

PUBLIC DISCLOSURE

October 24, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Indiana Bank & Trust Company
RSSD# 832470

501 Washington Street
Columbus, Indiana 47201

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.

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BANK RATING

Indiana Bank & Trust Company Overall CRA Rating: Satisfactory

Performance Test Rating Table

The following table indicates the performance level of Indiana Bank & Trust Company with respect to the lending, investment, and service test.

PERFORMANCE LEVELS	Indiana Bank and Trust Company		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Summary of major factors that support the rating

Lending Test:

- Adequate responsiveness to assessment area credit needs, taking into account the number and amount of home mortgage and small business loans originated in the assessment area;
- A substantial majority of home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) and small business loans reported under the Community Reinvestment Act (CRA) originated in the assessment area;
- An adequate geographic distribution of loans in the bank’s assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different sizes and revenue levels, given the product lines offered by the bank;
- An adequate level of community development loans; and
- Use of flexible lending programs in serving the assessment area credit needs.

Investment Test:

- An adequate level of qualified investments, donations, and grants, particularly those not routinely provided by private investors;
- Occasional use of innovative and/or complex investments to support community development initiatives; and
- Adequate responsiveness to credit and community development needs.

Service Test:

- Reasonably accessible delivery systems to essentially all portions of the assessment area;
- Record of opening and closing branches that has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals;
- Business hours and banking services that do not vary in a way that inconveniences the assessment area, especially low- and moderate-income individuals and geographies; and
- An adequate level of community development services in the assessment area.

DESCRIPTION OF BANK

Indiana Bank & Trust Company, (IBT) is a wholly-owned subsidiary of Indiana Community Bancorp, a one-bank holding company headquartered in Columbus, Indiana. The main banking office is headquartered at 501 Washington Street, Columbus, Indiana. IBT has 19 full-service branches and 15 automated teller machines (ATMs) located in nine counties in southern Indiana and parts of Indianapolis. The bank maintains two subsidiaries, Home Investments, Inc. and INCB, LLC. These entities are primarily involved in real estate and security investments.

IBT is a full-service bank specializing in real estate lending. Its three major product lines include conventional mortgage, commercial real estate, and construction and development loans. Conventional mortgage products include a variety of fixed, adjustable rate and home equity loans, as well as loan programs to assist low- and moderate-income individuals toward the purchase of a home. The bank offers a broad array of retail and commercial banking products and services. Retail deposit products include, but are not limited to, personal checking, savings, money market accounts, certificates of deposit, individual retirement accounts, and statement savings accounts. Commercial deposit products include on-line cash management accounts, small business checking accounts, business checking accounts, merchant processing, sweep accounts, and lock box services. The bank provides automobile loans, home improvement loans, commercial lines of credit, and construction-permanent financing.

According to the June 30, 2010 FDIC Summary of Deposit Market Share Report, Indiana Bank & Trust Co. reported \$884,853 million in deposits in the nine-county assessment area of southern Indiana. The bank had a 3.59 percent deposit market share for its entire assessment area of Bartholomew, Decatur, Jackson, Jefferson, Jennings, Marion, Ripley, Scott, and Washington Counties, ranking 7th out of 44 FDIC-insured financial institutions operating offices in the market.

Market share leaders in that area by deposit volume include JP Morgan Chase Bank, NA, PNC Bank, NA, Fifth Third Bank, Huntington National Bank, and M&I.

According to the Uniform Bank Performance Report (UBPR), the bank had \$1,038,725,000 in total assets as of June 30, 2011. The UBPR shows a steady increase in assets, 10.3 percent, since the reporting period, September 30, 2008, directly following the previous CRA evaluation. As illustrated in Table 1, the bank is primarily a commercial and 1-4 family residential real estate lender. A majority of outstanding loans, 81.4%, are secured by real estate.

