

PUBLIC DISCLOSURE

February 1, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Salin Bank and Trust Company
RSSD# 123646

8455 Keystone Crossing Drive
Indianapolis, Indiana 46240

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

PERFORMANCE EVALUATION 2

SCOPE OF EXAMINATION 2

DESCRIPTION OF INSTITUTION..... 4

DESCRIPTION OF ASSESSMENT AREA..... 5

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA 6

 LENDING TEST 6

 COMMUNITY DEVELOPMENT TEST..... 8

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW11

INDIANAPOLIS-CARMEL-ANDERSON, IN MSA #26900– FULL REVIEW.....12

 DESCRIPTION OF INSTITUTION’S OPERATIONS IN INDIANAPOLIS-CARMEL-ANDERSON, IN MSA #26900..... 12

 CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANAPOLIS-CARMEL-ANDERSON, IN MSA #26900..... 17

LAFAYETTE-WEST LAFAYETTE, IN #29200 MSA – FULL REVIEW.....24

 DESCRIPTION OF INSTITUTION’S OPERATIONS IN LAFAYETTE-WEST LAFAYETTE, IN MSA #29200 24

 CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LAFAYETTE-WEST LAFAYETTE, IN MSA #29200 29

INDIANA NON-MSA – FULL REVIEW.....37

 DESCRIPTION OF INSTITUTION’S OPERATIONS IN INDIANA NON-MSA 37

FORT WAYNE, INDIANA MSA #23060 - LIMITED REVIEW.....48

 DESCRIPTION OF INSTITUTION’S OPERATIONS IN FORT WAYNE, IN MSA #23060 48

 CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FORT WAYNE, IN MSA #23060 50

KOKOMO, IN MSA #29020 - LIMITED REVIEW56

 DESCRIPTION OF INSTITUTION’S OPERATIONS IN KOKOMO, IN MSA #29020..... 56

 CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KOKOMO, IN MSA #29020 58

COLUMBUS, IN MSA #18020 - LIMITED REVIEW.....64

 DESCRIPTION OF INSTITUTION’S OPERATIONS IN COLUMBUS, IN MSA #18020..... 64

 CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLUMBUS, IN MSA #18020 66

APPENDIX A – MAPS OF ASSESSMENT AREAS71

APPENDIX B – SCOPE OF EXAMINATION74

APPENDIX C - GLOSSARY75

BANK'S CRA RATING

Salin Bank and Trust Company is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Salin Bank and Trust Company (Salin Bank) is meeting the credit needs of its community, consistent with its asset size, location, and local economic conditions within its assessment areas. The loan-to-deposit (LTD) ratio is reasonable, given the characteristics of the bank, its local competitors, and the credit needs of the assessment area. A substantial majority of Salin Bank's loans are originated in the combined assessment area. The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas. The bank's lending activity exhibits reasonable distribution of loans across borrowers of varying income levels and businesses of different sizes. Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

Salin Bank and Trust Company's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans and services, as well as, qualified investments and donations.

SCOPE OF EXAMINATION

Salin Bank and Trust Company's CRA performance was evaluated using information about the institution and assessment area such as asset size, financial condition, competition, economic, and demographic characteristics. The evaluation focused on Salin Bank's most prevalent lending products, HMDA-reportable loans, which include purchase, refinance, home improvement, multi-family, and loans to small businesses.

Salin Bank and Trust Company serves six assessment areas, five of which are metropolitan statistical areas (MSAs): Columbus, IN (18020); Fort Wayne, IN (23060); Indianapolis-Carmel-Anderson, IN (26900); Kokomo, IN (29020); and Lafayette-West Lafayette, IN (29200). The sixth assessment area is a nonmetropolitan portion of Indiana, consisting of Cass and Grant Counties. The evaluation included community development activities from October 29, 2012, through February 1, 2016. Lending products reviewed include HMDA-reportable loans and small business loans originated in 2014.

Selection of the assessment areas for full review was based on several factors including: deposit market share, branch concentration, loan volume as a percentage of the bank's overall lending, and credit and community development needs within each assessment area. Thus, the Indianapolis-Carmel-Anderson, IN MSA, the Lafayette-West Lafayette, IN MSA, and the Indiana Non-MSA assessment areas were selected for full review and weighted in the overall rating in that order.

The following table presents a summary of the full and limited review assessment areas.

Full and Limited Review Assessment Areas				
	% of Branch Offices	% of Deposits	% of HMDA Lending (2014)	% of Small Business Lending (2014)
Full Review Assessment Areas				
Indianapolis MSA	15.0	15.8	42.8	41.7
Lafayette MSA	25.0	23.9	22.7	25.0
Indiana Non-MSA	25.0	29.2	8.7	5.6
Limited Review Assessment Areas				
Fort Wayne MSA	15.0	8.1	9.6	16.7
Kokomo MSA	10.0	7.3	8.7	11.1
Columbus MSA	10.0	15.7	7.4	0.0

Salin Bank’s record of performance in the designated assessment areas was evaluated using the examination procedures for institutions with assets less than \$1.221 billion and greater than \$305 million as of January 1, 2015. Institutions in this asset size category are referred to as “Intermediate Small Banks” and are subject to CRA examinations based on procedures for the following performance criteria:

- ***Loan-to-Deposit Ratio*** – An 11-quarter average loan-to-deposit ratio was calculated for the bank and compared to its national peer group and a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank’s Home Mortgage Disclosure Act (HMDA)-reportable and small business loans originated from January 1, 2014 through December 31, 2014, were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** - The bank’s HMDA-reportable and small business loans originated within the assessment area from January 1, 2014, through December 31, 2014, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate- income.
- ***Lending to Borrowers of Different Income and to Businesses of Different Sizes*** - The bank’s HMDA-reportable and small business loans originated within the assessment area, from January 1, 2014, through December 31, 2014, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Neither Salin Bank and Trust Company nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

- **Community Development Activities** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from October 29, 2012, through February 1, 2016, were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

DESCRIPTION OF INSTITUTION

Salin Bank, with assets of \$762.2 million as of September 30, 2015, is a wholly owned subsidiary of Salin Bancshares, Inc., a one-bank holding company located in Indianapolis, Indiana. The bank operates 19 full-service offices, one drive through banking office, and 22 automated teller machines (ATMs) throughout a 10-county area in central and northeastern Indiana. Since the previous evaluation in October of 2012, the bank closed eight branch locations: three in Cass County and one in Grant County (both in the Indiana Non-MSA); one in Howard County (Kokomo Indiana MSA); one in Allen County (Fort Wayne, Indiana MSA); and one each in Tippecanoe and Carroll Counties (both in the Lafayette-West Lafayette, Indiana MSA). The bank also closed one ATM location in Hamilton County which is located in the Indianapolis-Carmel-Anderson, Indiana MSA. Overall, the closures impacted two moderate-, four middle-, and three upper-income census tracts. Conversely, the bank opened one branch each in Allen County (middle-income census tract), Hamilton County (upper-income census tract), and Howard County (moderate-income census tract).

Salin Bank and Trust Company offers standard deposit and credit products to meet the banking needs of consumers and businesses operating in the assessment area. Deposit products include checking, savings, money market, negotiable orders of withdrawal (NOW), and individual retirement accounts (IRAs), as well as certificates of deposit (CDs). Credit products include secured and unsecured consumer loans and lines of credit; home purchase, refinance and home improvement loans; home equity loans and lines of credit; credit cards; construction loans; commercial and agricultural loans and lines of credit; and loans secured by commercial and agricultural real estate. In addition to the services offered at its banking offices, the bank offers 24-hour automated telephone banking services and online banking services such as bill-pay, remote deposit capture, and mobile banking through its website (www.salin.com).

As presented in the following table, approximately 50.6 percent of the loan portfolio is comprised of commercial loans, followed by 37.2 percent of loans that are residential real estate, including 1-4 family home mortgage loans.

Loan Portfolio Composition as of 09/30/15		
(000's)		
Category	\$	%
Residential RE	192,325	37.2
Commercial	261,255	50.6
Ag	38,806	7.5
Consumer	22,921	4.4
Other	1,208	0.2
Total Loans	516,515	100.0

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in the service areas.

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on October 29, 2012.

DESCRIPTION OF ASSESSMENT AREA

Salin Bank's six assessment areas consist of 466 census tracts located in 10 counties; eight of those counties are located in five different MSAs: Columbus, Fort Wayne, Kokomo, Indianapolis, and Lafayette. The bank operates a network of 20 branches and 22 ATMs evenly dispersed amongst the assessment areas. There are at least two branch locations in each assessment area with the Indiana Non-MSA and the Lafayette, IN MSA assessment areas having the most branches at five apiece. Of the 466 census tracts, 62 tracts (13.3 percent) are designated as low-income, 141 tracts (30.3 percent) are moderate-income, 155 tracts (33.3 percent) are middle-income, 105 tracts (22.5 percent) are upper-income, and three tracts (0.6 percent) are unknown income. There are no distressed or underserved middle-income census tracts within the bank's combined assessment area. For this evaluation, the assessment areas were reviewed by the five MSAs, as well as the Non-MSA of Cass and Grant Counties. Though the two counties in the Non-MSA assessment area are not contiguous (i.e. separated by Howard County), the demographics are similar; therefore, they were reviewed together.

Salin Bank and Trust Company operates in the following assessment areas:

Salin Bank and Trust Company's Assessment Areas February 1, 2016		
MSA Name and Number	Census Definition	Bank's Assessment Area
Indianapolis-Carmel-Anderson, Indiana MSA #26900	Consists of 10 counties in central Indiana	Marion and Hamilton Counties and one adjacent census tract in Johnson County
Lafayette-West Lafayette, Indiana MSA #29200	Benton County, Carroll County, and Tippecanoe County	Carroll County and Tippecanoe County
Indiana Non-MSA #99999	All Indiana counties outside MSAs and MDs	Cass County and Grant County
Fort Wayne, Indiana MSA # 23060	Allen County, Wells County, and Whitley County	Allen County
Kokomo, Indiana MSA #29020	Howard County and Tipton County	Howard County
Columbus, Indiana MSA #18020	Bartholomew County	Bartholomew County

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Salin Bank and Trust Company's performance relative to the lending test is rated Satisfactory. The loan-to-deposit (LTD) ratio is reasonable, given the characteristics of the bank, its local competitors, and the credit needs of the assessment areas. A substantial majority of loans are originated in the assessment areas, and the geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Lending activity exhibits reasonable penetration among borrowers of different income levels and businesses of different sizes. For the purposes of the evaluation, the Fort Wayne, Indiana MSA, Kokomo, Indiana MSA, and Columbus, Indiana MSA assessment areas did not impact the ratings, as they received only a limited review of activities for consistency with the overall rating.

Loan-to-Deposit Ratio

Compared to its national peer group and a sample of local competitors, the bank's average LTD ratio is reasonable, given the bank's size, financial condition, and the assessment areas' credit

needs. The following table shows the comparison for the 11 quarters since Salin Bank’s previous evaluation dated October 29, 2012. The bank’s LTD is slightly higher than its national peer group of financial institutions with similar asset sizes and branch networks, and is comparable to local competitors.

Comparative Loan-To-Deposit Ratios	
Institution (Assets as of June 30, 2015)	Loan-To-Deposit Ratio
	11-Quarter Average (%)
Salin Bank and Trust Company	81.8
National Peer Group*	76.1
Competitors	
First Farmers Bank & Trust	91.2
IAB Financial Bank	88.5
Security FSB	87.1
Community First Bank, Indiana	85.3
First Merchants Bank, NA	84.6
First Internet Bank of Indiana	83.8
Star Financial Bank	81.8
Community State Bank	73.7
National Bank of Indianapolis	71.7
Merchants Bank of Indiana	68.0
Lafayette Community Bank	66.6

**Insured commercial banks having assets between \$300 million and \$1 billion*

Assessment Area Concentration

The following table displays the number and dollar volume of loans extended inside and outside the bank’s assessment area. A substantial majority of HMDA-reportable loans and loans to small businesses are in the assessment area. Of the 701 loans originated during the evaluation period, 85.0 percent were made in the combined assessment areas.

Lending Inside and Outside the Assessment Area (2014)								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000)	%
Home Improvement	12	100.0	285	100.0	0	0.0	0	0.0
Home Purchase -	273	86.1	43,563	83.7	44	13.9	8,453	16.3
Multi-Family Housing	8	57.1	5,058	70.2	6	42.9	2,144	29.8
Refinancing	267	85.3	32,124	82.0	46	14.7	7,051	18.0
Total HMDA Loans	560	85.4	81,030	82.1	96	14.6	17,648	17.9
Total Small Business Loans	36	80.0	7,153	80.7	9	20.0	1,712	19.3
TOTAL LOANS	596	85.0	88,183	82.0	105	15.0	19,360	18.0

Geographic and Borrower Distribution

For the three assessment areas evaluated under a full review, the distribution of the bank's HMDA-reportable and small business loans reflects reasonable dispersion among geographies of different income levels. In addition, HMDA-reportable and small business loans have reasonable penetration among borrowers of different income levels and businesses of different sizes. Please refer to the individual assessment area summaries for details.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous evaluation.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory, considering Salin Bank's capacity and the need for, and availability of, community development opportunities in the assessment areas.

Community Development Lending Activities

Salin Bank and Trust Company makes an adequate level of community development loans in its assessment areas. Since the previous evaluation, Salin Bank originated or renewed 16 community development loans totaling \$22.6 million in the assessment areas subject to a full review; an increase from the prior performance evaluation when the bank made three loans totaling \$9.8 million. While loans were originated across all three full review assessment areas, the significant majority of loans were made in the Indianapolis-Carmel-Anderson, Indiana MSA. The bank also received consideration for two loans totaling over \$4.9 million that financed affordable housing projects outside the bank's assessment areas. Additional detail is discussed in each full review assessment area summary.

