

PUBLIC DISCLOSURE

March 28, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Geneva
RSSD# 590949

215 East Line Street
Geneva, Indiana 46740

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 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.

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BANK'S CRA RATING

Bank of Geneva is rated Outstanding.

Bank of Geneva (the bank) meets the credit needs of its community in a manner consistent with its asset size, location, and the current economic conditions of its assessment area. The bank meets community credit needs primarily through the origination of residential and agricultural loans. The bank's loan-to-deposit ratio is considered more than reasonable; a majority of the bank's home mortgage and small farm loans were originated within the assessment area; the geographic distribution of loans reflects a reasonable dispersion throughout the bank's assessment area; and the bank's distribution of loans throughout its assessment area demonstrates excellent penetration among individuals of different income levels (including low- and moderate-income individuals) and farms of different sizes. Neither the bank nor this Reserve Bank has received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation. The bank's community development activity further enhances credit availability in the assessment area in such a way to warrant an Outstanding rating.

SCOPE OF EXAMINATION

Bank of Geneva's performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Interagency CRA Procedures for Small Banks. The bank's CRA performance was evaluated in the context of information about the institution and its assessment area, such as asset size, financial condition, competition, and economic and demographic characteristics. Performance in the assessment area was evaluated using the streamlined assessment method for small banks based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 16- quarter average loan-to-deposit ratio was calculated from December 31, 2011 to September 30, 2015 for the bank and compared to its national peer and a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank's home mortgage and small farm loans originated from April 1, 2015 through September 30, 2015 were reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** - The bank's home mortgage and small farm loans originated in the assessment area from April 1, 2015 through September 30, 2015 were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as moderate-income.

- ***Lending to Borrowers of Different Income and to Farms of Different Sizes*** - The bank's home mortgage and small farm loans originated in the assessment area, from April 1, 2015 through September 30, 2015 were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to farms with different revenue sizes.
- ***Response to Substantiated Complaints*** – Neither the Bank of Geneva nor this Reserve Bank received any CRA-related complaints since the previous evaluation.
- ***Loans, Investments, and Services*** – Community development activities from November 29, 2010 to March 28, 2016 were reviewed to assess the enhancement of credit availability in the assessment area sufficiently to warrant and overall rating of Outstanding.

DESCRIPTION OF INSTITUTION

Bank of Geneva is a wholly-owned subsidiary of Limberlost Bancshares Incorporated, a one-bank holding company headquartered in Geneva, Indiana. The bank's main office is located at 215 East Line Street, in Geneva, Indiana. Bank of Geneva is an intrastate bank, operating entirely within the State of Indiana. In addition to the main office, the bank operates four branches located in Monroe, Portland, Berne, and Decatur, Indiana. The bank closed two stand-alone, cash- only, automated teller machines (ATM's) at EP Graphics (moderate-income census tract) and Red Gold facilities (middle-income census tract).

The bank provides 24-hour, full service ATM's at each of its five locations, of which four are equipped with drive-up service windows. Bank of Geneva offers a variety of loans ranging in complexity from fixed and variable rate residential real estate loans, agricultural real estate loans, commercial real estate loans, commercial lines of credit, and auto loans. The bank's deposit products include, regular checking, Negotiable Order of Withdrawal (NOW) checking, Money Market savings accounts, and Individual Retirement Account (IRA) accounts. Bank of Geneva offers mobile and online banking. The bank's website is located at www.bankofgeneva.com and features bill pay and bank transfer services. Customers cannot apply online for loans or deposit products; however, all bank products and services are available in person, via mail, or by phone. Additionally, designated bank personnel will travel to deliver loan applications, disclosures, and loan proceeds based on the personalized need of the customer.

According to the Uniform Bank Performance Report (UBPR), Bank of Geneva's assets totaled \$224.1 million, as of December 31, 2015. The bank's loan portfolio is distributed amongst agricultural (52.8 percent), residential real estate (30.6 percent), commercial (15.0 percent), and consumer loans (1.7 percent). The following table shows the bank's loan portfolio composition, as of December 31, 2015.