Table 1			
Composition of Loan Portfolio as of June 30, 2011			
(000's)			
Category	Type	\$	%
Real Estate Secured	1-4 Family Residential Construction	8,666	1.2
	Other Construction and Land Development	96,852	13.2
	Farm Land	7,322	1.0
	1-4 Family – Revolving	63,704	8.6
	1-4 Family Residential Secured by First Liens	99,421	13.4
	1-4 Family Residential Secured by Junior Liens	28,449	3.9
	Multifamily	25,197	3.4
	Secured Owner Occupied Nonfarm, Nonresidential	115,408	15.7
	Secured by Other Nonfarm, Nonresidential	154,558	21.0
	Total Real Estate Loans	599,577	81.4
Agricultural	Agricultural Loans	29	0.0
Commercial	Commercial & Industrial Loans	125,055	17.0
Consumer	Loans to Individuals	10,530	1.4
Other	States and Other Political Subs in U.S.	583	0.1
	Other Non-consumer Loans	707	0.1
	Total Loans	736,481	100.0

Percentages may not add to 100.0 percent due to rounding.

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 satisfactory under the CRA at its previous evaluation conducted on August 4, 2008.

DESCRIPTION OF ASSESSMENT AREA

The bank designated four assessment areas. Detailed information about each of the four assessment areas such as demographics, population characteristics, income characteristics, housing characteristics, employment/unemployment conditions, and information from community representatives appears in the individual assessment area sections. IBT revised its assessment area slightly since the previous evaluation, with the addition of 18 geographies, to include all of Perry Township in Marion County, part of the Indianapolis-Carmel, Indiana MSA. None of the nonmetropolitan middle-income geographies are considered distressed or underserved.

Table 2	
Description of Indiana Bank and Trust Company's Individual Assessment Areas	
Assessment Area	Description
Columbus, Indiana Metropolitan Statistical Area (Columbus MSA)	All of the Columbus, Indiana MSA, which consists of Bartholomew County in its entirety.
Indianapolis-Carmel, Indiana Metropolitan Statistical Area (Indianapolis MSA)	Perry Township in Marion County of the Indianapolis-Carmel, Indiana MSA including 20 census tracts, 3801.00 through 3812.05.
Louisville-Jefferson County, Kentucky/Indiana Multi-State MSA (Louisville MSA)	Part of the Louisville-Jefferson County, Kentucky/Indiana Multi-State MSA, which consists of Washington County Indiana in its entirety.
Non-metropolitan Indiana (Non-metropolitan Indiana)	All of Decatur, Jackson, Jefferson, Jennings, Ripley, and Scott Counties in non-metropolitan Indiana.

SCOPE OF EXAMINATION

IBT's performance was evaluated under the lending, investment and services tests for large retail institutions. Products reviewed include home purchase, refinance, home improvement (HMDA-reportable), and small business loans (CRA-reportable) originated from January 1, 2008 through December 31, 2010. Small farm loans were not included in the review as they do not constitute a significant dollar volume of the bank's lending and do not contribute to a meaningful analysis. Community development loans, investments and services were reviewed from August 4, 2008 through October 24, 2011.

Full reviews were conducted in the Columbus MSA and Non-metropolitan Indiana assessment areas. Limited reviews were completed for the Indianapolis MSA and Louisville MSA assessment areas. The selection of the assessment areas for full review was based on several factors, including deposit market share, branch concentration, the volume of HMDA- and CRA-reportable lending, the percentage of LMI households and families, and credit and community development needs within each assessment area.

Performance in the Non-metropolitan Indiana assessment area carries the most weight in the overall performance rating as it has the most lending activity, largest percentage of branch offices, and is the source of the majority of deposits. Performance in the Columbus assessment area is afforded the next highest weight as it has the second largest branching network, deposit base, and market share of the full review areas. Performance in the limited review assessment areas was evaluated for consistency with the overall rating, but did not contribute to the rating.

Table 3				
Assessment Area Overview				
Full Review Assessment Areas	% of Branch Offices	% of Deposits	% of HMDA Lending	% of Small Business Lending
Columbus MSA – Full Review	36.8	40.1	43.1	45.5
Non-metropolitan Indiana – Full Review	47.4	47.5	51.6	48.3
Indianapolis MSA – Limited Review	10.5	9.3	0.7	3.8
Louisville MSA – Limited Review	5.3	3.1	4.6	2.5
Total	100.0	100.0	100.0	100.0
Percentages may not add to 100.0 percent due to rounding.				