Qualified Community Development Loans October 29, 2012 – February 1, 2016											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Full Review											
Indianapolis	6	19,694	0	0	0	0	7	1,330	13	21,024	70.3
Lafayette	0	0	0	0	0	0	1	850	1	850	2.8
Non-MSA	1	691	1	40	0	0	0	0	2	731	2.4
Total Qualified Activity in Assessment Areas	7	20,385	1	40	0	0	8	2,180	16	22,605	75.6
Limited Review											
Fort Wayne	3	1,258	0	0	0	0	1	500	4	1,758	5.9
Kokomo	1	86	3	268	0	0	1	100	5	454	1.5
Columbus	1	200	0	0	0	0	0	0	1	200	0.7
Total Qualified Activity Outside Assessment Areas	2	4,902	0	0	0	0	0	0	2	4,902	16.4

Community Development Investments

Salin Bank and Trust Company makes an adequate level of qualified investments and donations in its assessment areas. The following table presents the qualified investment activity that Salin Bank engaged in during the review period; it also includes prior period investment activities. The majority of Salin Bank's qualified investments benefit multiple assessment areas; therefore, investments are divided and portions dedicated to each applicable assessment area. In addition, Salin Bank invested \$2.5 million in a Small Business Administration (SBA) fund that benefits a wider geographical region outside of the bank's assessment area. Additional detail is discussed in each full review assessment area summary.

Assessment Area Name	Prior Period Investments		Current Period Investments		Total Investments		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% (\$) of Total
Indianapolis	7	2,124	1	1,736	8	3,860	29.3%
Lafayette	4	1,047	1	2,092	5	3,139	23.8%
Non-MSA	3	1,195	0	0	3	1,195	9.1%
Total Rated Activity	14	4,366	2	3,828	16	8,194	62.1%
Fort Wayne	10	2,587	2	647	12	3,234	24.5%
Kokomo	8	933	0	0	8	933	7.1%
Columbus	6	711	1	116	7	828	6.3%

Salin Bank also helps to meet the credit and community development needs in its assessment areas through its charitable donation activities. During the review period, the bank made 146 grants totaling \$166,357 and three in-kind donations, with a total value of \$878,000, to organizations whose missions and activities support qualified community development purposes in the assessment area. The level of donations compared favorably to the prior performance evaluation when the bank made 73 donations amounting to \$185,600.

Community Development Services

Salin Bank and Trust Company offers an adequate level of community development services. The bank's employees, officers, and directors represent the bank on boards and committees of organizations dedicated to improving the financial literacy of low- and moderate-income areas and individuals in its assessment areas. The following table summarizes the hours dedicated to the provision of financial services at community development organizations in the assessment areas during the review period. Additional detail is discussed in each full review assessment area summary.

Qualified Community Development Services October 29, 2012 – February 1, 2016											
	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
Assessment Area	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	% of Total Hours
Full Review											
Indianapolis	58	178	0	0	0	0	134	394	192	571	45.3
Lafayette	16	50	1	6	0	0	96	532	113	588	46.6
Non-MSA	4	24	3	9	0	0	7	20	14	52	4.1
Total Rated Activity in Assessment Area	78	252	4	15	0	0	237	946	319	1,211	96.0
Limited Review											
Fort Wayne	2	3	0	0	0	0	16	30	18	33	2.6
Kokomo	0	0	0	0	0	0	0	0	0	0	0.0
Columbus	6	15	0	0	0	0	2	2	8	17	1.3

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.

INDIANAPOLIS-CARMEL-ANDERSON, IN MSA #26900– FULL REVIEW

SCOPE OF EXAMINATION

The scope of examination for Indianapolis-Carmel-Anderson, Indiana MSA #26900 is consistent with the scope defined for the entire evaluation. Please refer to the more detailed description of the scope contained in the introduction section for further information.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN INDIANAPOLIS-CARMEL-ANDERSON, IN MSA #26900

The bank operates three locations with ATMs in the assessment area, consisting of the main office with an ATM and two branches with ATMs. One of the bank branches is located within a moderate-income census tract. Salin Bank closed one full-service ATM in 2013 and opened a full-service branch with an ATM in an upper-income census tract in the same year. The FDIC Deposit Market Share Report, as of June 30, 2015, indicates Salin Bank holds the 23rd highest market share out of 36 institutions in the assessment area at 0.3 percent of deposits. The top three financial institutions in the MSA comprise over half of the deposit share. In terms of HMDA reporters, Salin Bank was ranked 64th out of a total of 459 institutions with loan originations in the assessment area for 2014.

The bank’s delineated assessment area consists of 46 low-income tracts, 82 moderate-income tracts, 71 middle-income tracts, and 65 upper-income tracts. These tracts cover Marion and Hamilton Counties in their entirety, as well as one moderate-income census tract in Johnson County.

The following table presents selected demographic characteristics for the Indianapolis-Carmel-Anderson, Indiana MSA assessment area.

Assessment Area(s): 2014 Indianapolis-Carmel-Anderson, IN MSA 26900

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	46	17.4	31,200	11.0	10,473	33.6	67,891	23.8
Moderate-income	82	31.1	74,491	26.1	12,938	17.4	48,123	16.9
Middle-income	71	26.9	75,821	26.6	5,081	6.7	54,626	19.2
Upper-income	65	24.6	103,360	36.3	2,704	2.6	114,232	40.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	264	100.0	284,872	100.0	31,196	11.0	284,872	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	71,413	21,767	7.6	30.5	30,546	42.8	19,100	26.7

Moderate-income	159,484	63,835	22.2	40.0	71,973	45.1	23,676	14.8
Middle-income	138,709	85,253	29.6	61.5	39,635	28.6	13,821	10.0
Upper-income	151,008	116,790	40.6	77.3	24,456	16.2	9,762	6.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	520,614	287,645	100.0	55.3	166,610	32.0	66,359	12.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	3,767	7.0	3,152	6.7	475	10.1	140	7.3
Moderate-income	11,515	21.4	9,949	21.1	1,102	23.5	464	24.3
Middle-income	17,281	32.2	14,752	31.3	1,804	38.5	725	38.0
Upper-income	21,166	39.4	19,276	40.9	1,309	27.9	581	30.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	53,729	100.0	47,129	100.0	4,690	100.0	1,910	100.0
	Percentage of Total Businesses:			87.7		8.7		3.6
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	10	2.2	10	2.2	0	0.0	0	0.0
Moderate-income	45	9.8	44	9.8	1	12.5	0	0.0
Middle-income	155	33.8	150	33.3	5	62.5	0	0.0
Upper-income	249	54.2	246	54.7	2	25.0	1	100.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	459	100.0	450	100.0	8	100.0	1	100.0
	Percentage of Total Farms:			98.0		1.7		.2

2014 FFIEC Census Data and 2014 D&B Information

Population Characteristics

The data in the following table present the population changes for Salin Bank's three-county assessment area compared to population changes in the Indianapolis-Carmel-Anderson, Indiana MSA and the State of Indiana. The data show a significant increase in population in Hamilton County, compared to other counties in the assessment area, as well as the State of Indiana. Just north of Indianapolis, in Hamilton County, the City of Carmel continues to develop into one of the fastest growing communities in the country, becoming the 5th largest city in Indiana in 2013. The growth is spurred by organic movement from Indianapolis, as well as an increase in employment opportunities. While Johnson County has also had notable population growth, the bank's inclusion of only one census tract in its assessment area minimizes the significance of this growth.

Population Change			
2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Hamilton County, IN	182,740	274,569	50.3
Johnson County, IN	115,209	139,654	21.2
Marion County, IN	860,454	903,393	5.0
Indianapolis-Carmel-Anderson, IN MSA	1,658,462	1,887,877	13.8
State of Indiana	6,080,485	6,483,802	6.6

Income Characteristics

The following table presents median family income (MFI) levels for the counties in Salin Bank’s Indianapolis MSA assessment area, the Indianapolis-Carmel-Anderson, Indiana MSA, and the State of Indiana. Data shows Hamilton County MFI increased by 18.9 percent, in keeping with increases in the MSA and within the State of Indiana. Conversely, the increase in MFI in Marion County is half that of the other regions, registering at 9.6 percent. Marion County, which includes the city of Indianapolis, consists of a greater variety of census tract income levels, with lower income levels experiencing smaller increases in median incomes, thereby affecting median family income growth across the county.

Median Family Income Change			
2000 and 2010			
Area	2000 Median Family Income (In 1999 Dollars)	2006-2010 Median Family Income (In 2010 Dollars)	Percentage Change
Hamilton County, IN	80,239	95,376	18.9
Johnson County, IN	60,571	72,723	20.1
Marion County, IN	49,387	54,142	9.6
Indianapolis-Carmel-Anderson, IN MSA	55,425	64,663	16.7
State of Indiana	50,261	58,944	17.3

Housing Characteristics

According to data contained in the Assessment Area Demographics Report presented above, 7.6 percent of all owner-occupied housing is located in low-income census tracts, while moderate-income tracts contain 22.2 percent owner-occupied housing. Further breakdown of housing types

in low-income tracts include 30.5 percent owner-occupied housing units, 42.8 percent rental units, and 26.7 percent vacant units. Moderate-income tract housing units are primarily divided between 40.0 percent owner-occupied units, 45.1 percent rental units, and 14.8 percent vacant units.

The data in the following table provide a comparison of relative housing costs, based on home values and median gross rent amounts in the counties comprising the assessment area, the Indianapolis-Carmel-Anderson, Indiana MSA, and the State of Indiana. While median housing values and median gross rents increased across all geographies, housing values in Hamilton County increased the most at 29.1 percent, compared to 25.7 percent in Marion County and 24.7 percent in the full MSA. Median gross rents increased more in the full MSA at 28.0 percent than increases in Hamilton County at 27.4 percent and Marion County at 26.1 percent. Comparing the increase in median family incomes to the increase in median housing values and median gross rents shows that all areas became less affordable over the time period for homeowners as well as renters. Marion County experienced the most significant drop in affordability due to median housing values increasing 25.7 percent while median family incomes only increased 9.6 percent.

Housing Costs Change				
2000 and 2010				
Area	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent
Hamilton County, IN	163,600	211,200	709	903
Johnson County, IN	120,100	143,400	599	781
Marion County, IN	97,200	122,200	567	715
Indianapolis-Carmel-Anderson, IN MSA	112,351	140,074	574	735
State of Indiana	92,500	123,000	521	683

The table below compares number of permits for new single family housing in each geography. While permits in Hamilton County increased by greater amounts each year as displayed in the table, permits in Marion County declined in consecutive years before an increase from 2012 to 2013. The Hamilton County permit growth supports area representative comments regarding the popularity of the geography, particularly just north of the City of Indianapolis. Conversely, the lack of permit growth in Marion County is affected by the decrease in housing affordability in the area.

Total Single Family Housing Permit Growth						
Area	2011		2012		2013	
	Number of housing permits	Year over year growth %	Number of housing permits	Year over year growth %	Number housing permits	Year over year growth %
Hamilton County, IN	1,408	4.3	1,644	16.8	2,046	24.5
Johnson County, IN	408	-1.7	514	26.0	644	25.3
Marion County, IN	578	-15.1	513	-11.2	638	24.4
Indianapolis-Carmel-Anderson, IN MSA	3,687	-4.7	4,070	10.4	5,107	25.5
State of Indiana	9,324	-4.6	10,112	8.5	12,065	19.3

Labor Force and Employment Characteristics

The economy of the counties in Salin Bank’s Indianapolis assessment area experienced a similar downturn during the 2007-2009 recession as that of the rest of the full MSA and the State of Indiana, but are showing indications of organic recovery. Overall, unemployment rates are notably lower in Hamilton County as compared to the three counties, the full MSA, and the State of Indiana. As discussed above, population movements into Hamilton County, just north of Indianapolis, are spurring overall community, job, and housing growth, resulting in the lower unemployment rates. During the period from 2010 to 2013, unemployment rates in the three counties, the full MSA, as well as the State of Indiana, declined by approximately the same percentage at 2.0 percent each. Marion County consistently maintained the higher of the unemployment rates from 2011 to 2013 than the other geographies at 7.7 percent. This data for Marion County indicates Marion County lags the rest of the counties in employment recovery.

Recent Unemployment Rates				
Area	2010	2011	2012	2013
Hamilton County, IN	6.9	6.3	5.8	5.3
Johnson County, IN	8.4	7.7	7.0	6.2
Marion County, IN	9.9	9.4	8.7	7.7
Indianapolis-Carmel-Anderson, IN MSA	9.2	8.6	7.9	7.0
State of Indiana	10.0	9.0	8.4	7.5

The following table shows the ten largest employers in the assessment area. Major industries in the region include healthcare and education.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Eli Lilly Intl Corp & Co	12,000	Drug-Manufacturers & Corporate Office
St Vincent Hospital Emergency	10,000	Hospitals
Peyton Manning Children's Hospital	7,000	Hospitals
Indiana University Purdue Univ	6,800	Schools-Universities & Colleges Academic
IU Health	6,500	Physicians & Surgeons Equip & Supls-Mfrs
Roche Diagnostics Corp	6,000	Diagnostic Imaging Centers
IU School Of Medicine	6,000	Schools-Universities & Colleges Academic
IU Health Methodist Hospital	5,000	Hospitals
Rolls-Royce Corp	4,200	Aircraft Engines-Manufacturers

A community representative in the assessment area was contacted in connection with this evaluation. The representative stated that while some areas of the assessment area thrive, other portions are in need of affordable housing, especially the northern portions of Hamilton County and sections of Marion County. Local financial institutions are needed to support mixed-income housing projects and to provide financial literacy and credit counseling.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANAPOLIS-CARMEL-ANDERSON, IN MSA #26900

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the assessment area.

Of the 98 HMDA-reportable loans originated in 2014, 4.1 percent were in low-income tracts, and 18, or 18.4 percent, were in moderate-income tracts. Aggregate lenders originated 3.0 percent of all HMDA-reportable loans in low-income census tracts and 15.8 percent in moderate-income census tracts. In comparison to the aggregate lenders, Salin Bank and Trust's overall performance is higher in low-income census tracts and comparable in moderate-income tracts. The bank's lending is slightly below demographic data showing 7.6 percent of owner-occupied units in low-income

tracts in the assessment area and 22.2 percent of owner-occupied units in moderate-income tracts. The bank originated 78 home purchase loans, 18 refinance loans, and two home improvement loans. As no multi-family loans and limited home improvement loans were originated, greater weight will be placed on home purchase and refinance origination data.

