

PUBLIC DISCLOSURE

July 20, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers & Merchants Bank
Certificate Number: 9462

41 South First Street
Miamisburg, Ohio 45342

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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 RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Farmers & Merchants Bank's (FMB) satisfactory performance under the Interagency Small Institution Examination Procedures is summarized below.

- The loan-to-deposit (LTD) 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 institution's assessment area.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects, given the demographics of the assessments area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

DESCRIPTION OF INSTITUTION

Background

FMB is a full-service mutual savings bank located in Miamisburg, Ohio. Miamisburg, Ohio is located just southwest of Dayton, Ohio. FMB received a Satisfactory rating at its previous FDIC Performance Evaluation, dated May 12, 2014, based on Interagency Small Institution CRA Examination Procedures.

Operations

The bank operates from its main office located at 41 South First Street in Miamisburg, Ohio. The main office is located in a middle-income tract in Montgomery County. In addition to the main office, the bank has three full-service branches located in Germantown (middle-income tract in Montgomery County), New Lebanon (middle-income tract in Montgomery County), and West Carrollton, Ohio (moderate-income tract in Montgomery County). The New Lebanon branch is new since the last evaluation, opening July 1, 2016. The bank offers a variety of deposit services, including personal checking, savings accounts, business checking accounts, and certificates of deposits. The bank offers credit products including home mortgage, commercial, agricultural, construction, and consumer loans, primarily focusing on home mortgage and small business

financing. Mortgage loans include 1, 3, 5, and 10-year fixed rate, adjustable rate, construction, home equity, and HELOC credit options. Alternative banking services include remote deposit capture, mobile banking, online banking, electronic bill pay, 24-hour telephone banking, and debit cards. The bank's hours for all locations are from 9:00 a.m. to 5:30 p.m. Monday through Friday and 9:00 a.m. to 12:00 p.m. on Saturday. Each location, except New Lebanon, offers drive-up service that opens 30 minutes prior to the branch opening, and automated teller machines. The bank maintains a website at <https://www.bankwithfm.com>. The bank did not engage in any merger or acquisition activity since the previous evaluation.

Ability and Capacity

Assets totaled approximately \$185 million as of March 31, 2020, Consolidated Report of Condition; loans totaled \$141 million; and deposits totaled \$155 million. As of the same date, the net loans to total deposits ratio was 89.9 percent, and the net loans to total assets ratio was 75.0 percent. The makeup of FMB's loan portfolio as of March 31, 2020, is shown in the following table.

Loan Portfolio Distribution as of 3/31/2020		
Loan Category	\$(000s)	%
Construction and Land Development	1,461	1.1
Secured by Farmland	8,949	6.6
1-4 Family Residential	36,581	26.9
Multi-family (5 or more) Residential	3,303	2.4
Commercial Real Estate	64,360	47.3
Total Real Estate Loans	114,654	84.3
Commercial and Industrial	13,981	10.3
Agricultural	3,063	2.3
Consumer	2,459	1.8
Other	1,823	1.3
Less: Unearned Income	0	0
Total Loans	135,980	100.0
<i>Source: Reports of Income and Condition</i>		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The bank has designated one contiguous assessment area that includes 197 census tracts (CT), consisting of all 153 CTs in Montgomery County and 31 CTs in the western portion of Greene County, which are part of the Dayton-Kettering, OH Metropolitan Statistical Area (MSA) (#19430). The assessment area also includes 13 CTs in Warren County which is part of the Cincinnati, OH-KY-IN MSA (#17140). The Warren County CTs do not extend significantly beyond the county line and are in close proximity to FMB's three branches located in southern Montgomery County. The assessment area was extended to Warren County to expand lending. The assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all of the geographies where the bank's offices are located. The following table details the breakdown of counties, CTs, and bank offices for the assessment area.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Offices
Dayton-Kettering, OH MSA	Montgomery	153	4
	Greene	31	0
Cincinnati, OH-KY-IN MSA	Warren	13	0
<i>Source: Bank Records</i>			

Economic and Demographic Data

This assessment area includes 197 CTs. These tracts reflect the following income designations according to the 2015 American Community Survey (ACS):

- 25 low-income tracts,
- 45 moderate-income tracts,
- 78 middle-income tracts,
- 48 upper-income tracts, and
- 1 NA tract which are geographies that have not been assigned an income classification.