Performance was evaluated in the context of information about the institution and assessment areas, such as asset size, competition, and economic and demographic characteristics. Peer loan data which is comprised of the lending activity for all other lenders reporting HMDA and CRA loans in the same assessment areas is used as a comparison in evaluating the bank’s lending performance. Small farm lending was minimal and was not included in the evaluation as it would not have had an impact on the overall rating. Performance within the designated assessment areas was evaluated using large bank, full review examination procedures based on the following performance standards:

Lending Activity: Evaluated home mortgage (HMDA-reportable) and small business loans (CRA-reportable) originated during the sample period to determine whether the number and dollar amount of loans originated were responsive to assessment area credit needs.

Lending in the Assessment Area: Evaluated home mortgage (HMDA-reportable) and small business loans (CRA-reportable) originated during the sample period to determine the percentage of loans originated in the assessment area.

Geographic Distribution of Lending in the Assessment Area: Evaluated home mortgage (HMDA-reportable) and small business loans (CRA-reportable) originated during the sample period to evaluate the extent to which the bank is originating loans in geographies of different income levels, particularly those designated as low- or moderate-income.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes: Evaluated home mortgage (HMDA-reportable) and small business loans (CRA-reportable) originated during the sample period to assess the loan distribution among borrowers of different income levels and to businesses with different revenue levels.

Community Development Lending: Reviewed the volume and complexity of community development loans originated during the sample period to determine the bank’s responsiveness to community development lending needs in the assessment areas.

Innovative or Flexible Lending Practices: Reviewed the specialized lending programs to determine the degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals or geographies.

Investments: Reviewed and evaluated the qualified investments made during the sample period to determine the bank’s use of innovative or complex investments, as well as the bank’s responsiveness to credit and community development needs.

Services: Reviewed the distribution of the bank’s branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services to determine the accessibility of bank services to members of the community, especially those with low- or moderate-incomes.

In addition to the preceding criteria, information obtained through discussions with nine community representatives was considered to gain a better understanding of the credit needs within the assessment areas. Community contact discussions are located in the individual assessment area sections.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The following table summarizes the ratings assigned to Indiana Bank & Trust Company.

Table 4				
Summary of Ratings				
Assessment Area	Lending Test	Investment Test	Service Test	Overall
Overall	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Conclusions by Assessment Areas Subject to Full Reviews				
Columbus	Good	Adequate	Adequate	Adequate
Non-metropolitan Indiana	Good	Adequate	Adequate	Adequate
Conclusions for Limited Review Assessment Areas				
Indianapolis	Below	Consistent	Below	Below
Louisville	Consistent	Below	Below	Consistent

LENDING TEST

IBT’s performance on the lending test is rated high satisfactory as the bank’s lending activity represents adequate responsiveness in meeting the credit needs of the assessment area. A substantial majority of loans were originated in the assessment area and adequately dispersed throughout, including low- and moderate-income geographies. The bank demonstrated good loan penetration among borrowers of different income levels and businesses of different sizes. Further, the bank originated an adequate level of community development loans and demonstrated adequate use of flexible lending programs in serving the credit needs of its community.

Level of Lending Activity

IBT's home mortgage and small business loan activity represents adequate responsiveness in meeting the credit needs of the combined assessment areas. The following table summarizes the lending activity from 2010. Small farm loans comprise a small portion of overall lending activity and are not included.

Table 5				
Indiana Bank and Trust Summary of Lending Activity 2008-2010				
Loan Type	#	%	\$ (000s)	%
Home Purchase Loans	1,150	28.1%	149,038	26.2%
Refinanced Loans	1,943	47.5%	250,838	44.0%
Home Improvement Loans	359	8.8%	8,595	1.5%
Multi-Family Housing Loans	21	0.5%	18,718	3.3%
Total HMDA Loans	3,473	85.0%	427,189	75.0%
Total Small Business Loans	614	15.0%	142,446	25.0%
Total Loans	4,087	100.0%	569,635	100.0%

Percentages may not add to 100.0 percent due to rounding.