Salin Bank originated 3.8 percent of home purchase loans in low-income tracts, comparing favorably to 2.5 percent of loans originated by aggregate lenders. Similarly, 20.5 percent of home purchase loans were originated in moderate-income tracts, which is higher than 15.2 percent of aggregate lender home purchase originations. Refinance originations totaled 18, of which 5.6 percent were in low-income tracts, compared to 3.5 percent of refinance loans originated by aggregate lenders. The bank originated fewer refinance loans in moderate-income tracts at 11.1 percent, compared to aggregate lenders who originated 16.8 percent. Both home improvement loans were originated in upper-income tracts, compared to 49.8 percent by aggregate lenders. The following table summarizes Salin Bank's HMDA-reportable lending in the Indianapolis assessment area for 2014.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Indianapolis-Carmel-Anderson, IN MSA 26900								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2014						
		Count		Agg %	Dollar		Agg \$ %	
#	%	\$ (000s)	\$ %					
Home Purchase	Low	3	3.8	2.5	224	1.4	1.2	7.6
	Moderate	16	20.5	15.2	1,622	10.2	9.0	22.2
	Middle	26	33.3	30.0	4,187	26.4	22.6	29.6
	Upper	33	42.3	52.3	9,823	62.0	67.2	40.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	78	100.0	100.0	15,856	100.0	100.0	100.0
Refinance	Low	1	5.6	3.5	54	1.4	1.8	7.6
	Moderate	2	11.1	16.8	133	3.3	10.0	22.2
	Middle	2	11.1	30.4	300	7.5	23.5	29.6
	Upper	13	72.2	49.2	3,505	87.8	64.7	40.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	18	100.0	100.0	3,992	100.0	100.0	100.0
Home Improvement	Low	0	0.0	4.3	0	0.0	1.3	7.6
	Moderate	0	0.0	14.8	0	0.0	8.0	22.2
	Middle	0	0.0	31.1	0	0.0	20.6	29.6
	Upper	2	100.0	49.8	60	100.0	70.1	40.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	2	100.0	100.0	60	100.0	100.0	100.0
Multi-Family	Low	0	0.0	15.7	0	0.0	6.3	14.4
	Moderate	0	0.0	34.9	0	0.0	33.3	45.3
	Middle	0	0.0	33.7	0	0.0	30.5	24.5
	Upper	0	0.0	15.7	0	0.0	29.9	15.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	4	4.1	3.0	278	1.4	1.9	7.6
	Moderate	18	18.4	15.8	1,755	8.8	11.8	22.2
	Middle	28	28.6	30.2	4,487	22.5	23.6	29.6
	Upper	48	49.0	51.1	13,388	67.2	62.6	40.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	98	100.0	100.0	19,908	100.0	100.0	100.0
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

During 2014, Salin Bank and Trust originated 15 loans to small businesses in the assessment area; four of those loans were in moderate-income tracts. While no loans were made to small businesses

in low-income tracts, this is reflective of the limited number of small businesses in low-income tracts at 7.0 percent. Lending in moderate-income tracts comprise 26.7 percent of small business originations, comparable to the 21.4 percent of all small businesses operating in moderate-income tracts in the assessment area.

Geographic Distribution of Small Business Loans						
Assessment Area: 2014 Indianapolis-Carmel-Anderson, IN MSA 26900						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2014 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	7.0
	Moderate	4	26.7	1,117	24.7	21.4
	Middle	5	33.3	888	19.6	32.2
	Upper	6	40.0	2,516	55.7	39.4
	Unknown	0	0.0	0	0.0	0.0
	Total	15	100.0	4,520	100.0	100.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Salin Bank and Trust has reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes.

The following table presents Salin Bank’s 2014 HMDA-reportable lending. Across all product types, the bank originated 25.5 percent of HMDA-reportable loans to low-income borrowers and 19.4 percent of loans to moderate-income borrowers. These percentages compare favorably to area demographics showing 23.8 percent of families in the area are low-income while 16.9 percent of families are moderate-income. Bank originations also compare favorably to aggregate lenders, who originated 9.1 percent of loans to low-income borrowers and 19.2 percent of loans to moderate-income borrowers.

The bank originated 78 home purchase loans, of which 29.5 percent were to low-income borrowers, exceeding the percentage of home purchase loans originated by aggregate lenders to low-income borrowers at 9.4 percent. Moderate-income borrowers obtained 16, or 20.5 percent, of the bank’s home purchase loans, similar to 20.6 percent of aggregate lender originations to moderate-income borrowers. The bank originated 11.1 percent of refinance loans to low-income borrowers and 16.7 percent to moderate-income borrowers. This activity is consistent with aggregate lender refinance loans of 8.5 percent to low-income borrowers and 16.9 percent to moderate-income borrowers. The bank made no home improvement loans to low- or moderate-income borrowers, while aggregate lenders made 9.5 and 17.7 percent of their home improvement loans to low- and moderate-income

borrowers. The limited home improvement originations totaling two loans carry less weight in the analysis.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Indianapolis-Carmel-Anderson, IN MSA 26900								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2014			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	23	29.5	9.4	2,228	14.1	4.8	23.8
	Moderate	16	20.5	20.6	1,619	10.2	14.3	16.9
	Middle	9	11.5	18.5	1,263	8.0	16.8	19.2
	Upper	30	38.5	33.7	10,746	67.8	49.4	40.1
	Unknown	0	0.0	17.9	0	0.0	14.7	0.0
	Total		78	100.0	100.0	15,856	100.0	100.0
Refinance	Low	2	11.1	8.5	198	5.0	4.4	23.8
	Moderate	3	16.7	16.9	261	6.5	11.2	16.9
	Middle	3	16.7	19.0	535	13.4	15.8	19.2
	Upper	10	55.6	34.4	2,998	75.1	48.6	40.1
	Unknown	0	0.0	21.3	0	0.0	20.1	0.0
	Total		18	100.0	100.0	3,992	100.0	100.0
Home Improvement	Low	0	0.0	9.5	0	0.0	3.5	23.8
	Moderate	0	0.0	17.7	0	0.0	10.9	16.9
	Middle	0	0.0	20.8	0	0.0	15.2	19.2
	Upper	2	100.0	45.6	60	100.0	66.5	40.1
	Unknown	0	0.0	6.5	0	0.0	3.9	0.0
	Total		2	100.0	100.0	60	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	23.8
	Moderate	0	0.0	0.0	0	0.0	0.0	16.9
	Middle	0	0.0	0.0	0	0.0	0.0	19.2
	Upper	0	0.0	0.0	0	0.0	0.0	40.1
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	25	25.5	9.1	2,426	12.2	4.2	23.8
	Moderate	19	19.4	19.2	1,880	9.4	11.9	16.9
	Middle	12	12.2	18.7	1,798	9.0	14.7	19.2
	Upper	42	42.9	34.3	13,804	69.3	44.2	40.1
	Unknown	0	0.0	18.8	0	0.0	25.0	0.0
	Total		98	100.0	100.0	19,908	100.0	100.0
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

As presented in the following table, 87.7 percent of the businesses in the assessment area report annual revenues of \$1 million or less. Of the 15 business loans originated in 2014, nine loans, or 60.0 percent, were made to small businesses with annual revenues of \$1 million or less. While the bank originated a smaller percentage of loans to businesses with revenues of \$1 million or less when compared to total businesses in the assessment area, the performance is considered reasonable, given the bank’s overall small number of business lending in the assessment area. The bank also made three loans in amounts of \$100,000 or less, or 20.0 percent. Loans in this dollar range are largely regarded as most impactful to small businesses.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2014 Indianapolis-Carmel-Anderson, IN MSA 26900							
Product Type		Bank & Demographic Comparison					
		2014		2014		Total Businesses %	
Revenue	Loan Size	Count Bank	Dollar Bank				
		#	%	\$ 000s	\$ %		
Small Business	\$1 Million or Less	9	60.0	3,084	68.2	87.7	
	Over \$1 Million or Unknown	6	40.0	1,436	31.8	12.3	
	Total	15	100.0	4,520	100.0	100.0	
Small Business	\$100,000 or Less	3	20.0	185	4.1		
	\$100,001 - \$250,000	5	33.3	927	20.5		
	\$250,001 - \$1 Million	7	46.7	3,409	75.4		
	Total	15	100.0	4,521	100.0		
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	1	11.1	50	1.6		
	\$100,001 - \$250,000	3	33.3	560	18.2		
	\$250,001 - \$1 Million	5	55.6	2,474	80.2		
	Total	9	100.0	3,084	100.0		
Originations & Purchases							
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

COMMUNITY DEVELOPMENT TEST

Salin Bank and Trust Company’s community development performance demonstrates adequate responsiveness to community development needs in this assessment area through community development loans, qualified investments, and community development services, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment area.

Community Development Lending

Salin Bank originated 13 community development loans totaling over \$21.0 million in its Indianapolis assessment area. This lending activity is an increase from the previous evaluation

when the bank originated three community development loans of approximately \$9.8 million. Six loans supported affordable housing initiatives, and seven loans supported community services dedicated to low- and moderate-income areas and individuals in the assessment area. The bank made a \$6.0 million loan that financed the rehabilitation of a school into affordable housing for seniors in a low-income census tract. This loan is indicative to the bank's responsiveness to the community's affordable housing needs, as indicated by a community representative.

Community Development Investments

The bank made one qualified investment during the current evaluation period, in addition to maintaining seven prior period investments that continue to benefit the assessment area. All qualified investments were for affordable housing initiatives totaling almost \$3.9 million.

Salin Bank also made 46 qualified donations totaling \$65,364 to community agencies serving the Indianapolis assessment area. The majority of donations, 37, were for community services dedicated to low- and moderate-income individuals, eight were for affordable housing initiatives, and one promoted economic development in support of job creation or retention for low- and moderate-income individuals. Included in the bank's donations is a \$23,650 grant to Habitat for Humanity, supporting needed affordable housing in the assessment area.

Community Development Services

Numerous staff members participated in 192 qualified community development services during the evaluation period, recording 571 hours. The majority of the participations occurred through staff delivery of financial education to low- and moderate-income students and free tax preparation to low-income working families and individuals. Financial literacy has been identified as a need within the assessment area. In addition, bank staff served on boards of directors with several different agencies, providing financial expertise to organizations focusing on community services and economic development.

LAFAYETTE-WEST LAFAYETTE, IN #29200 MSA – FULL REVIEW

SCOPE OF EXAMINATION

The scope of examination for Lafayette-West Lafayette, Indiana MSA #29200 is consistent with the scope defined for the entire evaluation. Please refer to the more detailed description of the scope contained in the introduction section for further information.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LAFAYETTE-WEST LAFAYETTE, IN MSA #29200

Salin Bank and Trust operates five branches with ATMs and one cash-only ATM in the assessment area with two branches located in moderate-income tracts. Salin Bank closed two branches with ATMs, one in a middle-income census tract in 2013 and another in an upper-income census tract in 2015. The bank also opened one stand-alone ATM in 2013 in a middle-income census tract. The FDIC Deposit Market Share Report indicates Salin Bank holds a 5.5 percent market share, ranking it 5th amongst the 17 institutions in the two county assessment area. Additionally, the bank ranks 23rd out of 224 total HMDA reporters in the full Lafayette-West Lafayette, Indiana MSA.

The bank's delineated assessment area consists of three low-, 12 moderate-, 21 middle-, six upper-income, and two tracts with unknown income levels. These census tracts cover both Carroll and Tippecanoe Counties in their entirety.

Assessment Area: 2014 Lafayette-West Lafayette, IN MSA 29200								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	6.8	1,351	3.2	467	34.6	9,085	21.2
Moderate-income	12	27.3	10,013	23.4	1,877	18.7	7,489	17.5
Middle-income	21	47.7	23,347	54.5	1,516	6.5	9,326	21.8
Upper-income	6	13.6	8,115	18.9	308	3.8	16,926	39.5
Unknown-income	2	4.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	44	100.0	42,826	100.0	4,168	9.7	42,826	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	5,454	313	0.7	5.7	4,271	78.3	870	16.0
Moderate-income	22,220	8,432	20.0	37.9	11,820	53.2	1,968	8.9
Middle-income	37,564	24,663	58.5	65.7	9,480	25.2	3,421	9.1
Upper-income	13,621	8,735	20.7	64.1	4,240	31.1	646	4.7
Unknown-income	302	6	0.0	2.0	166	55.0	130	43.0
Total Assessment Area	79,161	42,149	100.0	53.2	29,977	37.9	7,035	8.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	350	5.5	300	5.2	26	6.0	24	10.1
Moderate-income	2,119	33.0	1,817	31.6	219	50.6	83	35.0
Middle-income	2,901	45.2	2,657	46.2	144	33.3	100	42.2
Upper-income	1,026	16.0	959	16.7	43	9.9	24	10.1
Unknown-income	20	0.3	13	0.2	1	0.2	6	2.5
Total Assessment Area	6,416	100.0	5,746	100.0	433	100.0	237	100.0
	Percentage of Total Businesses:			89.6		6.7		3.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1	0.2	1	0.2	0	0.0	0	0.0
Moderate-income	13	2.1	12	2.0	1	12.5	0	0.0
Middle-income	559	90.9	552	90.9	7	87.5	0	0.0
Upper-income	42	6.8	42	6.9	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	615	100.0	607	100.0	8	100.0	0	0.0
	Percentage of Total Farms:			98.7		1.3		0.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Population Characteristics

The data in the following table presents the population changes for the counties in Salin Bank’s defined assessment area in comparison to changes in the Lafayette-West Lafayette, Indiana MSA and the State of Indiana. While Carroll County has not experienced any population growth, Tippecanoe County’s population increased more than the rate of the State of Indiana, and 3.0 percent higher than the population growth in the full MSA. Stagnant population in Carroll County is indicative of economic challenges in the area inhibiting the county’s ability in attracting new residents.