Loan Portfolio Composition As of December 31, 2015 (\$ are in 000s)		
Loan Category	\$	%
Residential Real Estate	62,282	30.6
Commercial	30,584	15.0
Agriculture	107,495	52.8
Consumer	3,546	1.7
Other	318	0.2
Total Loans	204,225	100.0

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

The bank was rated Outstanding under the CRA at its previous evaluation conducted on November 29, 2010.

DESCRIPTION OF ASSESSMENT AREA

Bank of Geneva maintains one non-Metropolitan Statistical Area (MSA) assessment area in the State of Indiana, consisting of Adams and Jay counties in their entirety and has remained unchanged since the previous evaluation. The assessment area is located in the rural eastern portion of the State of Indiana and borders the State of Ohio. Each county includes seven census tracts for a combined total of 14 tracts. There are no low-income census tracts in the bank's assessment area; however, three census tracts are moderate-income. Specifically, Adams County includes one moderate-income census tract, and Jay County includes two moderate-income census tracts. Nine census tracts are middle-income, and the remaining two census tracts are upper-income. Although Jay County was designated as distressed during the previous evaluation, none of the 14 census tracts located in the bank's assessment area are currently considered to be distressed or underserved. According to 2010 Census data, the assessment area's population is 55,640 and comprised of 22,215 total households.

Bank of Geneva maintains four offices in Adams County and one office in Jay County. Adams County is served by the main office (Geneva) and three branches in Decatur, Monroe, and Berne, Indiana. Jay County is served by the Portland branch. The Berne and Portland branches are located in moderate-income census tracts, while the remaining branches are located in middle-income census tracts.

According to the June 30, 2015 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranked third with 20.4 percent of market share out of eight deposit taking institutions. The top two institutions by market share are First Bank of Berne and First Merchants

Bank National Association with 34.3 percent and 24.6 percent of the market, respectively. Select demographics of the assessment area are presented in the following table.

Assessment Area: 2015 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	2,718	18.6
Moderate-income	3	21.4	2,314	15.8	389	16.8	3,105	21.2
Middle-income	9	64.3	10,098	68.9	1,096	10.9	3,416	23.3
Upper-income	2	14.3	2,237	15.3	137	6.1	5,410	36.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	14	100.0	14,649	100.0	1,622	11.1	14,649	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	3,782	2,227	13.8	58.9	1,209	32.0	346	9.1
Middle-income	15,359	11,212	69.5	73.0	2,923	19.0	1,224	8.0
Upper-income	3,074	2,697	16.7	87.7	263	8.6	114	3.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	22,215	16,136	100.0	72.6	4,395	19.8	1,684	7.6
	Total Businesses 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
Moderate-income	429	392	19.4	19.2	34	23.8	3	11.5
Middle-income	1,455	1,336	65.9	65.6	98	68.5	21	80.8
Upper-income	323	310	14.6	15.2	11	7.7	2	7.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	2,207	2,038	100.0	100.0	143	100.0	26	100.0
	Percentage of Total Businesses:			92.3		6.5		1.2
	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
Moderate-income	7	6	1.5	1.3	1	33.3	0	0.0
Middle-income	333	331	73.3	73.4	2	66.7	0	0.0
Upper-income	114	114	25.1	25.3	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	454	451	100.0	100.0	3	100.0	0	0.0
	Percentage of Total Farms:			99.3		0.7		0.0
2015 FFIEC Census Data & 2015 Dun & Bradstreet information according to 2010 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Population Characteristics

Population growth within the bank’s assessment area has remained relatively stable. As presented in the table below, Adams County experienced moderate population growth of 2.3 percent. Jay County declined in population by 2.5 percent, primarily, due to a decline in natural population, given an aging population. The State of Indiana is growing significantly faster than the bank’s assessment area at a rate of 6.6 percent. Overall, the combined total population of the bank’s assessment area remains relatively unchanged since 2000.

Population Change 2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Adams County, IN	33,625	34,387	2.3
Jay County, IN	21,806	21,253	-2.5
State of Indiana	6,080,485	6,483,802	6.6

*Source: 2000—U.S. Census Bureau: Decennial Census
2010—U.S. Census Bureau: Annual Population Estimates OR 2010—U.S. Census Bureau: Decennial Census*

Income Characteristics

The following table illustrates 13.6 and 14.5 percent increases in the median family income of Adams and Jay counties, respectively. The income growth rates for both counties in the assessment area are slightly below that of the State median. Specifically, the 2010 median family income for Adams County increased by \$6,357 and by \$6,076 in Jay County. The State of Indiana increased in median family income by \$8,683, representing a 17.3 percent change.

Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income	2006-2010 Median Family Income	Percentage Change
Adams County, IN	46,749	53,106	13.6
Jay County, IN	41,850	47,926	14.5
State of Indiana	50,261	58,944	17.3

*Source: 2000—U.S. Census Bureau: Decennial Census
2006-2010—U.S. Census Bureau: American Community Survey*

Bankruptcy Characteristics

The personal bankruptcy filing rate per thousand people for Adams and Jay counties, as well as for Indiana, has consistently declined. Specifically, the Administrative Office of the U.S. Courts reported downward trends between 2011 and 2014 in all three areas. The personal bankruptcy

filing rate fell from 4.0 per thousand to 2.5 in Adams County, from 5.2 to 3.7 in Jay County, and 6.0 to 4.4 in the State of Indiana. All areas decreased by similar amounts across the time period, indicating similar improved personal financial situations for residents in the assessment area, as well as in the State of Indiana.

Personal Bankruptcy Filing Rate (per 1,000 population)				
Area	2011	2012	2013	2014
Adams County, IN	4.0	3.5	3.4	2.5
Jay County, IN	5.2	5.2	4.2	3.7
State of Indiana	6.0	5.5	5.1	4.4

Housing Characteristics

According to the 2010 U.S. Census data, the assessment area’s 22,215 housing units are 72.6 percent owner-occupied, 19.8 percent rental, and 7.6 percent vacant units. The median age of housing stock in the assessment area is 50 years. The median housing value in the assessment area is \$99,106.

The table below compares Adams and Jay counties to the State of Indiana’s housing costs. The median housing value increased in Adams County by 28.7 percent from 2000 to 2010, while Jay County experienced an increase of 23.0 percent. The median housing value increased by 33.0 percent in the State of Indiana over the same time period. Median gross rents also increased from 2000 to 2010. The median gross rent for Adams County increased by 43.5 percent over the time period. This increase is significantly higher than the percent change experienced by Jay County and the State of Indiana at 27.9 and 31.1 percent, respectively, and indicates rent increases that negatively impact Adams County residents in need of affordable rental units.

Trends in Housing Costs 2000 and 2010					
Location	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent	2006-2010 Affordability Ratio
Assessment Area	78,917	99,106	391	542	0.42
Adams County, IN	86,800	111,700	393	564	0.39
Jay County, IN	66,100	81,300	387	495	0.49
State of Indiana	92,500	123,000	521	683	0.39

Source: 2000—U.S. Census Bureau: Decennial Census
2006-2010—U.S. Census Bureau: American Community Survey

A review of housing affordability ratios in 2000 and 2010 were used to measure the ability to purchase a home based on the population's income. The affordability ratio is calculated by dividing the median household income by median housing value for a given geography. An area with a high ratio generally has more affordable housing than an area with a low ratio. As indicated in the table above, housing is more affordable in Jay County when compared to Adams County and the State of Indiana. Affordability ratios in all areas have fallen since 2000, when Adams County had a ratio of 0.47, compared to 0.39 between 2006 and 2010. At the same time, the affordability ratio in Jay County fell from 0.54 to 0.49, and the State ratio fell from 0.45 to 0.39. The decrease in housing affordability signals a need to preserve affordable housing options and rental assistance throughout the assessment area, as noted by community representatives in Adams County. Further, the representative indicated that many of the affordable housing properties located in the area are in need of maintenance or repair.

Foreclosure Trends

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure and excludes properties that have completed the foreclosure cycle. In 2014, Adams County had an average foreclosure inventory rate of 1.6 percent, Jay County had an average rate of 2.8 percent, and the State of Indiana had an average foreclosure inventory rate of 2.0 percent. These figures suggest that Jay County's residential properties that are in some phase of foreclosure are recovering more slowly than Adams County and the rest of the State. All area foreclosure inventory rates are down from 2013 averages when Adams County had an average rate of 2.9 percent, Jay County averaged 3.2 percent, and the State of Indiana had an average rate of 2.9 percent.