The bank is primarily a home mortgage and commercial lender. Small farm lending levels were minimal and not meaningful to the analysis. Home mortgage lending increased 44.9 percent from 2008 to 2009. The increase in home mortgage lending resulted from a 113.8 percent increase in applications for refinancings. The considerable increase in 2009 was tempered in 2010 as home mortgage lending volume declined by 38.6 percent. There was a considerable reduction in the number of small business loans made from 2008 to 2009, as volume decreased by 60.9 percent but rebounded in 2010 with an increase of 82.4 percent.

Assessment Area Concentration

A high percentage of home mortgage and small business loans were originated in IBT's assessment area during the review period. The bank originated 84.0 percent of its total loans by number and 76.0 percent by dollar volume inside its assessment area. Table 6 provides a breakdown by product of the loans originated inside the assessment area from January 1, 2008 through December 31, 2010.

Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase Loans	996	86.6	124,793	83.7	154	13.4	24,245	16.3
Refinanced Loans	1,697	87.3	211,786	84.4	246	12.7	39,052	15.6
Home Improvement Loans	321	89.4	6,729	78.3	38	10.6	1,866	21.7
Multi-Family Loans	8	38.1	12,491	66.7	13	61.9	6,227	33.3
Total HMDA-Reportable Loans	3,022	87.0	355,799	83.3	451	13.0	71,390	16.7
Total Small Business Loans	412	67.1	77,325	54.3	202	32.9	65,121	45.7
Total Loans	3,434	84.0	433,124	76.0	653	16.0	136,511	24.0

Geographic and Borrower Distribution of Loans

The geographic distribution of loans reflects adequate dispersion in IBT's assessment areas based on its record of making home mortgage and small business loans in geographies of different income levels, including low- and moderate-income geographies. The bank's performance in the non-metropolitan Indiana assessment area served as the primary driver for this rating. Details about the bank's lending in each assessment area and relevant demographic and mitigating factors, if applicable, are discussed under the individual assessment area sections.

The distribution of borrowers reflects, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes. IBT exhibits a good record of serving the credit needs of low-income individuals and very small businesses. The bank's performance in its Non-metropolitan Indiana assessment area served as the primary driver for this rating.

IBT makes use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate income individuals or geographies. The bank continues to participate in various federal and state government-assisted loan programs tailored to meet the needs of borrowers with low- and moderate-incomes or small businesses. IBT offers a variety of flexible mortgage loan programs that meet the credit needs of its assessment area. The bank actively participates in several government-assisted and third party loan programs that typically offer attractive features such as low down payment requirements, waiver of loan fees, and/or government guarantees.

A majority of these loan types are sold on the secondary market or were included in the HMDA and CRA data that was used to analyze performance in other areas of the lending test and were not considered separately in this performance evaluation. However, these loan programs demonstrate the bank's commitment to serving residents and businesses in the assessment area that have lower incomes or revenues or that require additional assistance to qualify for credit. Loan programs are offered or available via appointment at all bank locations in all assessment areas; however, loan data could not be broken down by individual assessment area. Therefore,

discussion in the individual assessment areas is limited. Notable programs are summarized as follows:

Indiana Housing and Community Development Authority (IHCD): Indiana Mortgage Credit Certificate Program (MCC) is a statewide program where first-time homebuyers can receive a federal tax credit. The tax credit amount ranges from between 20 percent and 35 percent of the interest paid on a mortgage each year, depending on the mortgage loan amount. The maximum credit per year is \$2,000. This program is offered annually, usually in the spring. During the evaluation period, IBT facilitated 99 credits to first-time homebuyers on loan amounts that totaled \$9,485,848. First year aggregate economic impact for those borrowers exceeds \$125,000 for homeowners to return into the community while using savings on real household needs.

The First Home/Plus Program offers first-time home buyers lending assistance, including down payment assistance of a second mortgage, capped at \$7,500, with zero interest and no payments. The second mortgage is forgiven if the borrower does not refinance and remains in the home for a specified period of time. In addition to its First Home and First Home Plus programs, the Indiana Housing and Community Development Authority also offers down payment assistance grants to eligible homebuyers.