Population Change 2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Carroll County, IN	20,165	20,155	0.0
Tippecanoe County, IN	148,955	172,780	16.0
Lafayette-West Lafayette, IN MSA	178,541	201,789	13.0
State of Indiana	6,080,485	6,483,802	6.6

Income Characteristics

The following table presents median family income (MFI) for the counties in Salin Bank’s assessment area, the entire Lafayette-West Lafayette, Indiana MSA, and the State of Indiana. Both Carroll and Tippecanoe Counties increased in median family income at a similar rate as to the State of Indiana. Carroll County experienced the highest percentage increase in median family income over the same time period at 20.3 percent, while the MFI in Tippecanoe County increased by slightly less at 16.6 percent.

Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income (In 1999 Dollars)	2006-2010 Median Family Income (In 2010 Dollars)	Percentage Change
Carroll County, IN	50,216	60,420	20.3
Tippecanoe County, IN	51,791	60,367	16.6
Lafayette-West Lafayette, IN MSA	NA	60,301	NA
State of Indiana	50,261	58,944	17.3

Personal bankruptcy filing rates in the assessment area remained consistently below rates in the State of Indiana from 2010 to 2013. Personal bankruptcy filing rates in Tippecanoe County remained notably low since 2010. Bankruptcy filing rates during the period were similar in Tippecanoe County as the rates registered in the full MSA. In 2010, the Carroll County bankruptcy filing rates at 6.2 per 1,000 persons were almost twice as high as those in Tippecanoe County at 3.5 per 1,000; however, rates in both areas fell parallel through 2013. The higher bankruptcy filing rate in Carroll County in 2010 indicates the recession may have affected area residents more significantly in that county compared to other portions of the region. Carroll and Tippecanoe counties experienced lower personal bankruptcy filing rates at 3.6 and 2.5, respectively, compared to 5.1 per 1,000 persons in the State of Indiana in 2013.

Personal Bankruptcy Filing Rate (per 1,000 population)				
Area	2010	2011	2012	2013
Carroll County, IN	6.2	4.1	3.1	3.6
Tippecanoe County, IN	3.5	3.1	2.6	2.5
Lafayette-West Lafayette, IN MSA	3.9	3.2	2.7	2.6
State of Indiana	7.2	6.0	5.5	5.1

Housing Characteristics

The data in the following table provides a comparison of relative housing costs, based on home values and median gross rents in the two-county assessment area, the full Lafayette-West Lafayette, Indiana MSA, and the State of Indiana. While median housing values and median gross rents increased in all geographies, neither county in the assessment area increased as much as the median housing and rent amounts in the State of Indiana. Tippecanoe County median housing values increased by 17.1 percent compared to the 33.0 percent increase in median housing values in the State of Indiana. Similarly, median gross rents in Carroll County increased by only 23.4 percent while median gross rents in the State of Indiana increased by 31.1 percent.

Comparing median family income increases to median housing value increases shows the assessment area counties remain relatively as affordable in recent years as in past years. By comparison, the State of Indiana has become less affordable over the same time period as the median family income increased at half the rate of median housing values.

Housing Costs Change				
2000 and 2010				
Area	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent
Carroll County, IN	86,600	107,400	453	559
Tippecanoe County, IN	110,100	128,900	565	729
Lafayette-West Lafayette, IN MSA	NA	123,044	NA	719
State of Indiana	92,500	123,000	521	683

Labor Force and Employment Characteristics

The economy of the assessment area has experienced a similar downturn as that in the full MSA and in the State of Indiana. Within the assessment area in 2010, Carroll County experienced the highest unemployment rate at 9.5 percent, compared to the unemployment rate in the State of Indiana of 10.0 percent in the same year. Since that time, Carroll County’s rate dropped to 7.1 percent in 2013, and the State of Indiana’s rate similarly fell to 7.5 percent. Over the years of 2010 to 2013, unemployment rates in Tippecanoe County remained marginally lower than rates in Carroll County, the full MSA, and the State of Indiana.

Recent Unemployment Rates				
Area	2010	2011	2012	2013
Carroll County, IN	9.5	8.2	7.5	7.1
Tippecanoe County, IN	8.9	7.7	7.4	6.8
Lafayette-West Lafayette, IN MSA	9.0	7.8	7.4	6.9
State of Indiana	10.0	9.0	8.4	7.5

The following table shows the ten largest employers in the assessment area. Major industries in the region include education, automotive and equipment manufacturing, and healthcare.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Purdue University W Lafayette	15,304	Schools-Universities & Colleges Academic
Subaru-Indiana Automotive Inc	3,300	Automobile-Manufacturers
Caterpillar Inc	1,900	Contractors-Equip/Supls-Dlrs/Svc
Wabash National Corp	1,500	Trailers-Truck-Manufacturers
Oerlikon Graziano USA	1,233	Mechanical Power Trans Equip NEC
Franciscan St Elizabeth Health	1,230	Hospitals
Indiana Packers Corp	1,200	Meat-Retail
Fairfield Manufacturing Corp	1,000	Power Transmission Equip-Manufacturers
Alcoa Inc	1,000	Aluminum Fabricators
State Farm Operations Ctr	700	Insurance

A community representative in the assessment area was contacted in connection with this evaluation. Affordable housing is a key need in Carroll County, which is experiencing minimal available housing stock. Additionally, the representative noted a need for business financing education and an increase in start-up business lending.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LAFAYETTE-WEST LAFAYETTE, IN MSA #29200

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of HMDA-reportable and small business loans reflects reasonable dispersion throughout the assessment area.

Overall, the bank originated 1.9 percent of its HMDA-reportable loans in low-income tracts and 17.3 percent of its HMDA-reportable loans in moderate-income tracts in 2014. These percentages are comparable to demographic data showing 0.7 percent of owner-occupied housing in the assessment area is located in low-income tracts and 20.0 percent is located in moderate-income tracts. In addition, aggregate lenders originated 1.5 percent of HMDA-reportable loans in low-income tracts and 18.5 percent of HMDA-reportable loans in moderate-income tracts. Again, the bank has comparable performance to aggregate lenders in these geographies. The following table summarizes HMDA-reportable lending for 2014.

Of the 52 HMDA-reportable loans originated in 2014, the majority of loan products were home purchases and refinances. Although the bank only made one home purchase loan in a low-income census tract, its portion of loans made in low-income census tracts, 5.3 percent by number and 3.3

percent by dollar amount, were above aggregate performance of 1.1 and 0.5 percent; respectively. The bank made nine loans within moderate-income census tracts; four home purchase loans and five refinance loans. Home purchase loans in the moderate-income tract by number (21.1 percent) and by dollar amount (16.4 percent) exceeded aggregate performance at 18.1 and 12.3 percent, respectively. The bank was more comparable to aggregate performance in terms of refinances in number (15.6 percent) and by dollar amount (14.1 percent) as compared to aggregate performance of 17.8 and 12.2 percent, respectively. The bank only made one home improvement loan in 2014, in a middle-income census tract, and it did not make any multi-family loans in the assessment area.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Lafayette-West Lafayette, IN MSA 29200								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2014			2014			
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)	%					
Home Purchase	Low	1	5.3	1.1	68	3.3	0.5	0.7
	Moderate	4	21.1	18.1	342	16.4	12.3	20.0
	Middle	13	68.4	58.3	1,615	77.3	62.2	58.5
	Upper	1	5.3	22.4	65	3.1	25.0	20.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	19	100.0	100.0	2,090	100.0	100.0	100.0
Refinance	Low	0	0.0	1.4	0	0.0	0.8	0.7
	Moderate	5	15.6	17.8	518	14.1	12.2	20.0
	Middle	22	68.8	58.3	2,491	68.0	61.6	58.5
	Upper	5	15.6	22.6	652	17.8	25.4	20.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	32	100.0	100.0	3,661	100.0	100.0	100.0
Home Improvement	Low	0	0.0	2.5	0	0.0	3.1	0.7
	Moderate	0	0.0	17.9	0	0.0	14.7	20.0
	Middle	1	100.0	61.8	14	100.0	64.4	58.5
	Upper	0	0.0	17.9	0	0.0	17.8	20.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	14	100.0	100.0	100.0
Multi-Family	Low	0	0.0	18.3	0	0.0	5.0	17.8
	Moderate	0	0.0	50.7	0	0.0	57.2	39.8
	Middle	0	0.0	23.9	0	0.0	32.7	24.6
	Upper	0	0.0	7.0	0	0.0	5.1	16.4
	Unknown	0	0.0	0.0	0	0.0	0.0	1.4
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	1	1.9	1.5	68	1.2	1.2	0.7
	Moderate	9	17.3	18.5	860	14.9	17.9	20.0
	Middle	36	69.2	58.0	4,120	71.5	58.4	58.5
	Upper	6	11.5	22.0	717	12.4	22.5	20.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	52	100.0	100.0	5,765	100.0	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

During 2014, Salin Bank originated nine loans to small businesses, of which three, or 33.3 percent, were in moderate-income census tracts in the assessment area. Demographic data show 5.5

percent of businesses in the assessment area are in low- and 33.0 percent are in moderate-income tracts. The bank’s small business lending in moderate-income tracts is comparable to demographic percentages. While the bank did not originate any small business loans in low-income tracts during 2014, the low overall volume of small business operating in the tracts minimizes the impact on the bank’s performance.

Geographic Distribution of Small Business Loans						
Assessment Area: 2014 Lafayette-West Lafayette, IN MSA 29200						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2014 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	
Small Business	Low	0	0.0	0	0.0	5.5
	Moderate	3	33.3	978	59.8	33.0
	Middle	6	66.7	656	40.1	45.2
	Upper	0	0.0	0	0.0	16.0
	Unknown	0	0.0	0	0.0	0.3
	Total	9	100.0	1,635	100.0	100.0

2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Salin Bank’s record of lending demonstrates reasonable penetration among individuals of different income levels, including low- and moderate-income individuals, and businesses of different sizes.

The following table presents Salin Bank’s HMDA-reportable lending in 2014. Analysis of the 52 HMDA-reportable loans across all product types shows the bank originated 9.6 percent of loans to low-income borrowers, compared to 8.4 percent originated by aggregate lenders and 21.2 percent of all families in the assessment area being of low-income. Assessment area demographic data shows that 34.6 percent of all low-income families live below the poverty threshold. Living below poverty further limits lending opportunities to these borrowers, further supporting the bank’s 9.6 percent of originations as reasonable when compared to demographics. The bank originated 30.8 percent of loans to moderate-income borrowers, which compared favorably to aggregate lenders originating 19.8 percent of loans to borrowers at the same income level and 17.5 percent of area families being designated as moderate-income.

Home purchase and home refinances made up all of the bank’s HMDA-reportable loans originated to low- and moderate-income borrowers. The bank originated 10.5 percent by number and 7.1 percent by dollar amount of its home purchase loans to low-income borrowers, comparing favorably to aggregate lenders’ 8.1 and 4.6 percent originated to low-income borrowers,

respectively. The bank's portion of refinances, 9.4 percent by number and 5.0 percent by dollar amount, made to low-income borrowers was closely aligned with aggregate lenders' performance at 8.5 and 5.1 percent, respectively. The bank's home purchases and refinances made to moderate-income borrowers at 47.4 and 21.9 percent in number, exceeded aggregate lenders at 21.8 and 16.8 percent, respectively.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Lafayette-West Lafayette, IN MSA 29200								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						
		2014			Families by			
		Count		Agg	Dollar		Agg	Family Income
		Bank	%	%	Bank	%	%	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	2	10.5	8.1	149	7.1	4.6	21.2
	Moderate	9	47.4	21.8	804	38.5	16.3	17.5
	Middle	1	5.3	19.6	192	9.2	19.1	21.8
	Upper	7	36.8	32.1	945	45.2	43.1	39.5
	Unknown	0	0.0	18.3	0	0.0	16.8	0.0
	Total		19	100.0	100.0	2,090	100.0	100.0
Refinance	Low	3	9.4	8.5	183	5.0	5.1	21.2
	Moderate	7	21.9	16.8	666	18.2	12.6	17.5
	Middle	7	21.9	20.0	720	19.7	17.3	21.8
	Upper	13	40.6	33.2	1,855	50.7	43.4	39.5
	Unknown	2	6.3	21.5	237	6.5	21.6	0.0
	Total		32	100.0	100.0	3,661	100.0	100.0
Home Improvement	Low	0	0.0	13.9	0	0.0	8.2	21.2
	Moderate	0	0.0	20.7	0	0.0	17.1	17.5
	Middle	1	100.0	26.1	14	100.0	19.1	21.8
	Upper	0	0.0	36.4	0	0.0	51.5	39.5
	Unknown	0	0.0	2.9	0	0.0	4.1	0.0
	Total		1	100.0	100.0	14	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.2
	Moderate	0	0.0	0.0	0	0.0	0.0	17.5
	Middle	0	0.0	0.0	0	0.0	0.0	21.8
	Upper	0	0.0	0.0	0	0.0	0.0	39.5
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	5	9.6	8.4	332	5.8	4.2	21.2
	Moderate	16	30.8	19.8	1,470	25.5	13.3	17.5
	Middle	9	17.3	19.8	926	16.1	16.2	21.8
	Upper	20	38.5	32.2	2,800	48.6	38.0	39.5
	Unknown	2	3.8	19.6	237	4.1	28.2	0.0
	Total		52	100.0	100.0	5,765	100.0	100.0
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

As presented in the following table, 89.6 percent of businesses in the assessment area report annual revenues of \$1 million or less, which are defined as small businesses. The bank originated nine business loans in the assessment area during 2014; 55.6 percent were made to small businesses.