Housing Permits

Housing permit data was used as an economic indicator to illustrate the demand for new housing and the anticipated strength of the construction sector. Total single family housing permits in Adams County represent a 12.5 percent growth from 2013 to 2014. Jay County experienced a 5.0 percent decrease over the same time period. Housing permit growth slowed in the State of Indiana to 0.6 percent in 2014, indicating relative stability in new housing in the State from 2013 to 2014.

Total Single Family Housing Permit Growth						
Area	2012		2013		2014	
	Number of Housing Permits	Year Over Year Growth	Number of Housing Permits	Year Over Year Growth	Number of Housing Permits	Year Over Year Growth
Assessment Area	N/A	N/A	N/A	N/A	N/A	N/A
Adams County, IN	48	26.3	56	16.7	63	12.5
Jay County, IN	17	30.8	20	17.6	19	-5.0
State of Indiana	10,112	8.5	12,065	19.3	12,140	0.6

Source: U.S. Census Bureau –Annual Building Permits Survey

Employment Conditions

Employment conditions in the bank’s assessment area are improving. The following table illustrates that unemployment rates for Adams and Jay counties have declined considerably from 2011 to 2014. Combined, the counties averaged an unemployment rate of 5.3 percent in 2014, compared to the State’s unemployment rate of 6.0 percent. According to a community representative, Jay County has been recovering steadily since the recession. The representative points to economic indicators such as an increase in employment and the growing access to capital for start-up businesses.

Unemployment Rates				
Region	2011	2012	2013	2014
Adams County, IN	8.4	7.8	6.6	4.7
Jay County, IN	8.2	7.3	6.9	5.8
State of Indiana	9.0	8.4	7.5	6.0

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

The following table lists the largest employers in the assessment area by number of employees. The industries supplying the major employment opportunities in the assessment area include manufacturers, wholesalers, retailers, and hospitals. According to the Department of Labor’s Worker Adjustment and Retraining Notification (WARN) report for 2010 to 2014, the following companies have recently closed or experienced layoffs: Camryn Industries affecting 250 employees; Ruan Transport Corporation affecting 58 employees; Ficosa North America Corporation affecting approximately 312 employees, Blissfield Manufacturing Company affecting 61 employees, and Hartzell Air Movement affecting 44 employees.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
FCC Indiana	700	Clutches-Manufacturers
Thunderbird Products	619	Boats-Manufacturers
Tyson Foods Incorporated	418	Food Products & Manufacturers
Goldshield Fiberglass Incorporated	350	Fiber Glass Products (Wholesale)
Ardagh Group	350	Glass Containers (Manufacturing)
Swiss Village Retirement Community	325	Retirement Communities & Homes
Formula Boats	325	Boat Dealers Sales & Service
Red Gold Inc.	300	Sauces (Mfrs)
Adams Memorial Hospital	300	Hospitals
Woodcrest Of Decatur	250	Retirement Communities & Homes

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

Community Contacts

Information was obtained from two community representatives representing affordable housing and economic development organizations within the bank's assessment area. One representative noted that employment opportunities, wages, and access to capital are increasing in the area, while both acknowledged the need for more affordable housing. The community representatives' views on affordable housing are supported by the decline in affordability ratios within the bank's assessment area and the State.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Bank of Geneva's performance relative to the lending test is rated Satisfactory based on an evaluation of its loan-to-deposit ratio, level of lending inside the assessment area, geographic distribution; and distribution of loans among borrowers of different income levels and farms of different sizes within the assessment area.

Loan-to-Deposit Ratio

Bank of Geneva's average loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. As of September 30, 2015, the bank's 16-quarter average LTD ratio is 111.4 percent, compared to its national peer group average of 71.0 percent. Further, the bank's LTD ratio is substantially higher than its competitors with reasonable LTD ratios. The bank indicated its high LTD ratio is the result of a business strategy to intentionally focus on loan growth.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	16 – Quarter Average
Bank of Geneva	111.4%
National Peer Group 5	71.0%
Competitors	
Citizens State Bank New Castle	54.7%
Fifth Third Bank	89.5%
First Bank of Berne	102.4%
First Monarch Bank, NA	84.7%
Wells Fargo Bank, NA	73.4%
*National Peer Group 5 includes all insured commercial banks having assets between \$100 million and \$300 million, with 3 or more full service banking offices and not located in a metropolitan statistical area.	