The following table illustrates select demographics of the assessment area based on the 2015 ACS data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	197	12.7	22.8	39.6	24.4	0.5
Population by Geography	753,898	9.6	20.0	41.7	28.7	0.0
Housing Units by Geography	345,705	12.2	21.3	40.9	25.7	0.0
Owner-Occupied Units by Geography	195,619	6.1	15.7	44.6	33.5	0.0
Occupied Rental Units by Geography	112,581	17.1	27.9	38.9	16.2	0.0
Vacant Units by Geography	37,505	29.2	30.4	27.4	13.1	0.0
Businesses by Geography	46,790	7.6	16.9	41.6	33.9	0.0
Farms by Geography	1,381	3.8	13.2	49.3	33.7	0.0
Family Distribution by Income Level	192,011	22.4	16.7	19.3	41.6	0.0
Household Distribution by Income Level	308,200	24.9	15.4	17.1	42.6	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$69,949	Median Housing Value			\$122,379
Median Family Income MSA - 19430 Dayton-Kettering, OH MSA		\$61,957	Median Gross Rent			\$757
			Families Below Poverty Level			12.5%
<i>Source: 2015 ACS Data and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Housing units total 345,705 of which 56.6 percent are owner-occupied, 32.6 percent are occupied rental units, and 10.8 percent are vacant units. The Geographic Distribution of Loans criterion compares the home mortgage loans to the distribution of owner-occupied housing units by CT income level.

According to the U.S. Bureau of Labor Statistics, the unemployment rates are as follows: Montgomery County – 5.0 percent in March 2020 and 16.9 percent in April 2020, Greene County – 4.5 percent in March 2020 and 12.8 percent in April 2020, and Warren County – 4.3 percent in March 2020 and 13.3 percent in April 2020. The March 2020 rates are below the 5.6 percent Ohio statewide rate and comparable to the 4.5 percent national rate. In April, the statewide rate increased to 17.4 percent in Ohio and 14.4 percent nationally, which mirrors what occurred in each county. The unemployment rates increased dramatically when the stay-at-home orders were issued in late March for Ohio due to the pandemic.

The assessment area’s economy relies heavily upon small businesses. According to 2019 D&B data, 46,790 non-farm businesses are located in the assessment area. In addition, 63.9 percent of the businesses have four or fewer employees, and 86.6 percent operate from a single location. The analysis of the small business loans in the Borrower’s Profile criterion compares the distribution of businesses by the gross annual revenues (GARs) to the bank’s lending. The GARs for those businesses are as follows:

- 81.6 percent reported revenues of \$1 million and less.
- 6.2 percent reported revenues over \$1 million.
- 12.2 percent have unknown revenues.

Major industries in the area are services at 44.3 percent; retail trade at 12.9 percent; non-classifiable establishments at 11.9 percent; finance, insurance, and real estate at 9.0 percent; construction at 7.0 percent. Major employers in Montgomery County include: Wright Patterson Air Force Base, Premier Health Partners, Kettering Health Network, Montgomery County, and The Kroger Company. Major employers in Greene County include Wright Patterson Air Force Base, Beavercreek Schools, Teleperformance USA, Greene County, and The Kroger Company. Major employers in Warren County include Kings Island, Macy’s Inc., Essilor-Luxottica, Procter & Gamble Co., and Anthem Blue Cross and Blue Shield.

According to 2019 D&B data, 1,381 farms are located in the assessment area. The analysis of the small farm loans in the Borrower’s Profile criterion compares the distribution of farms by the GARs to the bank’s lending. The GARs for those farms are as follows:

- 95.6 percent reported revenues of \$1 million and less.
- 2.7 percent reported revenues over \$1 million.
- 1.7 percent have unknown revenues.

Examiners use the Federal Financial Institutions Examination Council (FFIEC) median family income to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cincinnati, OH-KY-IN MSA Median Family Income (17140)				
2019 (\$76,700)	<\$38,350	\$38,350 to <\$61,360	\$61,360 to <\$92,040	≥\$92,040
Dayton-Kettering, OH MSA Median Family Income (19430)				
2019 (\$70,600)	<\$35,300	\$35,300 to <\$56,480	\$56,480 to <\$84,720	≥\$84,720
<i>Source FFIEC</i>				

Competition

The assessment area is highly competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2019, 24 institutions operated 235 full-service offices within the assessment area. Of these institutions, FMB was ranked 12th with 1.0 percent deposit market share. The top ten banks make up 93.6 percent of the market share.