The bank made an adequate number of small business loans, as 60.0 percent were made in amounts of \$100,000 or less. Loans of this size are considered most beneficial to small businesses.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2014 Lafayette-West Lafayette, IN MSA 29200							
Product Type		Bank & Demographic Comparison					
		2014		2014		Total Businesses %	
Revenue	Loan Size	Count Bank	Dollar Bank				
		#	%	\$ 000s	\$ %		
Small Business	\$1 Million or Less	5	55.6	493	30.2	89.6	
		Over \$1 Million or Unknown	4	44.4	1,142	69.8	10.4
		Total	9	100.0	1,635	100.0	100.0
	\$100,000 or Less	4	44.4	203	12.4		
		\$100,001 - \$250,000	2	22.2	340		20.8
		\$250,001 - \$1 Million	3	33.3	1,091		66.8
		Total	9	100.0	1,634		100.0
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	3	60.0	153		31.0
		\$100,001 - \$250,000	2	40.0	340		69.0
		\$250,001 - \$1 Million	0	0.0	0		0.0
		Total	5	100.0	493		100.0
	Originations & Purchases						
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

COMMUNITY DEVELOPMENT TEST

Salin Bank and Trust Company’s community development performance demonstrates adequate responsiveness to community development needs in the assessment area through community development loans, qualified investments, and community development services, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment area.

Community Development Lending

Salin Bank renewed one community development loan for \$850,000 in the Lafayette assessment area. The loan supports community services targeted to low- and moderate-income students and residents of a moderate-income census tract. In the prior performance evaluation, the bank did not originate any community development loans.

Community Development Investments

The bank made one qualified investment during the current evaluation period and held four qualified investments made in prior periods that benefit the assessment area. Three investments funded affordable housing initiatives for \$797,000. The remaining two investments funded economic development projects supporting small businesses for \$2.3 million.

The bank also made seven qualified donations totaling \$2,324 to community agencies serving the Lafayette assessment area. Five donations were for community services dedicated to low- and moderate-income individuals, and two donations supported the revitalization and stabilization of a dedicated Urban Enterprise Zone in the city of Lafayette. The level of donations is a decrease from the prior performance evaluation when the bank made 10 donations totaling \$16,750.

Community Development Services

Numerous staff members participated in 113 community development service activities during the evaluation period, logging 588 hours. The majority of the participations occurred through staff delivery of financial education to low- and moderate-income students, financial coaching to homeowners, and free tax preparation to low-income working families and individuals. In addition, bank staff served on boards of directors with several different agencies, providing financial expertise to organizations focusing on community services and economic development. During the prior performance evaluation, the bank participated in 45 community development services.

INDIANA NON-MSA – FULL REVIEW

SCOPE OF EXAMINATION

The scope of examination for the Indiana Non-MSA assessment area is consistent with that which was defined for the whole review. Please refer to the more detailed description of the scope contained in the introduction section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANA NON-MSA

Salin Bank and Trust Company ("Salin Bank") currently operates five branches, including one drive-thru facility, within the Indiana Non-MSA assessment area; two are located in Cass County and three in Grant County. The bank has taken both Cass and Grant Counties in their entirety as the assessment area. Since the previous evaluation, the bank closed one branch in a middle-income census tract in Grant County. It also closed two branches and one drive-thru facility in Cass County, two in moderate- and one in middle-income census tracts. The bank has not opened any new branches in the assessment area, but a cash-only ATM was opened in a middle-income census tract in Cass County. All five banking locations maintain a full-service ATM on the premises. As of June 30, 2015, the Federal Deposit Insurance Deposit Market Share Report ranks Salin Bank 2nd with a 13.8 percent share of the deposits out of 12 financial institutions operating in the assessment area.

The assessment area consists of nine moderate-, 16 middle-, and two upper-income census tracts. Since the previous evaluation, the total number of census tracts in the assessment area has not changed; however, the total number of moderate-income tracts increased from five to nine, while the middle- and upper-income tracts decreased by two each. The assessment area does not contain any distressed or underserved middle-income census tracts. The following table presents selected demographic characteristics for the assessment area.

Assessment Area: 2014 Combined IN Non MSA								
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	5,890	21.0
Moderate-income	9	33.3	7,934	28.3	1,535	19.3	5,772	20.6
Middle-income	16	59.3	17,156	61.3	1,466	8.5	6,278	22.4
Upper-income	2	7.4	2,915	10.4	128	4.4	10,065	35.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27	100.0	28,005	100.0	3,129	11.2	28,005	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	15,737	7,649	25.4	48.6	5,603	35.6	2,485	15.8
Middle-income	27,050	19,222	63.7	71.1	5,150	19.0	2,678	9.9
Upper-income	4,530	3,299	10.9	72.8	769	17.0	462	10.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	47,317	30,170	100.0	63.8	11,522	24.4	5,625	11.9
	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	
Moderate-income	1,177	1,023	32.1	31.2	104	41.3	50	35.7
Middle-income	2,058	1,859	56.1	56.7	120	47.6	79	56.4
Upper-income	434	395	11.8	12.1	28	11.1	11	7.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	3,669	3,277	100.0	100.0	252	100.0	140	100.0
	Percentage of Total Businesses:			89.3		6.9		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	
Moderate-income	9	9	2.1	2.2	0	0.0	0	0.0
Middle-income	367	364	87.4	87.3	3	100.0	0	0.0
Upper-income	44	44	10.5	10.6	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	420	417	100.0	100.0	3	100.0	0	0.0
	Percentage of Total Farms:			99.3		0.7		0.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The following table illustrates the population changes occurring within the assessment area from the year 2000 to 2010 based on U.S. Census data. As indicated in the table, the population decreased by 4.8 and 4.6 percent for Cass and Grant Counties, respectively. Conversely, the state of Indiana’s population increased by 6.6 percent over the same time period. While most of the assessment area is considered rural, it is located near cities, such as South Bend, Fort Wayne, and Indianapolis, which tend to recruit labor resources from nearby rural areas and small towns.

Population Change			
2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Grant County, IN	73,403	70,061	-4.6
Cass County, IN	40,930	38,966	-4.8
State of Indiana	6,080,485	6,483,802	6.6

Income Characteristics

The table below indicates the change in the median family income (MFI) from the year 2000 to 2010 for both counties as well as the State of Indiana. The MFI for both Cass and Grant Counties grew at rates of 7.2 and 12.5 percent, respectively; however, Indiana’s MFI grew 17.3 percent during the time period.

Median Family Income Change			
2000 and 2010			
Area	2000 Median Family Income (In 1999 Dollars)	2006-2010 Median Family Income (In 2010 Dollars)	Percentage Change
Grant County, IN	44,304	49,860	12.5
Cass County, IN	46,506	49,873	7.2
State of Indiana	50,261	58,944	17.3

Housing Characteristics

Housing Costs Change				
2000 and 2010				
Area	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent
Cass County, IN	71,400	82,400	440	571
Grant County, IN	68,000	83,100	428	571
State of Indiana	92,500	123,000	521	683

As shown in the table above, median housing values for Cass and Grant Counties grew at 15.4 and 22.2 percent, respectively, from the year 2000 to 2010. However, these percentages were not nearly as high as the rate of increase for the State of Indiana at 33.0 percent. In terms of gross rents, the rate of increase for Cass and Grant Counties, as well as the State of Indiana, all grew by roughly the same margin at 29.8, 33.4, and 31.1 percent, respectively. Overall, median housing values and gross rents for the two counties were significantly lower than the State of Indiana.

Per the Combined Demographics Report previously shown in this evaluation, 63.8 percent of the housing units within the assessment area are considered owner-occupied, which is 4.7 percent lower than in 2011 when it was 68.5 percent. The percentage of rental units remained relatively flat since the previous evaluation at 24.4 percent, while the percentage of vacant units rose to 11.9 percent from the 6.7 percent noted in the previous evaluation.

Labor Force and Employment Characteristics

As with much of the country during the most recent economic downturn, the unemployment rate increased dramatically to reach its peak in 2010. Since then, the rate has gradually and consistently decreased from 2011 through 2013. The rate of decline has been steady within both counties and the State of Indiana.

Major industries within the two counties include food processing, healthcare, and manufacturing. The following tables provide details on the historical unemployment rates as well as the leading employers in the assessment area.

Recent Unemployment Rates				
Area	2010	2011	2012	2013
Cass County, IN	10.7	9.3	8.7	7.6
Grant County, IN	11.4	10.5	9.9	8.8
State of Indiana	10.0	9.0	8.4	7.5

Largest Employers in the Assessment Area			
Company	Number of Employees	Industry	County
Tyson Fresh Meats	1,700	Poultry Processing Plants (Mfrs)	Cass
General Motors Stamping Plant	1,614	Metal Stamping (Mfrs)	Grant
Marion General Hospital	1,200	Hospitals	Grant
Indiana Wesleyan University	1,025	Schools-Universities & Colleges Academic	Grant
Physician Referral Svc	1,000	Clinics	Grant
Logansport State Hospital	800	Psychiatric Hospitals	Cass
American Woodmark Corp	800	Cabinets-Manufacturers	Grant
Walmart Distribution Ctr	736	Distribution Centers (Whls)	Grant

A community representative in the assessment area was contacted in connection with this evaluation. The representative indicated a need for credit counseling and financial literacy for area residents, as well as increased participation by area banks in the revolving loan fund and micro-lending opportunities in the geography.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANA NON-MSA

LENDING TEST

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The bank originated a total of 20 HMDA-reportable loans in the assessment area in 2014, of which five (or 25.0 percent), were made in moderate-income census tracts. Of the five loans, the bank made three refinances (23.1 percent by number and 21.7 percent by dollar amount) whereby the bank exceeded aggregate lender performance (15.6 by number and 10.8 percent by dollar amount). The bank also made one home purchase loan (25.0 percent by number) and one home improvement loan (33.3 percent by number) in moderate-income tracts. While origination volume was low, the bank outperformed aggregate lenders' 21.8 of home purchase loans and 17.1 percent of home improvement loans made in the moderate-income census tracts. Neither the bank nor

aggregate lenders originated any multi-family loans in the assessment area. Overall, the bank's total number of HMDA-reportable loans (25.0 percent) was comparable to the percentage of owner-occupied housing amongst moderate-income census tracts at 25.4 percent.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Combined IN Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2014			2014			
		Count		Agg	Dollar		Agg	
		Bank			Bank			
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	1	25.0	21.8	50	23.9	14.7	25.4
	Middle	3	75.0	60.8	159	76.1	63.3	63.7
	Upper	0	0.0	17.4	0	0.0	22.1	10.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		4	100.0	100.0	209	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	3	23.1	15.6	209	21.7	10.8	25.4
	Middle	10	76.9	66.0	752	78.3	68.8	63.7
	Upper	0	0.0	18.4	0	0.0	20.4	10.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		13	100.0	100.0	961	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	1	33.3	17.1	56	66.7	14.3	25.4
	Middle	1	33.3	69.9	23	27.4	68.7	63.7
	Upper	1	33.3	13.0	5	6.0	17.0	10.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		3	100.0	100.0	84	100.0	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	45.1
	Middle	0	0.0	100.0	0	0.0	100.0	42.0
	Upper	0	0.0	0.0	0	0.0	0.0	12.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	5	25.0	19.2	315	25.1	12.7	25.4
	Middle	14	70.0	63.5	934	74.5	67.0	63.7
	Upper	1	5.0	17.3	5	0.4	20.3	10.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		20	100.0	100.0	1,254	100.0	100.0
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The bank's record of making small business loans in the assessment area is reasonable. The bank only made two small business loans in the assessment area in 2014, and both loans were made in

middle-income census tracts. Over half of the small businesses in the assessment area are located in middle-income tracts.

Geographic Distribution of Small Business Loans						
Assessment Area: 2014 Combined IN Non MSA						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	32.1
	Middle	2	100.0	115	100.0	56.1
	Upper	0	0.0	0	0.0	11.8
	Unknown	0	0.0	0	0.0	0.0
	Total	2	100.0	115	100.0	100.0

2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

The bank demonstrates reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes. Although Salin Bank did not originate any HMDA-reportable home purchase loans to moderate-income borrowers in 2014, the bank did originate 50.0 percent by number and 48.8 percent by dollar amount to low-income borrowers, exceeding aggregate lenders’ performance at 12.4 and 7.8 percent, respectively. With respect to refinances, the bank surpassed aggregate lenders’ performance to low-income borrowers in both number (15.4 percent) and dollar amount (9.6 percent); aggregate lenders made 9.5 percent and 6.0 percent of refinances, respectively, to low-income borrowers. The bank also made 23.1 percent by number and 19.1 percent by dollar amount of refinances to moderate-income borrowers, comparable to that of aggregate lenders’ 24.5 percent and 19.0 percent, respectively. Overall, the bank’s combined total number of HMDA-reportable loans to low- and moderate-income borrowers (40.0 percent by number and 30.6 percent by dollar amount) was comparable with aggregate lenders (37.1 percent and 36.7 percent).