Federal Home Loan Bank of Indiana Programs: Homeownership Opportunities Program (HOP): This program provides funding for down payment and closing cost assistance in connection with a qualified families' purchase of an owner-occupied unit. The program matches funds provided by the household, including all dollars obtained through gifts and outside grants. Member banks shall determine the amount of the matched funds. Program funds may match the borrower's funds three to one, up to a maximum of \$7,500. During the evaluation period, IBT facilitated \$274,756 of forgivable grants through the HOP program assisting 57 families in becoming first time homebuyers.

Southeastern Indiana Regional Planning Commission (SIRPC): This group provides down payment assistance grants to homebuyers and leverages them with Federal Home Loan Bank savings funds. The down payment assistance program allows for a five-year forgiveness period for qualified borrowers subject to homeownership counseling and income restrictions. During the evaluation period, 28 first-time homebuyers obtained loans from IBT for \$2,005,030 and received \$132,000 of forgivable grants through the SIRPC. Additional first-time homebuyer programs through the SIRPC and FHLBI accounted for 16 loans totaling \$1,035,040 and receiving \$212,000 of fully forgivable assistance.

During the evaluation period, the bank identified a total of 182 mortgage loans in the amount of \$16.5 million that were originated in programs that come with income restrictions, are used for flexible financing, or were to facilitate some of the aforementioned programs. Of these loans, 61 were directly through the IHCD for a total exceeding \$5,300,000 million.

In addition to the above-mentioned programs, Indiana Bank and Trust responded to the flood of 2008 by making loans for home repairs available immediately following the flood. The program was not formal but rather conducted through the bank's regular lending operations so data specific to flood-related loans is not available.

Community Development Lending Activities

Indiana Bank and Trust made an adequate level of community development loans in its assessment areas based primarily on its record of making community development loans in the Non-metropolitan Indiana and Columbus IN MSA assessment areas. Overall, compared to its record from the previous review period, the bank's performance declined slightly by dollar. During this three-year review period, the bank made 15 community development loans totaling \$6,277,108 compared to 13 loans totaling \$6,402,212 over the previous two-year review period.

As presented in Table 7, 73.3 percent of the number and 37.6 percent of the dollar volume of qualifying loans were originated in the Non-metropolitan Indiana assessment area. However, the most significant of the loans was used to revitalize a regional hospital within a designated disaster area in the Columbus MSA assessment area. The 2008 flood negatively impacted the only hospital in the assessment area.

In addition to the qualifying loans discussed in the preceding section, consideration was also given to additional commitments, not yet funded, in the amount of \$7,772,876. The amount of commitments increased significantly since the previous evaluation when IBT had unfunded commitments totaling \$1,704,655.

The number and amount of the bank's community development loans are evaluated in light of the performance context information, especially with regard to community credit needs and bank capacity. The innovativeness and complexity of community development lending is considered, as well as the leadership it has demonstrated through those activities.

Table 7											
Community Development Loans											
August 4, 2008 through October 24, 2011											
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:											
Columbus MSA	1	150	0	0	1	3,404	2	364	4	3,917	62.4
Non-metropolitan Indiana	3	708	1	132	4	818	3	815	11	2,360	37.6
Total	4	858	1	132	5	4,222	5	1,179	15	6,277	100.0

INVESTMENT TEST

IBT's performance relative to the Investment Test is rated low satisfactory as the bank made an adequate level of qualified investments, donations, and grants, particularly those not routinely provided by private investors, although rarely in a leadership position. IBT also made occasional use of innovative or complex qualified investments in support of community development initiatives and exhibited adequate responsiveness to credit and community development needs in the assessment area.

Table 8									
Qualified Community Development Investments									
August 4, 2008 to October 24, 2011									
Assessment Area	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Full Review:									
Columbus MSA	11*	1,468*	0	0	11*	1,468*	39.6	0	0
Non-metropolitan Indiana	6*	368*	1	1,867	7*	2,235*	60.4	0	0
Total:	17	1,836	1	1,867	18*	3,703*	100.0	0	0
Figures in individual assessment areas will not match overall numbers when aggregated as overall section identifies pools rather than the number of loans within the MBS pools which are described in each assessment area.									