Assessment Area Concentration

A majority (69.0 percent) of the bank’s loans by number were originated within the bank’s delineated assessment area. Of the two product categories considered in the analysis, 76.7 percent by number of the bank’s home mortgage loans and 61.1 percent by number of small farm loans were originated within the bank’s assessment area. These lending concentrations within the assessment area, across product lines, indicate that the bank is generally attuned to the credit needs of its community and addresses the majority of available lending opportunities.

Lending Inside and Outside the Assessment Area												
Loan Types	Inside				Outside				Total			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Mortgage Loans	56	76.7	6,145	75.2	17	23.3	2,025	24.28	73	100.0	8,170	100
Small Farm Loans	44	61.1	5,414	64.2	28	38.9	3,106	35.8	72	100.0	8,430	100
Total loans	100	69.0	11559	69.6	45	31.0	5041	30.4	145	100.0	16,600	100.0

Geographic Distribution of Loans

Bank of Geneva’s geographic distribution of loans reflects reasonable dispersion throughout the assessment area, given the demographics and credit needs of the area.

Home Mortgage Loans

The bank's loan activity reflects a reasonable dispersion of home mortgage loans throughout the assessment area. During the review period from April 1, 2015 to September 30, 2015, the bank originated 56 home mortgages, totaling over \$6.1 million. Specifically, 82.1 percent by number of the bank's total home mortgage loans were made to borrowers located in middle-income census tracts, which exceeds the percentage of middle-income tracts in the assessment area at 64.3 percent and owner-occupied units (69.5 percent) located in middle-income census tracts. The bank originated 8.9 percent by number of home mortgage loans in moderate-income census tracts. The bank's assessment area consists of three moderate-income census tracts, which constitute 21.4 percent of census tracts in the assessment area, and 13.8 percent of total owner-occupied housing; thus, dispersion of home mortgage loans throughout the assessment area is reasonable. Additionally, the bank made home mortgage loans in each of the 14 census tracts within its assessment area.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: 2015 IN Non MSA					
Tract Income Levels	Bank & Demographic Comparison				Owner Occupied % of Units
	2015				
	Count Bank		Dollar Bank		
	#	%	\$ (000s)	\$ %	
Low	0	0.0	0	0.0	0.0
Moderate	5	8.9	246	4.0	13.8
Middle	46	82.1	5,200	84.6	69.5
Upper	5	8.9	700	11.4	16.7
Unknown	0	0.0	0	0.0	0.0
Totals	56	100.0	6,146	100.0	100.0

2015 FFIEC Census Data
Note: Percentages may not add to 100.0 percent due to rounding

Small Farm Loans

The bank's lending activity demonstrates reasonable dispersion of small farm loans throughout the assessment area. During the review period, from April 1, 2015 to September 30, 2015, the bank originated 44 small farm loans totaling more than \$5.4 million. Of these loans, the bank originated 90.9 percent by number to farms located in middle-income census tracts, representing 89.5 percent by dollar volume. The remaining 9.1 percent were made to small farms located in upper-income census tracts, representing 10.5 percent by dollar volume. Lending opportunities are limited in moderate-income census tracts due to a lack of small farms located in these areas; only 1.5 percent of assessment area farms are located in moderate-income census tracts. As a result, the geographic distribution of small farm lending reflects reasonable dispersion throughout the assessment area.

Geographic Distribution of Small Farm Loans						
Assessment Area: 2015 IN Non MSA						
Tract Income Levels		Bank & Demographic Comparison				
		Count Bank		2015		Total Farms
				Dollar Bank		
#	%	\$ 000s	\$ %	%		
Small Farm	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	1.5
	Middle	40	90.9	4,846	89.5	73.3
	Upper	4	9.1	568	10.5	25.1
	Unknown	0	0.0	0	0.0	0.0
	Total	44	100.0	5,414	100.0	100.0

2015 FFIEC Census Data & 2015 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 Farms of Different Sizes

Bank of Geneva’s distribution of loans reflects excellent penetration among individuals of different income designations, including low-and-moderate income borrowers, and farms of different sizes.

