

MADISON VALLEY BANK CRA PUBLIC STATEMENT

The Federal Deposit Insurance Corporation (FDIC) pursuant to the Community Reinvestment Act of 1977, has adopted regulations designed to encourage FDIC regulated institutions to help meet community credit needs in accordance with their particular skills and resources, and consistent with safe and sound banking operations.

In addition, the regulations require that FDIC governed financial institutions adopt a Community Reinvestment Act Statement, which outlines the institutions efforts in helping meet the local community credit needs.

This Community Reinvestment Act Statement contains the public Community Reinvestment Act Notice, defines the local community for Madison Valley Bank, states the types of credit available to qualified borrowers and outlines this Bank's efforts to meet the credit needs of the community.

COMMUNITY REINVESTMENT ACT NOTICE

Under the Federal Community Reinvestment Act (CRA), the FDIC evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us. Your involvement is encouraged.

You are entitled to certain information about our operations and performance under CRA. You may review today the public section of our most recent CRA Evaluation, prepared by the FDIC, and a list of services provided at this branch.

You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us: (1) A map showing the assessment area containing this branch, which is the area in which the FDIC evaluates our CRA performance in this community; (2) information about our branches in this assessment area; (3) a list of services we provide at those locations; (4) data on our lending performance in this assessment area; and (5) copies of all written comments received by us that specifically relate to our CRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan.

If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at:

- Madison Valley Bank (Main branch), 213 E Main, PO Box 307, Ennis, MT 59729
- Madison Valley Bank (WY Branch), 216 Grizzly Ave, PO Box 1810, W. Yellowstone, MT 59758
- Madison Valley Bank (Boulder Branch), 109 West 2nd, PO Box 207, Boulder, MT 59632
- Madison Valley Bank (Montana City Branch), 9 Bankers Lane, Montana City, MT 59634
- Madison Valley Bank (Bozeman Branch), 200 South 23rd Ave, Unit E5, Bozeman, MT 59718

At least 30 days before the beginning of each quarter, the Federal Financial Institutions Examination Council (FFIEC) publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the FFIEC or the FDIC. You may send written comments about our performance in helping to meet community credit needs to Janel Buller, Compliance Coordinator, Madison Valley Bank, P.O. Box 307, 213 E Main, Ennis, Montana 59729. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

DELINEATION OF ASSESSMENT AREA

The FDIC requires its regulated banks to review at least annually, a delineation of the "assessment area" which the bank serves. Among the ways suggested for delineating an assessment area is defining that area

around each office or group of offices where the bank makes a substantial portion of its loans. This CRA statement reflects information and activity based upon the delineation method described above.

Madison Valley Bank defines its assessment area as the local communities in which it has branches to include: Madison, Gallatin, Jefferson and Lewis and Clark Counties. The assessment area includes the county in its entirety. Refer to the maps and Assessment Area Listings provide more specifically the areas covered by the full-service banking offices. These items are located in the public file and available at the locations noted above in the Community Reinvestment Act Notice section.

TYPES OF CREDIT

Consistent with profitable and prudent lending and the availability of funds, the Bank is prepared to extend credit to qualified borrowers through the following types of credit:

- A. Residential mortgage loans for one to four family dwellings, both fixed and adjustable rates, FHA, VA, RHS and MBOH loans.
- B. Home equity lines of credit and second mortgage loans, on owner-occupied and second home, one to four family dwellings.
- C. Commercial loans both unsecured and secured by real estate in the Bank's defined lending area and in other areas of the State as opportunities arise.
- D. Unsecured personal and home improvement loans to individuals.
- E. Collateral loans on marketable securities
- F. Savings and regular certificate collateral loans.
- G. Second mortgages.

DETERMINATION OF COMMUNITY CREDIT NEEDS

Madison Valley Bank actively assesses the credit needs of the community through a number of activities, including but not limited to, community involvement, market research, and advertising and marketing programs.

Community Involvement

The Staff, Officers and Directors of Madison Valley Bank participate in local civic functions in an effort to help these organizations meet their commitments and gain exposure to these groups. Some examples are:

Chambers of Commerce
Community Businesses' Board of Directors
School Board
Service Club Organizations
Other charitable, non-profit and community groups

Market Research

Madison Valley Bank utilizes both informal and formal market research techniques from time to time to keep in touch with our customers, our community and their needs for banking services. All loan applications received by this Bank are tracked by census tract to give management the data necessary to determine the results of its efforts. As part of these efforts we regularly stay in touch with various surveys and research completed by other local and regional organizations that compile data on consumer needs

Marketing and Advertising

Madison Valley Bank utilizes marketing and advertising programs, which inform the community about deposit and credit services we offer. These take the form of advertisements in newspapers in general circulation mediums as well as special interest mediums designed to communicate with special market segments. In

addition, the organization utilizes radio advertisements, direct mail, the Internet and other miscellaneous forms of marketing and advertising.

AMENDMENT OF POLICY

The Compliance Officer of the Bank will recommend to management and the Board any future changes in this policy. Changes might be recommended because of new or changed laws or regulations, or as a result of our review mechanisms.

BOARD OF DIRECTORS INVOLVEMENT

The Board of Directors of the Bank represent a local cross section of the Bank's market area and are actively involved in local community efforts, politics and business, reflecting a continued commitment to the community. The Board acts as both an outreach group to the community and as a sounding board for community groups and the Bank's management. The Board and its committees continually monitor the Bank's lending policies and practices to ensure that it does not discriminate in the extension of credit on the basis of race, color, religion, national origin, sex, marital status or age and takes an active role in informing the community at large about the Bank and its products and services.

The Board of Directors of Madison Valley Bank will review and approve this Community Reinvestment Act Statement at least annually.