During the review period, the bank made one qualified investment totaling \$1,867,000. This investment is a bond to improve school facilities primarily educating children with the majority eligible for free and reduced lunch.

The majority of prior period investments were in CRA-related Fannie Mae mortgage-backed securities (MBS) pools with underlying mortgages to low- and moderate-income individuals in the bank's various assessment areas. The specific number of loans in the mortgage pools will be discussed under the applicable assessment area. The remaining prior period investments included multiple improvement bond advances for school districts to low- and moderate-income geographies in the city of Columbus, Indiana.

In addition to the preceding investments, the bank made 19 qualified donations totaling \$148,215. This represents a substantial decrease when compared to the previous evaluation where the bank made 33 qualifying donations totaling \$549,927. The previous evaluation qualified a large in-kind land donation by IBT for development of affordable housing for low- and moderate-income individuals. Donations benefitted various organizations that support community development purposes related to community services for low- and moderate-income individuals and stabilization and revitalization of designated disaster areas.

SERVICE TEST

IBT's performance relative to the Service Test is rated low satisfactory. Delivery systems are accessible to geographies and individuals of different income levels in its assessment areas as full-service branch offices and ATMs are dispersed throughout the assessment area, including locations in moderate-income geographies. To the extent that changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate individuals. Banking services and business hours do not vary in a way that inconveniences its assessment areas, particularly low- and moderate-income geographies or to low- and moderate-income individuals.

Retail Services

Table 9 presents the bank's office locations by income level of the geography. As can be seen from this data, IBT operates the majority of its offices in middle-income geographies, 72.2 percent, followed by moderate-income geographies, 16.7 percent, and upper-income geographies, 11.1 percent. There are no low-income geographies in any of the assessment areas.

Table 9												
Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate- Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Full Review:												
Columbus MSA	0	0.0	2*	28.6	2	28.6	4	57.1	1	14.3	7	43.8
Indiana Non-metro	0	0.0	1	11.1	1	11.1	**7	77.8	1	11.1	9	56.2
Total	0	0.0	3	16.7	3	16.7	11	72.2	2	11.1	16	100.0
*Main bank location												
**One branch is located within a middle-income census tract in the Louisville MSA that is not included in these figures as it does not weigh into the bank's performance being a limited review assessment area.												
<i>Note: Commercial loan production office in middle-income tract not included in figures as it does not meet the definition of a branch.</i>												

IBT's assessment area consists of 79 geographies, including no low- and 12 moderate-income geographies. The bank operates 16 offices throughout its full-scope assessment areas, 3 of which are located in moderate-income geographies. The bank operates 15 ATMs throughout these areas with 1 or 6.7 percent, in moderate-income geographies. All other offices and ATMs are located in middle- and upper-income geographies. All offices and ATMs are accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. The bank operates several branch offices and ATMs in proximity to low-income geographies.

Since the previous evaluation, the bank closed one branch in a middle-income geography in North Vernon in the Indiana Non-metropolitan assessment area. Two branches were relocated in North Vernon and Austin; however, both remained in a moderate- and middle-income geography, respectively. One ATM was relocated since the previous evaluation in North Vernon and remained in a middle-income geography. No ATMs were closed since the previous evaluation. The change in branches and ATMs has not adversely affected the accessibility of delivery systems, particularly those available to low- and moderate-income individuals and geographies.

Branch hours vary minimally by location, opening between 8:00 a.m. and 9:00 a.m. and closing between 5:00 p.m. and 6:00 p.m., Monday through Friday. Multiple locations also provide drive-through services between 8:00 a.m. and 1:00 p.m. on Saturdays. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies.