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Combined IN Non MSA								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2014			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	2	50.0	12.4	102	48.8	7.8	21.0
	Moderate	0	0.0	26.7	0	0.0	22.0	20.6
	Middle	1	25.0	19.9	55	26.3	21.5	22.4
	Upper	1	25.0	20.5	52	24.9	29.6	35.9
	Unknown	0	0.0	20.5	0	0.0	19.2	0.0
	Total		4	100.0	100.0	209	100.0	100.0
Refinance	Low	2	15.4	9.5	92	9.6	6.0	21.0
	Moderate	3	23.1	24.5	184	19.1	19.0	20.6
	Middle	4	30.8	23.2	327	34.0	24.1	22.4
	Upper	4	30.8	25.5	358	37.3	32.4	35.9
	Unknown	0	0.0	17.3	0	0.0	18.5	0.0
	Total		13	100.0	100.0	961	100.0	100.0
Home Improvement	Low	0	0.0	9.8	0	0.0	5.1	21.0
	Moderate	1	33.3	28.5	5	6.0	22.0	20.6
	Middle	0	0.0	19.5	0	0.0	15.6	22.4
	Upper	2	66.7	38.2	79	94.0	52.4	35.9
	Unknown	0	0.0	4.1	0	0.0	4.9	0.0
	Total		3	100.0	100.0	84	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.0
	Moderate	0	0.0	0.0	0	0.0	0.0	20.6
	Middle	0	0.0	0.0	0	0.0	0.0	22.4
	Upper	0	0.0	0.0	0	0.0	0.0	35.9
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	4	20.0	11.1	194	15.5	6.7	21.0
	Moderate	4	20.0	26.0	189	15.1	20.0	20.6
	Middle	5	25.0	21.0	382	30.5	21.2	22.4
	Upper	7	35.0	23.7	489	39.0	30.2	35.9
	Unknown	0	0.0	18.2	0	0.0	21.8	0.0
	Total		20	100.0	100.0	1,254	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

The bank's record of lending to businesses, particularly businesses with annual revenues less than \$1 million, is reasonable. While the bank only made two business loans in the assessment area in 2014, both loans were made to small businesses and in amounts of \$100,000 or less.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2014 Combined IN Non MSA							
Product Type		Bank & Demographic Comparison					
		2014		2014		Total Businesses %	
Revenue	Loan Size	Count Bank	Dollar Bank				
		#	%	\$ 000s	\$ %		
Small Business	\$1 Million or Less	2	100.0	115	100.0	89.3	
		Over \$1 Million or Unknown	0	0.0	0	0.0	10.7
		Total	2	100.0	115	100.0	100.0
	\$100,000 or Less	2	100.0	115	100.0		
		\$100,001 - \$250,000	0	0.0	0		0.0
		\$250,001 - \$1 Million	0	0.0	0		0.0
		Total	2	100.0	115		100.0
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	2	100.0	115		100.0
		\$100,001 - \$250,000	0	0.0	0		0.0
		\$250,001 - \$1 Million	0	0.0	0		0.0
		Total	2	100.0	115		100.0

Originations & Purchases
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

COMMUNITY DEVELOPMENT TEST

Salin Bank and Trust Company’s community development performance demonstrates adequate responsiveness to community development needs in this assessment area through community development loans, qualified investments, and community development services, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment area.

Community Development Lending

Salin Bank renewed two community development loans for \$731,000 in the assessment area. A loan made for an affordable housing initiative supports a 48-unit multi-family structure dedicated solely to renters with incomes below 60.0 percent of the median family income. An economic development loan provided funds to a small business and supported job retention in a moderate-income census tract.

Community Development Investments

While the bank did not make any new investments in the assessment area during the evaluation periods, the bank maintained three qualified investments from a prior evaluation period. The \$1.2

million in investments continue to support affordable housing initiatives.

Salin Bank also made 21 qualified donations, totaling \$885,590, to community agencies serving the assessment area. Donation purposes include nine for community services to low- and moderate-income individuals, one for affordable housing, four for economic development focused on job creation and job retention for low- and moderate-income workers, and seven for revitalization or stabilization of distressed areas. Included in the donation total, the bank donated a building located in a moderate-income census tract that will be used to provide higher education opportunities to area residents, including low- and moderate-income students. A second building was donated to support local county services, assisting in providing needed services to the county's areas in most economic need.

Community Development Services

Bank staff members participated in 14 community development services totaling 52 hours during the evaluation period. Participating staff offered financial education to low- and moderate-income students. Additional services included staff participation on boards of directors with several different agencies, providing financial expertise to organizations focusing on community services and economic development.

FORT WAYNE, INDIANA MSA #23060 - Limited Review

SCOPE OF EXAMINATION

The scope of examination for the Fort Wayne MSA assessment area is consistent with that which was defined for the whole review. Please refer to the more detailed description of the scope contained in the introduction section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FORT WAYNE, IN MSA #23060

Salin Bank and Trust Company operates three branches, all with ATMS, in its Fort Wayne assessment area. Since the previous evaluation, the bank closed one branch with an ATM in an upper-income census tract and opened a branch with an ATM in a middle-income census tract. According to the FDIC Deposit Market Share Report, Salin Bank maintains 0.8 percent of the market share, ranking it 12th out of 21 financial institutions that have locations within Allen County. In comparison to other HMDA reporters in the Fort Wayne, Indiana MSA, Salin Bank ranks 54th out of 248.

The assessment area encompasses Allen County in its entirety. Allen County consists of 96 census tracts, of which 13 are low-, 28 are moderate-, 31 are middle-, 23 are upper-, and one is unknown-income. The following table presents selected demographic characteristics of Salin Bank's Fort Wayne MSA assessment area.

Assessment Area: 2014 Fort Wayne, IN MSA 23060								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	13	13.5	7,141	7.9	2,499	35.0	17,575	19.5
Moderate-income	28	29.2	21,707	24.1	3,335	15.4	16,622	18.5
Middle-income	31	32.3	31,172	34.7	1,755	5.6	20,342	22.6
Upper-income	23	24.0	29,906	33.3	608	2.0	35,387	39.4
Unknown-income	1	1.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	96	100.0	89,926	100.0	8,197	9.1	89,926	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	15,659	5,298	5.5	33.8	6,678	42.6	3,683	23.5
Moderate-income	45,540	21,023	21.9	46.2	18,527	40.7	5,990	13.2
Middle-income	50,296	35,743	37.3	71.1	10,436	20.7	4,117	8.2
Upper-income	39,987	33,844	35.3	84.6	4,183	10.5	1,960	4.9
Unknown-income	75	0	0.0	0.0	75	100.0	0	0.0
Total Assessment Area	151,557	95,908	100.0	63.3	39,899	26.3	15,750	10.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,507	10.2	1,226	9.4	220	16.4	61	14.1
Moderate-income	3,616	24.4	3,093	23.7	402	30.0	121	28.0
Middle-income	4,951	33.4	4,355	33.4	460	34.3	136	31.5
Upper-income	4,700	31.7	4,341	33.2	250	18.7	109	25.2
Unknown-income	54	0.4	41	0.3	8	0.6	5	1.2
Total Assessment Area	14,828	100.0	13,056	100.0	1,340	100.0	432	100.0
	Percentage of Total Businesses:			88.0		9.0		2.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	3	0.7	3	0.7	0	0.0	0	0.0
Moderate-income	23	5.2	23	5.3	0	0.0	0	0.0
Middle-income	227	51.7	224	51.4	3	100.0	0	0.0
Upper-income	186	42.4	186	42.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	439	100.0	436	100.0	3	100.0	0	0.0
	Percentage of Total Farms:			99.3		0.7		0.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FORT WAYNE, IN MSA
#23060**

LENDING TEST

Salin Bank and Trust Company's lending performance in the area is below the bank's lending performance overall; however, it does not change the overall rating.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Fort Wayne, IN MSA 23060								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2014			2014			
		Count		Agg	Dollar		Agg	
		Bank			Bank			
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	1.2	0	0.0	0.6	5.5
	Moderate	1	7.7	16.3	98	3.0	10.3	21.9
	Middle	2	15.4	38.2	288	8.9	31.2	37.3
	Upper	10	76.9	44.2	2,836	88.0	57.9	35.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		13	100.0	100.0	3,222	100.0	100.0
Refinance	Low	0	0.0	2.1	0	0.0	1.2	5.5
	Moderate	2	22.2	18.1	92	15.3	12.3	21.9
	Middle	3	33.3	37.6	154	25.6	32.8	37.3
	Upper	4	44.4	42.2	356	59.1	53.8	35.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		9	100.0	100.0	602	100.0	100.0
Home Improvement	Low	0	0.0	4.7	0	0.0	2.5	5.5
	Moderate	0	0.0	25.2	0	0.0	22.7	21.9
	Middle	0	0.0	34.0	0	0.0	23.9	37.3
	Upper	0	0.0	36.1	0	0.0	50.9	35.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	9.1	0	0.0	2.0	10.6
	Moderate	0	0.0	36.4	0	0.0	66.0	54.8
	Middle	0	0.0	36.4	0	0.0	9.5	23.0
	Upper	0	0.0	18.2	0	0.0	22.5	11.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.3
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	1.7	0	0.0	0.9	5.5
	Moderate	3	13.6	17.4	190	5.0	15.8	21.9
	Middle	5	22.7	37.8	442	11.6	29.6	37.3
	Upper	14	63.6	43.1	3,192	83.5	53.7	35.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		22	100.0	100.0	3,824	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of Small Business Loans						
Assessment Area: 2014 Fort Wayne, IN MSA 23060						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2014 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	10.2
	Moderate	1	16.7	80	10.4	24.4
	Middle	2	33.3	85	11.0	33.4
	Upper	3	50.0	606	78.6	31.7
	Unknown	0	0.0	0	0.0	0.4
	Total	6	100.0	771	100.0	100.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Fort Wayne, IN MSA 23060								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2014			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	2	15.4	11.5	167	5.2	6.4	19.5
	Moderate	2	15.4	22.2	236	7.3	16.6	18.5
	Middle	0	0.0	19.9	0	0.0	19.0	22.6
	Upper	9	69.2	27.5	2,819	87.5	41.5	39.4
	Unknown	0	0.0	18.9	0	0.0	16.5	0.0
	Total		13	100.0	100.0	3,222	100.0	100.0
Refinance	Low	0	0.0	9.6	0	0.0	5.5	19.5
	Moderate	0	0.0	18.8	0	0.0	13.4	18.5
	Middle	1	11.1	21.0	35	5.8	18.8	22.6
	Upper	5	55.6	29.2	467	77.6	38.4	39.4
	Unknown	3	33.3	21.5	100	16.6	23.9	0.0
	Total		9	100.0	100.0	602	100.0	100.0
Home Improvement	Low	0	0.0	12.2	0	0.0	5.2	19.5
	Moderate	0	0.0	21.6	0	0.0	14.3	18.5
	Middle	0	0.0	24.3	0	0.0	18.0	22.6
	Upper	0	0.0	34.3	0	0.0	47.0	39.4
	Unknown	0	0.0	7.6	0	0.0	15.6	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	19.5
	Moderate	0	0.0	0.0	0	0.0	0.0	18.5
	Middle	0	0.0	0.0	0	0.0	0.0	22.6
	Upper	0	0.0	0.0	0	0.0	0.0	39.4
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	2	9.1	10.9	167	4.4	5.6	19.5
	Moderate	2	9.1	21.1	236	6.2	14.4	18.5
	Middle	1	4.5	20.4	35	0.9	17.3	22.6
	Upper	14	63.6	28.3	3,286	85.9	37.3	39.4
	Unknown	3	13.6	19.2	100	2.6	25.4	0.0
	Total		22	100.0	100.0	3,824	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2014 Fort Wayne, IN MSA 23060							
Product Type		Bank & Demographic Comparison					
		2014		2014		Total Businesses	
Revenue	Loan Size	Count	Dollar				%
		Bank	Bank	\$ 000s	\$ %		
#	%						
Small Business	\$1 Million or Less Over \$1 Million or Unknown Total	5	83.3	711	92.2	88.0	
		1	16.7	60	7.8	12.0	
		6	100.0	771	100.0	100.0	
	\$100,000 or Less \$100,001 - \$250,000 \$250,001 - \$1 Million Total	5	83.3	202	26.2		
		0	0.0	0	0.0		
		1	16.7	569	73.8		
		6	100.0	771	100.0		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	4	80.0	142		20.0
		\$100,001 - \$250,000	0	0.0	0		0.0
		\$250,001 - \$1 Million	1	20.0	569		80.0
		5	100.0	711	100.0		

Originations & Purchases
 2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS
 Note: Percentages may not add to 100.0 percent due to rounding

COMMUNITY DEVELOPMENT TEST

Salin Bank and Trust Company’s community development performance in the assessment area is above the bank’s community development performance overall; however, it does not change the overall rating.

Community Development Lending

Community Development Loans October 29, 2012 – February 1, 2016											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Fort Wayne	3	1,258	0	0	0	0	1	500	4	1,758	5.9

Community Development Investments

Qualified Investments October 29, 2012 – February 1, 2016									
Assessment Area Name	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Affordable Housing	10	2,587	1	351	11	2,939	90.9	0	0
Economic Development	0	0	1	296	1	296	9.1	0	0
Revitalization and Stabilization	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	0	0	0	0	0
Total	10	0	2	647	12	3,234	100.	0	0

During the review period, Salin Bank made 30 donations totaling \$39,904 to organizations whose missions and activities support community development purposes in the Fort Wayne assessment area.

Community Development Services

Qualified Community Development Services October 29, 2012 – February										
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Fort Wayne	2	3	0	0	0	0	16	30	18	33

KOKOMO, IN MSA #29020 - Limited Review

SCOPE OF EXAMINATION

The scope of examination for the Kokomo MSA assessment area is consistent with that which was defined for the whole review. Please refer to the more detailed description of the scope contained in the introduction section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KOKOMO, IN MSA #29020

Salin Bank and Trust Company operates two branches with ATMs in the Kokomo MSA assessment area. The bank closed one branch in 2013 and subsequently opened one branch in 2015. According to Federal Deposit Insurance Corporation (FDIC) data, Salin Bank maintains a 4.1 percent share of the market's deposits, ranking the bank 7th of the 11 financial institutions operating within Howard County. Additional comparison to HMDA reporters in the assessment area ranks Salin Bank 20th of 136 reporters.

Howard County consists of 20 census tracts, of which seven are moderate-, seven are middle-, and six are upper-income. There are no low-income census tracts within Howard County. The following table presents selected demographic characteristics of Salin Bank's Kokomo MSA assessment area.