There is also a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. In 2018, 453 lenders reported 33,654 residential mortgage loans originated or purchased. Of these institutions, FMB ranked 90th with 0.2 percent market share. The ten most prominent home mortgage lenders had 49.3 percent of total market share by number of loans.

The bank is not required to collect or report its small business loan data, and it has not elected to do so. Therefore, the analysis of small business loans under the Lending Test does not include comparisons against aggregate data. However, aggregate small business data is helpful in identifying the level of demand for such loans in the assessment area. In 2018, 111 lenders reported 14,387 small business loans originated or purchased, reflecting a high level of competition for small business loans among banks, credit unions, and non-depository mortgage lenders. The ten most prominent small business lenders accounted for 80.3 percent of total market share by number.

Additionally, the bank is not required to collect or report its small farm loan data, and it has not elected to do so. Therefore, the analysis of small farm loans under the Lending Test does not include comparisons against aggregate data. However, aggregate small farm data is helpful in identifying the level of demand for such loans in the assessment area. In 2018, 22 lenders reported 213 small farm loans originated or purchased, reflecting a high level of competition for small farm loans among banks, credit unions, and non-depository mortgage lenders. The ten most prominent small farm lenders accounted for 91.5 percent of total market share by number.

Community Contact

As part of the evaluation, examiners contact third parties active in the assessment area to assist in identifying credit needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit opportunities are available.

Examiners contacted a representative familiar with small business and economic development in the area. The contact indicated the economy had been fairly stable until the worldwide pandemic caused a negative impact on the operation of businesses and employment. The contact indicated that the economic conditions in the Dayton-Kettering, OH MSA are recovering. Unemployment has improved since April when Montgomery County was at 16.9 percent to their most recent information at 13.0 percent. The contact indicated that primary credit needs include small business, home mortgage loans, and loan products to rehabilitate the aging housing market. Overall, the contact indicated that financial institutions have been responsive to the credit and community development needs.

Credit Needs

Examiners identify the credit needs of an assessment area based on information from the community contact, bank management, and demographic and economic data. Accordingly, examiners determined that small business, home mortgage, and rehabilitation loans are all notable credit needs in the assessment area. These needs are supported by the aforementioned demographics, which demonstrate high concentrations of small businesses and 44.2 percent of families are considered low- or moderate-income. Further, the median average year built for available housing stock is 1961 and supports the need for rehabilitation loans.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated May 12, 2014, to the current evaluation dated July 20, 2020. Examiners used the Interagency Small Institution CRA Examination Procedures to evaluate FMB's CRA performance. Refer to the Appendix for details of the corresponding performance criteria. This evaluation does not include any lending activity performed by affiliates.

Activities Reviewed

Examiners determined that the bank's major product lines are small business, home mortgage, and small farm loans. This conclusion considered the bank's business strategy, the portfolio composition, and the number and dollar volume of loans originated during the evaluation period. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period, with the exception of the bank's growth and emphasis on small farm loans. The bank has added an agricultural lender to the staff since the last evaluation. Please refer to the Glossary for definitions of these loan products. Small business lending received greater weight in this evaluation, as they represent a higher concentration of originations during the evaluation period. Furthermore, no other loan types, such as consumer lending, represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented.

Examiners considered all home mortgage loans reported on the bank's 2018 and 2019 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. The bank reported 35 loans totaling \$4.3 million in 2018 and 37 loans totaling \$5.5 million in 2019. This evaluation presents information for 2018, the most recent year for which aggregate data is available, and 2019 information. As the bank is not required to collect or report small businesses or small farm, the bank's performance was evaluated using a sample of small business loans originated in 2019 and the entire population of small farm loans originated in 2019. The following table details the universes and samples by year for the three products analyzed in this evaluation. For the Lending Test, examiners reviewed the number and dollar volume of small business, home mortgage, and small farm loans. The bank's lending performance in 2019 was considered representative of performance throughout the entire evaluation period.

