %	13,962	3.1 %
Moderate	78	2.3 %	6,524	1.5 %	482	14.2 %	43,701	9.8 %
<i>Low/Moderate Total</i>	<i>78</i>	<i>2.3 %</i>	<i>6,524</i>	<i>1.5 %</i>	<i>658</i>	<i>19.4 %</i>	<i>57,663</i>	<i>12.9 %</i>
Middle	1,847	54.6 %	198,233	44.4 %	718	21.2 %	73,245	16.4 %
Upper	1,459	43.1 %	241,403	54.1 %	1,688	49.9 %	258,288	57.9 %
Unknown	0	0.0 %	0	0.0 %	320	9.5 %	56,964	12.8 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	3,384	100.0 %	446,160	100.0 %	3,384	100.0 %	446,160	100.0 %
	Home Improvement							
Low	0	0.0 %	0	0.0 %	12	6.6 %	244	2.2 %
Moderate	6	3.3 %	107	0.9 %	36	19.8 %	1,318	11.7 %
<i>Low/Moderate Total</i>	<i>6</i>	<i>3.3 %</i>	<i>107</i>	<i>0.9 %</i>	<i>48</i>	<i>26.4 %</i>	<i>1,562</i>	<i>13.8 %</i>
Middle	113	62.1 %	5,976	52.9 %	41	22.5 %	1,919	17.0 %
Upper	63	34.6 %	5,210	46.1 %	91	50.0 %	7,648	67.7 %
Unknown	0	0.0 %	0	0.0 %	2	1.1 %	164	1.5 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	182	100.0 %	11,293	100.0 %	182	100.0 %	11,293	100.0 %
	Multi-Family							
Low	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Moderate	1	7.1 %	3,800	13.5 %	0	0.0 %	0	0.0 %
<i>Low/Moderate Total</i>	<i>1</i>	<i>7.1 %</i>	<i>3,800</i>	<i>13.5 %</i>	<i>0</i>	<i>0.0 %</i>	<i>0</i>	<i>0.0 %</i>
Middle	8	57.1 %	11,409	40.5 %	0	0.0 %	0	0.0 %
Upper	5	35.7 %	12,976	46.0 %	0	0.0 %	0	0.0 %
Unknown	0	0.0 %	0	0.0 %	14	100.0 %	28,185	100.0 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	14	100.0 %	28,185	100.0 %	14	100.0 %	28,185	100.0 %
	HMDA Totals							
Low	0	0.0 %	0	0.0 %	289	5.2 %	20,577	2.7 %
Moderate	109	2.0 %	12,208	1.6 %	868	15.6 %	77,538	10.0 %
<i>Low/Moderate Total</i>	<i>109</i>	<i>2.0 %</i>	<i>12,208</i>	<i>1.6 %</i>	<i>1,157</i>	<i>20.8 %</i>	<i>98,115</i>	<i>12.7 %</i>
Middle	2,977	53.5 %	328,390	42.4 %	1,230	22.1 %	131,946	17.0 %
Upper	2,476	44.5 %	433,778	56.0 %	2,632	47.3 %	430,641	55.6 %
Unknown	0	0.0 %	0	0.0 %	543	9.8 %	113,674	14.7 %
Tract Unknown	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	5,562	100.0 %	774,376	100.0 %	5,562	100.0 %	774,376	100.0 %

CRA Loan Distribution Table

Exam : Metamora State Bank 2015

Assessment Area/Group: All Assessment Areas

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	63	70.8%	9,326	71.6%	0	0.0%	0	0.0%
Upper	26	29.2%	3,696	28.4%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	89	100.0%	13,023	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total \$1 Million or Less	72	80.9%	9,373	72.0%	0	0.0%	0	0.0%
Over \$1 Million	8	9.0%	2,739	21.0%	0	0.0%	0	0.0%
Not Known	9	10.1%	911	7.0%	0	0.0%	0	0.0%
Total	89	100.0%	13,023	100.0%	0	0.0%	0	0.0%
	By Loan Size							
\$100,000 or less	55	61.8%	2,927	22.5%	0	0.0%	0	0.0%
\$100,001 - \$250,000	17	19.1%	2,946	22.6%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	16	18.0%	5,849	44.9%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	1	1.1%	1,300	10.0%	0	0.0%	0	0.0%
Total	89	100.0%	13,023	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	49	68.1%	2,601	27.8%	0	0.0%	0	0.0%
\$100,001 - \$250,000	9	12.5%	1,547	16.5%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	14	19.4%	5,225	55.7%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	72	100.0%	9,373	100.0%	0	0.0%	0	0.0%

*Information based on 2010 ACS data

APPENDIX C

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.