Assessment Area: 2014 Kokomo, IN MSA 29020									
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	5,080	21.7	
Moderate-income	7	35.0	6,927	29.6	1,804	26.0	3,895	16.6	
Middle-income	7	35.0	8,011	34.2	939	11.7	4,897	20.9	
Upper-income	6	30.0	8,481	36.2	317	3.7	9,547	40.8	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	20	100.0	23,419	100.0	3,060	13.1	23,419	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	13,634	6,148	25.4	45.1	5,453	40.0	2,033	14.9	
Middle-income	12,671	8,721	36.1	68.8	2,847	22.5	1,103	8.7	
Upper-income	12,526	9,318	38.5	74.4	1,843	14.7	1,365	10.9	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
Total Assessment Area	38,831	24,187	100.0	62.3	10,143	26.1	4,501	11.6	
	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	0.0
Moderate-income	1,120	37.0	1,007	36.1	70	47.0	43	46.7	
Middle-income	942	31.1	874	31.4	45	30.2	23	25.0	
Upper-income	966	31.9	906	32.5	34	22.8	26	28.3	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	3,028	100.0	2,787	100.0	149	100.0	92	100.0	
	Percentage of Total Businesses:			92.0		4.9		3.0	
	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	0.0
Moderate-income	4	1.9	4	1.9	0	0.0	0	0.0	
Middle-income	60	29.0	60	29.1	0	0.0	0	0.0	
Upper-income	143	69.1	142	68.9	1	100.0	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	207	100.0	206	100.0	1	100.0	0	0.0	
	Percentage of Total Farms:			99.5		0.5		0.0	
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS									
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KOKOMO, IN MSA #29020

LENDING TEST

Salin Bank and Trust Company's lending performance in the assessment area is consistent with the bank's lending performance overall.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Kokomo, IN MSA 29020								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2014			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	20.0	17.1	42	4.4	11.9	25.4
	Middle	6	60.0	40.0	616	64.4	36.9	36.1
	Upper	2	20.0	42.9	299	31.2	51.3	38.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		10	100.0	100.0	957	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	22.2	16.3	72	6.0	10.9	25.4
	Middle	2	22.2	35.7	115	9.6	31.3	36.1
	Upper	5	55.6	48.0	1,010	84.4	57.8	38.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		9	100.0	100.0	1,197	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	14.3	0	0.0	12.7	25.4
	Middle	0	0.0	41.7	0	0.0	36.9	36.1
	Upper	1	100.0	44.0	14	100.0	50.4	38.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		1	100.0	100.0	14	100.0	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	45.4
	Middle	0	0.0	75.0	0	0.0	94.3	33.5
	Upper	0	0.0	25.0	0	0.0	5.7	21.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	4	20.0	16.6	114	5.3	11.3	25.4
	Middle	8	40.0	38.7	731	33.7	36.2	36.1
	Upper	8	40.0	44.7	1,323	61.0	52.5	38.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		20	100.0	100.0	2,168	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of Small Business Loans						
Assessment Area: 2014 Kokomo, IN MSA 29020						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2014 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	%
Small Business	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	37.0
	Middle	0	0.0	0	0.0	31.1
	Upper	4	100.0	112	100.0	31.9
	Unknown	0	0.0	0	0.0	0.0
	Total	4	100.0	112	100.0	100.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Kokomo, IN MSA 29020								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2014			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	3	30.0	10.1	140	14.6	6.1	21.7
	Moderate	2	20.0	26.7	54	5.6	21.0	16.6
	Middle	1	10.0	21.4	58	6.1	22.0	20.9
	Upper	4	40.0	27.9	705	73.7	38.0	40.8
	Unknown	0	0.0	13.9	0	0.0	12.9	0.0
	Total		10	100.0	100.0	957	100.0	100.0
Refinance	Low	0	0.0	7.8	0	0.0	4.9	21.7
	Moderate	4	44.4	16.3	202	16.9	11.7	16.6
	Middle	1	11.1	23.5	108	9.0	21.2	20.9
	Upper	3	33.3	34.0	370	30.9	42.1	40.8
	Unknown	1	11.1	18.3	517	43.2	20.1	0.0
	Total		9	100.0	100.0	1,197	100.0	100.0
Home Improvement	Low	0	0.0	9.5	0	0.0	5.4	21.7
	Moderate	0	0.0	28.6	0	0.0	22.8	16.6
	Middle	1	100.0	19.0	14	100.0	12.8	20.9
	Upper	0	0.0	40.5	0	0.0	54.5	40.8
	Unknown	0	0.0	2.4	0	0.0	4.5	0.0
	Total		1	100.0	100.0	14	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	21.7
	Moderate	0	0.0	0.0	0	0.0	0.0	16.6
	Middle	0	0.0	0.0	0	0.0	0.0	20.9
	Upper	0	0.0	0.0	0	0.0	0.0	40.8
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	3	15.0	9.3	140	6.5	5.5	21.7
	Moderate	6	30.0	23.2	256	11.8	17.4	16.6
	Middle	3	15.0	21.9	180	8.3	21.1	20.9
	Upper	7	35.0	30.5	1,075	49.6	38.9	40.8
	Unknown	1	5.0	15.0	517	23.8	17.0	0.0
	Total		20	100.0	100.0	2,168	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending By Revenue & Loan Size						
Assessment Area: 2014 Kokomo, IN MSA 29020						
Product Type		Bank & Demographic Comparison				
		2014		2014		Total Businesses %
Revenue	Loan Size	Count Bank	Dollar Bank			
		#	%	\$ 000s	\$ %	
Small Business	\$1 Million or Less	4	100.0	112	100.0	92.0
	Over \$1 Million or Unknown	0	0.0	0	0.0	8.0
	Total	4	100.0	112	100.0	100.0
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	4	100.0	112	100.0	
	\$100,001 - \$250,000	0	0.0	0	0.0	
	\$250,001 - \$1 Million	0	0.0	0	0.0	
	Total	4	100.0	112	100.0	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	4	100.0	112	100.0	
	\$100,001 - \$250,000	0	0.0	0	0.0	
	\$250,001 - \$1 Million	0	0.0	0	0.0	
	Total	4	100.0	112	100.0	

Originations & Purchases
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS
Note: Percentages may not add to 100.0 percent due to rounding

COMMUNITY DEVELOPMENT TEST

Salin Bank and Trust's community development performance in the assessment area is below the bank's lending performance overall; however, it does not change the overall rating.

Community Development Lending

Community Development Loans October 29, 2012 – February 1, 2016											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Kokomo	1	86	3	268	0	0	1	100	5	454	1.5

Community Development Investments

Qualified Investments October 29, 2012 – February 1, 2016									
Assessment Area Name	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Affordable Housing	8	933	0	0	8	933	7.0	0	0
Economic Development	0	0	0	0	0	0	0	0	0
Revitalization and Stabilization	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	0	0	0	0	0
Total	8	933	0	0	8	933	7.0	0	0

During the review period, Salin Bank also made 15 donations totaling \$16,428 to organizations whose missions and activities support community development purposes in the Kokomo MSA assessment area.

Community Development Services

There were no qualified community development services provided during the evaluation period.

COLUMBUS, IN MSA #18020 - Limited Review

SCOPE OF EXAMINATION

The scope of examination for the Columbus MSA assessment area is consistent with that which was defined for the whole review. Please refer to the more detailed description of the scope contained in the introduction section.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN COLUMBUS, IN MSA #18020

Salin Bank and Trust Company operates two full service branches and two ATMs in the Columbus MSA assessment area. The assessment area is comprised of Bartholomew County in its entirety. Bartholomew County consists of 15 census tracts, of which three are moderate-, nine are middle-, and three are upper-income. There are no low-income census tracts in the county.

According to the Federal Deposit Insurance Corporation (FDIC) data, Salin Bank maintains 8.2 percent of the deposit market share, ranking 4th out of ten financial institutions in Bartholomew County. Additionally, the bank ranks 21st out of 160 HMDA reporting financial institutions in the assessment area. Salin Bank and Trust has not opened or closed any branches or ATMs in the Columbus MSA assessment area since the previous evaluation.

The following table presents selected demographic characteristics of Salin Bank's Columbus MSA assessment area.

Assessment Area: 2014 Columbus, IN MSA 18020								
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	3,880	18.6
Moderate-income	3	20.0	2,748	13.2	580	21.1	4,010	19.3
Middle-income	9	60.0	14,061	67.6	957	6.8	4,882	23.5
Upper-income	3	20.0	4,005	19.2	73	1.8	8,042	38.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	15	100.0	20,814	100.0	1,610	7.7	20,814	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	5,820	2,077	9.6	35.7	2,782	47.8	961	16.5
Middle-income	21,274	15,382	71.1	72.3	4,466	21.0	1,426	6.7
Upper-income	5,566	4,184	19.3	75.2	965	17.3	417	7.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	32,660	21,643	100.0	66.3	8,213	25.1	2,804	8.6
	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	
Moderate-income	767	643	26.0	24.9	88	34.6	36	30.5
Middle-income	1,632	1,447	55.3	56.1	125	49.2	60	50.8
Upper-income	553	490	18.7	19.0	41	16.1	22	18.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	2,952	2,580	100.0	100.0	254	100.0	118	100.0
	Percentage of Total Businesses:			87.4		8.6		4.0
	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	
Moderate-income	8	8	3.8	3.8	0	0.0	0	0.0
Middle-income	187	184	87.8	87.6	3	100.0	0	0.0
Upper-income	18	18	8.5	8.6	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	213	210	100.0	100.0	3	100.0	0	0.0
	Percentage of Total Farms:			98.6		1.4		0.0
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN COLUMBUS, IN MSA
#18020**

LENDING TEST

Salin Bank and Trust Company's lending performance in the assessment area is consistent with the bank's lending performance overall. Please note, the bank did not originate any small business loans in this assessment area during the evaluation period.

Geographic Distribution of Loans

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Columbus, IN MSA 18020								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2014			2014			
		Count		Agg	Dollar		Agg	
		Bank			Bank			
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	7.8	0	0.0	4.5	9.6
	Middle	6	100.0	66.1	643	100.0	57.1	71.1
	Upper	0	0.0	26.1	0	0.0	38.4	19.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		6	100.0	100.0	643	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	3	27.3	6.4	219	17.7	3.2	9.6
	Middle	7	63.6	69.4	859	69.5	60.6	71.1
	Upper	1	9.1	24.2	158	12.8	36.2	19.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		11	100.0	100.0	1,236	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	9.8	0	0.0	5.7	9.6
	Middle	0	0.0	60.7	0	0.0	54.3	71.1
	Upper	0	0.0	29.5	0	0.0	40.0	19.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	100.0	0	0.0	100.0	31.0
	Middle	0	0.0	0.0	0	0.0	0.0	49.3
	Upper	0	0.0	0.0	0	0.0	0.0	19.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	3	17.6	7.8	219	11.7	10.4	9.6
	Middle	13	76.5	66.6	1,502	79.9	54.3	71.1
	Upper	1	5.9	25.7	158	8.4	35.3	19.3
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total		17	100.0	100.0	1,879	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Lending to Borrowers of Different Income Levels

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Columbus, IN MSA 18020								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2014			Dollar			
		Count		Agg	Bank		Agg	
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	2	33.3	9.9	155	24.1	5.4	18.6
	Moderate	1	16.7	21.2	88	13.7	14.6	19.3
	Middle	1	16.7	20.9	158	24.6	20.1	23.5
	Upper	2	33.3	33.8	242	37.6	48.6	38.6
	Unknown	0	0.0	14.3	0	0.0	11.4	0.0
	Total		6	100.0	100.0	643	100.0	100.0
Refinance	Low	2	18.2	10.5	147	11.9	6.1	18.6
	Moderate	1	9.1	19.6	158	12.8	12.8	19.3
	Middle	4	36.4	19.9	324	26.2	16.9	23.5
	Upper	3	27.3	33.9	520	42.1	46.9	38.6
	Unknown	1	9.1	16.0	87	7.0	17.3	0.0
	Total		11	100.0	100.0	1,236	100.0	100.0
Home Improvement	Low	0	0.0	13.1	0	0.0	7.6	18.6
	Moderate	0	0.0	15.3	0	0.0	6.4	19.3
	Middle	0	0.0	28.4	0	0.0	24.7	23.5
	Upper	0	0.0	42.6	0	0.0	60.9	38.6
	Unknown	0	0.0	0.5	0	0.0	0.5	0.0
	Total		0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	0.0	0	0.0	0.0	19.3
	Middle	0	0.0	0.0	0	0.0	0.0	23.5
	Upper	0	0.0	0.0	0	0.0	0.0	38.6
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total		0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	4	23.5	10.3	302	16.1	5.3	18.6
	Moderate	2	11.8	20.2	246	13.1	12.9	19.3
	Middle	5	29.4	21.1	482	25.7	18.0	23.5
	Upper	5	29.4	34.4	762	40.6	45.3	38.6
	Unknown	1	5.9	14.0	87	4.6	18.6	0.0
	Total		17	100.0	100.0	1,879	100.0	100.0
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

COMMUNITY DEVELOPMENT TEST

Salin Bank and Trust Company's community development performance in the assessment area is below the bank's community development performance overall; however, it does not change the overall rating.