Home Mortgage Loans

Bank of Geneva’s home mortgage lending reflects excellent penetration among low-and moderate-income borrowers. During the review period, from April 1, 2015 to September 30, 2015, the bank originated 35.7 percent by number of its total home mortgage loans to low-income borrowers. This figure represents 26.9 percent of the bank’s loans by dollar volume. The bank originated 21.4 percent by number of its total home loans to moderate-income borrowers, representing 22.6 percent by dollar volume. Overall, the bank’s performance significantly exceeds the percentage of low -and moderate- income families in the assessment area at 18.6 percent and 21.2 percent, respectively.

Borrower Distribution of Home Mortgage Loans						
Assessment Area: 2015 IN Non MSA						
	Borrower Income Levels	Bank & Demographic Comparison 2015				Families by Family Income %
		Count		Dollar		
		#	%	\$ (000s)	\$ %	
Totals	Low	20	35.7	1,656	26.9	18.6
	Moderate	12	21.4	1,386	22.6	21.2
	Middle	13	23.2	1,345	21.9	23.3
	Upper	11	19.6	1,758	28.6	36.9
	Unknown	0	0.0	0	0.0	0.0
	Total	56	100.0	6,145	100.0	100.0
2015 FFIEC Census Data						
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>						

Small Farm Loans

Bank of Geneva’s lending reflects reasonable penetration among small farms with revenues of \$1 million or less. During the review period, 99.3 percent of total farms in the bank’s assessment area reported revenues of \$1 million or less. Similarly, the bank originated 97.7 percent of its loans, by number, to farms with revenues equal to \$1 million or less. This amount represents 99.5 percent by dollar volume. The bank’s performance is consistent with the presence of small farms in the assessment area. Small farms typically seek smaller loan amounts than large farms. As a result, a higher percent of originated loans at \$100,000 or less is considered indicative of meeting the credit needs of small farms. The bank originated 65.1 percent of its loans to farms with revenues of \$1 million or less in loan amounts of \$100,000 or less.

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2015 IN Non MSA							
Product Type		Bank & Demographic Comparison					
		2015		2015		Total Farms	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %	%	
Small Farm	Revenue	\$1 Million or Less	43	97.7	5,387	99.5	99.3
		Over \$1 Million or Unknown	1	2.3	27	0.5	0.7
		Total	44	100.0	5,414	100.0	100.0
	Loan Size	\$100,000 or Less	29	65.9	862	15.9	
		\$100,001 - \$250,000	6	13.6	1,127	20.8	
		\$250,001 - \$500,000	9	20.5	3,426	63.3	
		Total	44	100.0	5,415	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	28	65.1	834	15.5	
		\$100,001 - \$250,000	6	14.0	1,127	20.9	
		\$250,001 - \$500,000	9	20.9	3,426	63.6	
		Total	43	100.0	5,387	100.0	
	Originations & Purchases						
2015 FFIEC Census Data & 2015 Dun & Bradstreet information according to 2010 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

Response to Complaints

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

Community Development Activities

Bank of Geneva is subject to the streamlined assessment method for small banks and therefore not required to collect community development lending, qualified investments, and community development services for reporting purposes. However, the bank is commended for its performance in providing services and delivery systems that enhance credit availability in the bank's assessment area. In providing this activity, the bank meets the performance criteria for an Outstanding rating.

Community Development Lending

Bank of Geneva's community development lending within the assessment area demonstrates excellent responsiveness to community development needs by generating loans designed to help community residents generate income on their farms. During the evaluation period, the bank originated 10 community development loans inside the assessment area totaling almost \$3.6 million and one loan outside the assessment area for \$227,257. Specifically, the bank worked with local livestock production integrators to enhance agricultural based economic development and to

promote local employment opportunities. From 2011 through 2015, the bank financed nine veal production facilities totaling more than \$2.0 million. These loans provide ongoing income sources for low- and moderate-income farmers who would otherwise travel hundreds of miles for work opportunities. Additionally, the bank financed two egg innovation barns totaling \$1.7 million that also generated needed income for local low- and moderate- income farmers. During the previous evaluation, the bank originated 12 agricultural loans for \$2.9 million.

Community Development Investments

The investment record enhances credit availability in the bank's assessment area. Bank of Geneva made qualified grants and in-kind donations of \$175,231 within the assessment area and \$16,181 outside the assessment area to more than 60 organizations during the review period. The vast majority of donations were made for community service purposes to schools of low-and moderate-income families in the assessment area. Two notable and particularly responsive donations were made in support of Geneva Proud, totaling \$31,381, in efforts to revitalize depressed housing and to assist low- to moderate-income individuals.