Loan Products Reviewed					
Loan Category	Year	Universe		Reviewed	
		#	\$(000s)	#	\$(000s)
Small Business	2019	115	17,155	47	5,152
Home Mortgage	2018	35	4,303	35	4,303
Home Mortgage	2019	37	5,501	37	5,501
Small Farm	2019	20	2,051	20	2,051

Source: 2018 and 2019 HMDA Reported Data; Bank Records from 1/1/2019 through 12/31/2019

The 2015 ACS and 2019 D&B demographic data is used in this evaluation as comparative performance context data to assess the bank's results. While both number and dollar volume of lending are presented in this evaluation, number volume is emphasized, as it is more representative

of the low- and moderate-income individuals and small businesses and farms served (given that these entities typically demand and qualify for lower loan amounts than their more affluent and larger farm counterparts).

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FMB demonstrated reasonable performance under the Lending Test.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s LTD ratio, calculated from Call Report data, averaged 82.3 percent over the past 23 calendar quarters from June 30, 2014 to March 31, 2020. The ratio ranged from a low of 73.3 percent on June 30, 2014 to a high of 92.9 percent on September 30, 2019, steadily increasing during the evaluation period.

Examiners selected comparable institutions based on their asset size, geographic location, and lending focus. As shown in the following table, FMB maintained a ratio comparable to two similarly situated institutions, ranking above one of them and just 0.1 percent below the other.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2020	Average Net LTD Ratio
	\$(000s)	(%)
The Farmers & Merchants Bank	185,484	82.3
Similarly-Situated Institution #1	207,842	72.0
Similarly-Situated Institution #2	107,106	82.4
<i>Source: Reports of Condition and Income 6/30/2014 through 3/31/2020</i>		

Assessment Area Concentration

The bank originated a majority of its small business, home mortgage, and small farm loans, by number and dollar amount, within its assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2019	38	80.9	9	19.1	47	3,892	75.5	1,260	24.5	5,152
Subtotal	38	80.9	9	19.1	47	3,892	75.5	1,260	24.5	5,152
Home Mortgage										
2018	32	91.4	3	8.6	35	3,950	91.8	353	8.2	4,303
2019	32	86.5	5	13.5	37	4,990	90.7	511	9.3	5,501
Subtotal	64	88.9	8	11.1	72	8,940	91.2	864	8.8	9,804
Small Farm										
2019	19	95.0	1	5.0	20	1,945	94.8	106	5.2	2,051
Subtotal	19	95.0	1	5.0	20	1,945	94.8	106	5.2	2,051

Source: HMDA Reported Data; Bank Data. Due to rounding, totals may not equal 100.0

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank's reasonable performance with respect to small business (which was given more weight) and small farm lending, and poor performance with respect to home mortgage supports this conclusion.

Small Business Loans

The geographic distribution of small business loans is reasonable overall. As shown in the following table, only one loan from the sample was originated in low-income CTs. However, only 7.6 percent of the businesses in the assessment area are located in these areas.

Examiners noted stronger performance in the moderate-income CTs, where the bank's level of lending is well above the percentage of businesses. Given the level of competition and lending opportunities, the bank's performance is reasonable.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2019	7.6	1	2.6	125	3.2
Moderate					
2019	16.9	10	26.3	935	24.0
Middle					
2019	41.6	11	28.9	1,140	29.3
Upper					
2019	33.9	16	42.1	1,692	43.5
Totals					
2019	100.0	38	100.0	3,892	100.0
<i>Source: 2019 D&B Data; 1/1/2019 - 12/31/2019 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the assessment area. As shown in the following table, lending in the low- and moderate-income CTs was below the percent of owner-occupied housing units for both 2018 and 2019; most notably there was no lending to low- and moderate-income tracts in 2019. In 2019, the bank compared favorably to aggregate performance in low-income tracts with only one loan but was about half of aggregate in moderate-income tracts. The bank's lending in the low- and moderate-income CTs illustrates poor performance overall.

Geographic Distribution of Home Mortgage Loans						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	6.1	3.1	1	3.1	20	0.5
2019	6.1	--	0	0.0	0	0.0
Moderate						
2018	15.7	12.7	2	6.3	420	10.6
2019	15.7	--	0	0.0	0	0.0
Middle						
2018	44.6	45.1	20	62.5	2,347	59.4
2019	44.6	--	27	84.4	3,956	79.3
Upper						
2018	33.5	39.1	9	28.1	1,163	29.4
2019	33.5	--	5	15.6	1,034	20.7
Totals						
2018	100.0	100.0	32	100.0	3,950	100.0
2019	100.0	--	32	100.0	4,990	100.0
<i>Source: 2015 ACS Data; HMDA Data; 2018 HMDA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Farm Loans

FMB's lending to small farm loans originated in low- and moderate-income CTs is reasonable, as shown in the following table. The bank's performance is above the percentage of farms in the CTs for both low- and moderate income CTs.