Community Development Lending

Community Development Loans October 29, 2012 – February 1, 2016											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Columbus	1	200	0	0	0	0	0	0	1	200	0.7

Community Development Investments

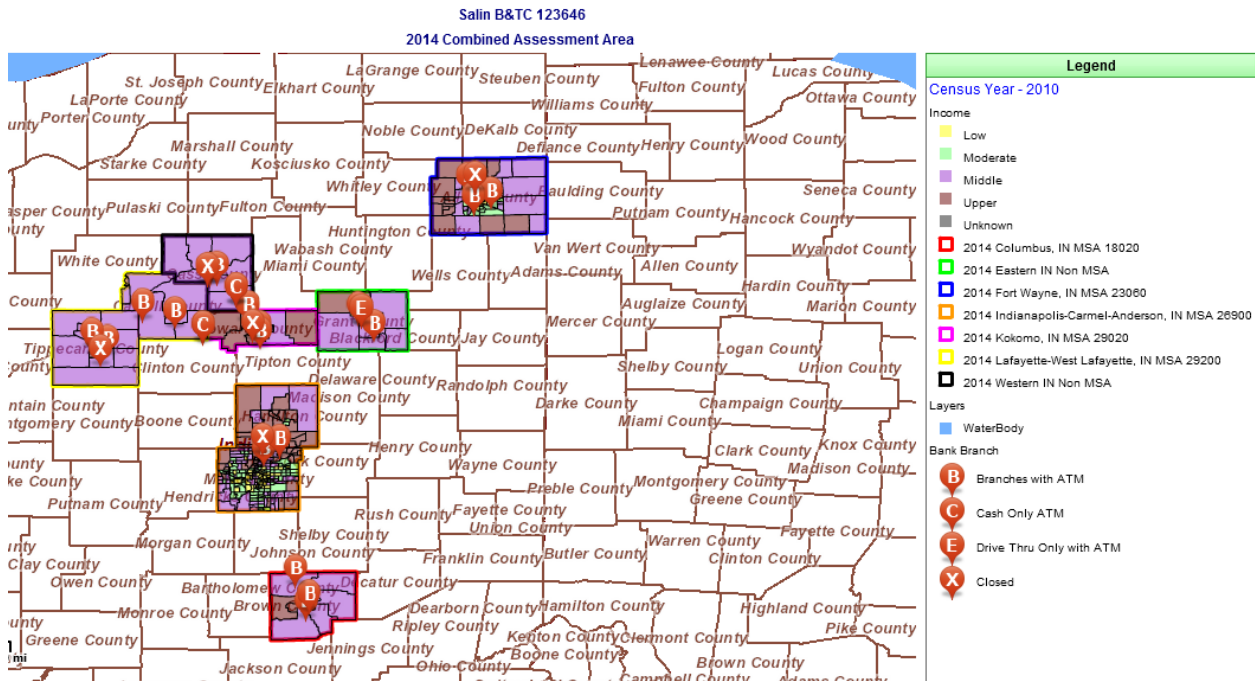
Qualified Investments October 29, 2012 – February 1, 2016									
Assessment Area Name	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Affordable Housing	6	711	1	116	7	828	100.0	0	0
Economic Development	0	0	0	0	0	0	0	0	0
Revitalization and Stabilization	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	0	0	0	0	0
Total	6	711	1	116	7	828	100.	0	0

During the review period, Salin Bank and Trust made 30 donations totaling \$34,747 to organizations whose missions and activities support community development purposes in the Columbus assessment area.

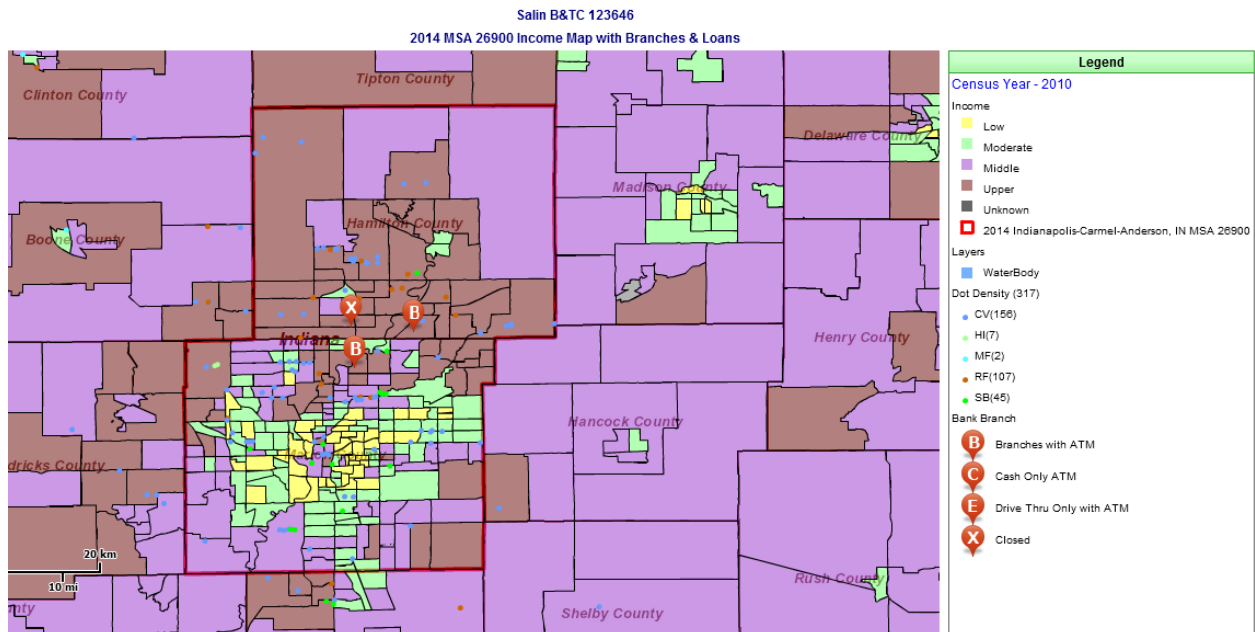
Community Development Services

Community Development Services October 29, 2012 – February 1, 2016										
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Columbus	6	15	0	0	0	0	2	2	8	17

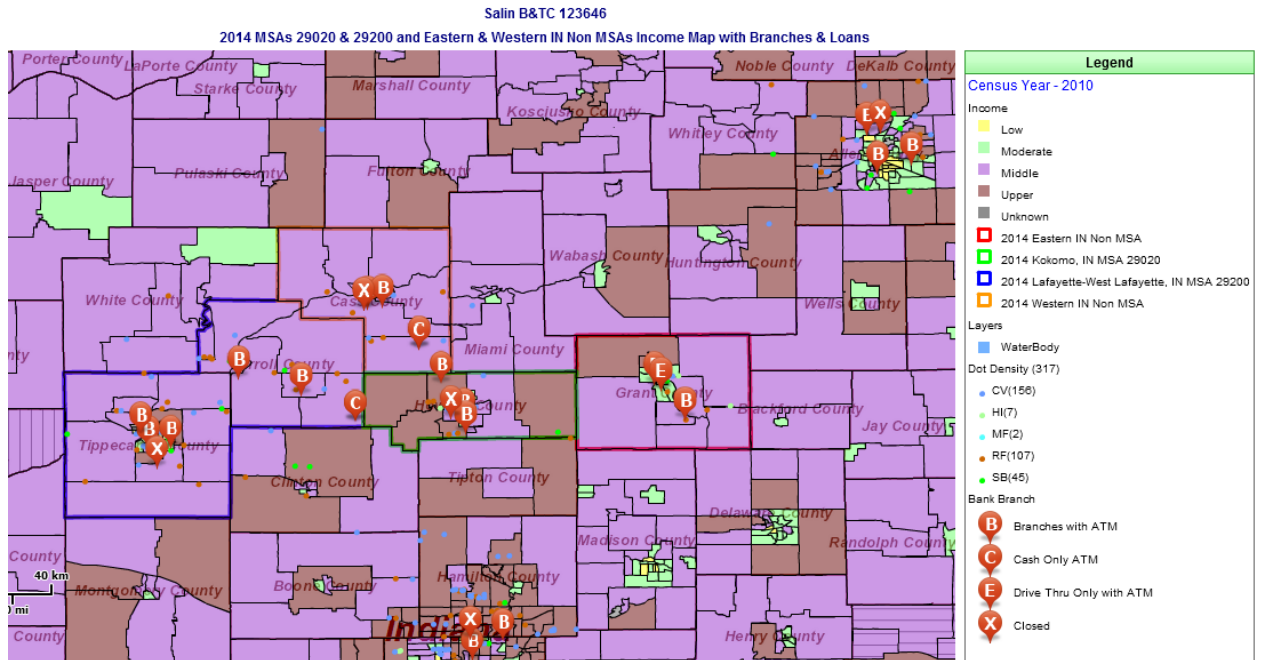
APPENDIX A – Maps of Assessment Areas



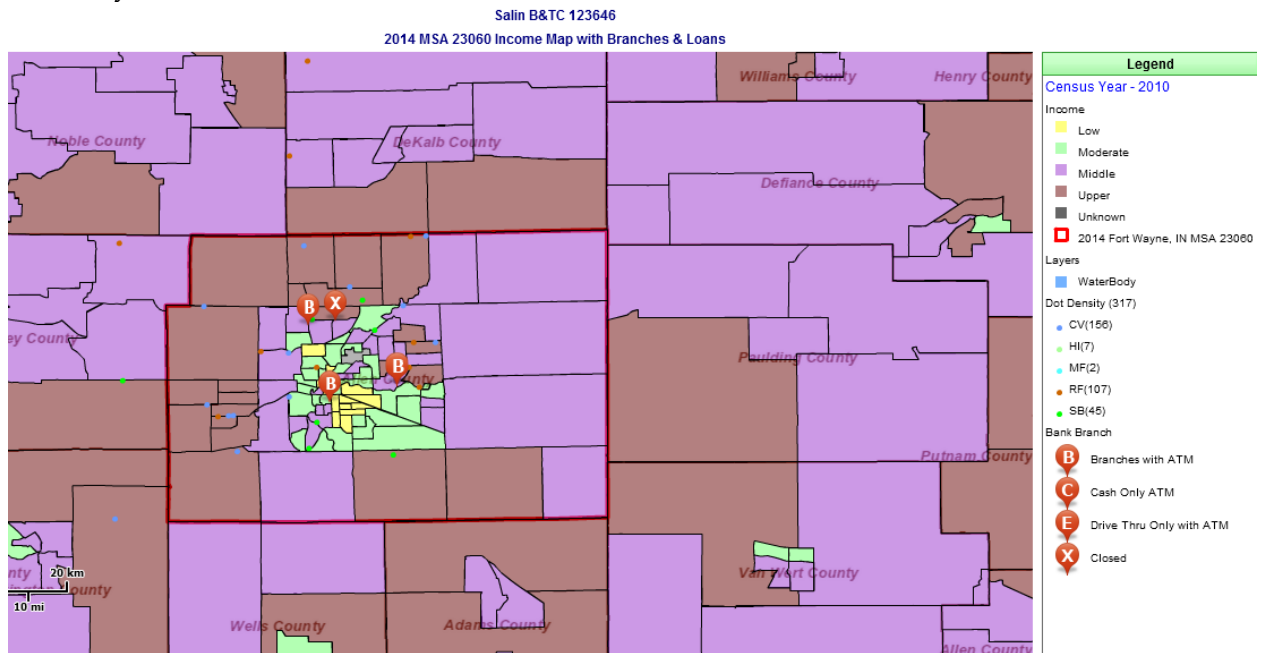
Indianapolis-Carmel-Anderson, IN MSA #26900



Lafayette-West Lafayette, IN MSA # 29200 and Indiana Non-MSA #99999 and Kokomo, IN MSA #29020

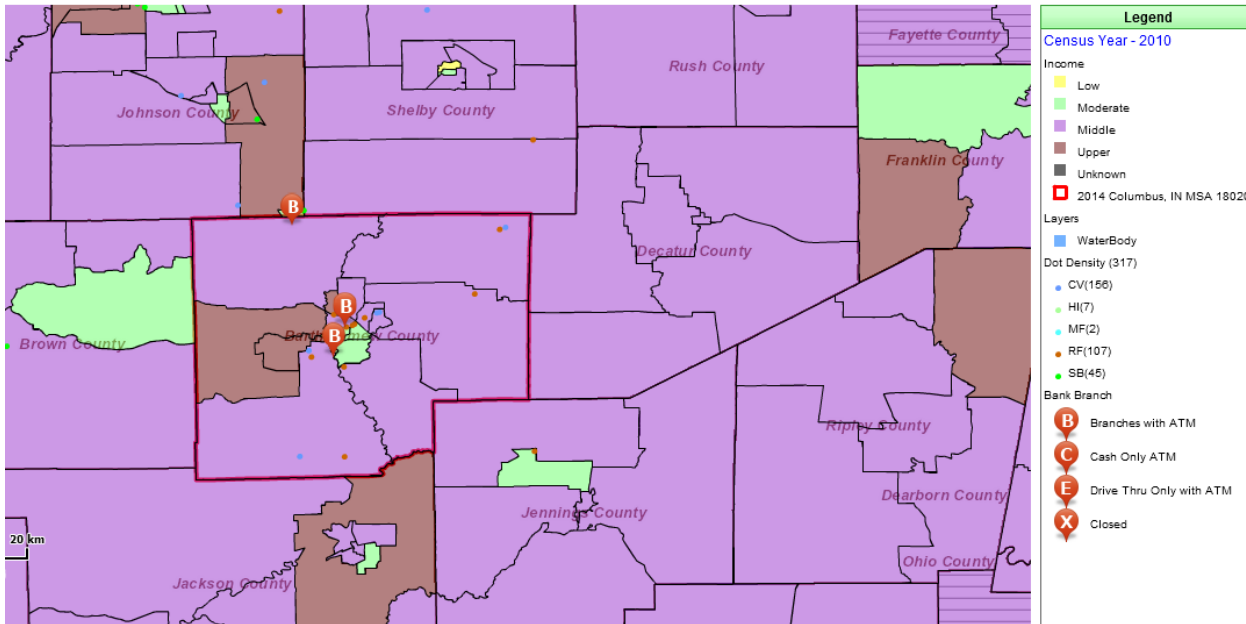


Fort Wayne, IN MSA #23060



Columbus, IN MSA #18020

Salin B&TC 123646
2014 MSA 18020 Income Map with Branches & Loans



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		Lending Test – January 1, 2014 through December 31, 2014 Community Development Test – October 29, 2012 through February 1, 2016	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Salin Bank and Trust Company			HMDA-reportable Small Business Community Development
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	None		None
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Indiana MSA 26900 – Indianapolis-Carmel-Anderson, IN MSA 29200 – Lafayette-West Lafayette, IN Indiana Non-MSA MSA 23060 – Fort Wayne, IN MSA 29020 – Kokomo, IN MSA 18020 – Columbus, IN	Full Scope Review Full Scope Review Full Scope Review Limited Scope Review Limited Scope Review Limited Scope Review	Kokomo 2825 S Washington St. Kokomo, IN	None

APPENDIX C - Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

Census tract: Small subdivisions 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. They 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.

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income

families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Geography: A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home mortgage loans: Include 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 refinancing 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.

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 lenders in the MSA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: 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. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area (MMSA). Performance within

each MMSA is analyzed separately as a full-scope review and receives its own ratings under the Lending, Investment and Service Tests provided the financial institution has its main office, branch, or deposit-taking ATM located in each applicable state making up the MMSA.

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.

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.

Small loans to business: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, 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.