Community Development Services

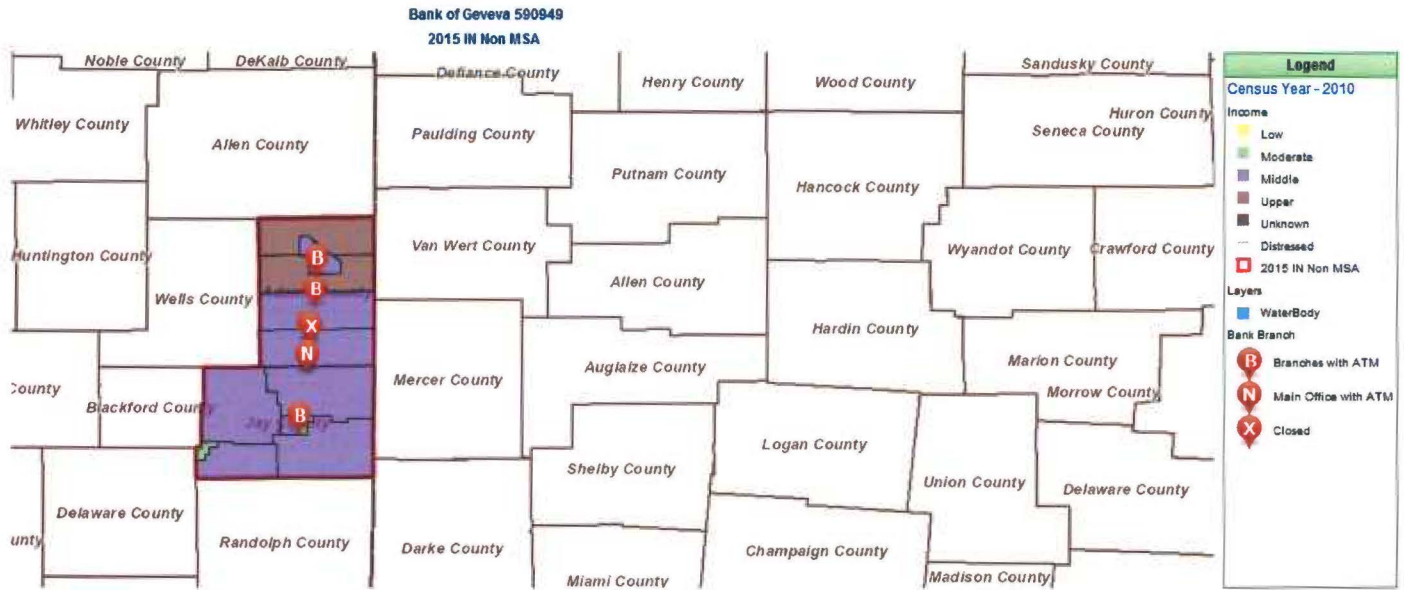
Bank of Geneva's record of providing retail banking services enhances credit availability in the assessment area. To better serve its assessment area and meet the needs of all members of the community, the bank has authorized personnel to travel to borrowers and conduct various aspects of the lending process. In 2015, loan officers logged a total of 5,944 miles to accommodate the banking needs of the community, representing average annual mileage rates. The borrowers that utilized this service were low-and moderate- income individuals unable to take time away from work to visit a branch.

During the review period, the bank provided a total of 43 hours at local schools serving low-and moderate- income individuals in the assessment area. The bank provides educational programs designed to teach school aged children general banking and money management skills, such as starting checking and savings accounts, writing checks, and balancing checkbooks. Many of the schools that received the bank's financial literacy services provide education up to the eighth grade level. Upon completing the eighth grade, students enter the community to learn farming, homemaking, and other trades.

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.

APPENDIX A – Map of Assessment Area



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Home Mortgage and Small Farm Loans: April 1, 2015 through September 30, 2015 Community Development Activity: November 29, 2010 through March 28, 2016		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Bank of Geneva			In-House Residential Real Estate Agricultural (Small Farms) Community Development Activity
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None			
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Indiana Non-MSA	Full scope	N/A	

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.