Geographic Distribution of Small Farm Loans					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low					
2019	3.8	1	5.3	18	0.9
Moderate					
2019	13.2	3	15.8	115	5.9
Middle					
2019	49.3	7	36.8	789	40.6
Upper					
2019	33.7	8	42.1	1,024	52.6
Totals					
2019	100.0	19	100.0	1,945	100.0
<i>Source: 2019 D&B Data; 1/1/2019 - 12/31/2019 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among businesses and farms of different sizes and individuals of different income levels (including low- and moderate-income). This conclusion is supported by consistent performance in all three product lines reviewed. Examiners focused on the percentage by number of loans to businesses and farms with GARs of \$1.0 million or less, as well as low- and moderate-income borrowers.

Small Business Loans

The distribution of small business loans, as shown in the following table, reflects reasonable penetration of loans to businesses with GARs of \$1 million or less. FMB's lending to businesses is equal to the percent of small businesses in the assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2019	81.6	31	81.6	3,538	90.9
>1,000,000					
2019	6.2	7	18.4	354	9.1
Revenue Not Available					
2019	12.2	0	0.0	0	0.0
Totals					
2019	100.0	38	100.0	3,892	100.0
<i>Source: 2019 D&B Data; 1/1/2019 - 12/31/2019 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>					

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. As demonstrated in the following table, the bank's lending to low-income borrowers slightly trailed aggregate performance in 2018. When available, aggregate performance is a better indicator of actual loan demand. Performance increased in 2019, doubling 2018 performance. While 2019 aggregate data is not yet available, demographic data indicates that 12.5 percent of the families have incomes below the poverty level. Due to their limited financial resources, families with incomes below the poverty level have difficulty affording a home; limiting the demand and opportunity for lending to low-income borrowers. In 2018 and 2019, the bank originated 15.6 percent of its loans to moderate-income borrowers, which is just below aggregate for 2018 and slightly below the percent of families in the assessment area for 2019.

The bank's lending to low- and moderate-income individuals reflects reasonable performance overall. The following table details the bank's mortgage lending by borrower income level in the assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2018	22.4	7.8	1	3.1	27	0.7
2019	22.4	--	2	6.3	73	1.5
Moderate						
2018	16.7	19.1	5	15.6	104	2.6
2019	16.7	--	5	15.6	377	7.5
Middle						
2018	19.3	21.8	1	3.1	147	3.7
2019	19.3	--	3	9.4	230	4.6
Upper						
2018	41.6	39.9	13	40.6	1,584	40.1
2019	41.6	--	6	18.8	843	16.9
Not Available						
2018	0.0	11.4	12	37.5	2,087	52.8
2019	0.0	--	16	50.0	3,468	69.5
Totals						
2018	100.0	100.0	32	100.0	3,950	100.0
2019	100.0	--	32	100.0	4,990	100.0
<i>Source: 2015 ACS Data; HMDA Reported Data; 2018 HMDA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0</i>						

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to small farms with GARs of \$1 million or less. The following table shows that FMB made 89.5 percent of loans to small farms with GARs of \$1 million or less which is just slightly below the percentage of farms with GARs of \$1 million or less. When compared to the two similarly situated banks, one bank did not make any small farm loans and the other made 100 percent of its loans to small farms, FMB falls in between the two. Lastly, as previously mentioned, small farm lending has become a strategic lending focus for the bank, and those efforts are effective and gaining momentum.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2019	95.6	17	89.5	1,923	98.8
>1,000,000					
2019	2.7	2	10.5	23	1.2
Revenue Not Available					
2019	1.7	0	0.0	0	0.0
Totals					
2019	100.0	19	100.0	1,945	100.0
<i>Source: 2019 D&B Data; 1/1/2019 - 12/31/2019 Bank Data; "-" data not available. Due to rounding, totals may not equal 100.0</i>					

Response to Complaints

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices inconsistent with meeting community credit needs was identified; therefore, this consideration did not affect the institution's overall CRA rating.