Alternative Delivery Systems

IBT also delivers its products and services through the following alternative systems:

- Bank by phone – Customers may conduct balance inquiries, balance transfers, and payments, and may perform a variety of tasks related to deposit and loan accounts.
- Internet Banking – Website, www.myindianabank.com, allows customers to check balances, transfer funds, pay loans, stop payments, initiate electronic bill payment, conduct check search, and confirm deposits and withdrawals. Users may access applications for mortgage and consumer loans along with deposit account opening services.
- Mobile Bank – Allows customers many of the same features and functionality of the internet banking service through smart phone technology.
- Text Banking – Allows customers to conduct balance inquiries on all registered accounts delivered via text message to any text capable cell phone.
- On-line Mortgage Lending – Users can apply for mortgage loans on-line and receive an automated approval at the bank's website. Customers can review the status of their application, check interest rates, use on-line mortgage resources, sign up for rate watch services, and receive disclosures online.
- Foreign Language Assistance – IBT offers four Spanish-speaking employees, two German-speaking employees, three French-speaking employees, one employee who speaks Tagalog (Philippine), one employee who speaks Hindi and Konkani and one employee who can speak and interpret American Sign Language (ASL). These employees are dispersed throughout the organization and are able to assist individuals with their banking needs.

Loan officers and products are available at each branch location either through walk-in service or by appointment. The number of officers and their experience varies by location and customers can contact them during business hours or leave a message at any time. The bank offers multiple checking and savings account products, which require a minimal (\$100) opening deposit, no minimum account balance, and no monthly maintenance fee. These products are considered beneficial to low- and moderate-income individuals.

Community Development Services

IBT provided an adequate level of community development services in its assessment area. Bank employees provided services to multiple organizations that included qualified community development purposes. Overall activity is consistent with community development service activity during the previous review period when the bank provided 18 qualified services. As

detailed in the following table, the majority of service hours were provided in the Columbus MSA assessment area. A number of services did not have reported hours but the number of individuals impacted through the organization will be discussed within each assessment area.

Table 10											
Qualified Community Development Services											
August 4, 2008 to October 24, 2011											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	% of Total Hours
Full Review:											
Columbus MSA	1	75	1	175	1	N/A	4	420	7	670	70.8
Non-metropolitan Indiana	0	0	0	0	0	0	6	227	6	277	29.2
Total	1	75	1	175	1	N/A	10	647	13	947	100.0
A number of services did not have hours collected. Refer to individual assessment area discussions for impact other than hours.											

The majority of the qualified community development services provided by the bank helped provide community services to low- and moderate-income individuals in IBT's assessment area. Of these, the majority were financial education classes provided as part of the Teach Children to Save campaign at various schools throughout the assessment area where a majority of students were low- and moderate-income or were located in low- and moderate-income geographies.

Bank employees also served in various other capacities to provide community development services through participation on various boards, committees, forums, and similar outlets that supported community development.

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.

COLUMBUS METROPOLITAN AREA- FULL REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN COLUMBUS, INDIANA METROPOLITAN STATISTICAL AREA (#18020)

The Columbus assessment area is comprised of the Columbus, IN MSA (Columbus MSA), which consists of Bartholomew County in its entirety. The assessment area is comprised of 15 census tracts, of which 3 are moderate-, 9 are middle-, and 3 are upper-income geographies. There are no low-income geographies within this assessment area.

IBT's operations in the Columbus MSA assessment area are managed through the main office, six branch offices and one administrative building with five full-service and three cash dispensing only ATMs. The main bank, five branches and administrative building are all located in Columbus, Indiana with one branch office located in Hope, Indiana. The main bank office and one branch are located in a moderate-income geography, four branches are located in middle-income geographies, and one branch and the administrative office are located in upper-income geographies. As of June 30, 2010, IBT held a 27.86 percent market share of FDIC-insured deposits, ranking second of nine FDIC-insured financial institutions with at least one branch in the Columbus MSA. First Financial Bank, N.A., at 49.76 percent of deposits was the leader in deposit market share while Salin Bank & Trust Company at 7.36 percent was third.

As presented in Table 11 below, the total estimated population for the Columbus assessment area increased by 6.6 percent since 2000, similar to the population for the state of Indiana which increased six percent (2010 Census estimates).

Area	2000 Census	July 1, 2010 Estimates	Percentage Change
Assessment Area	71,435	76,185	6.6
State of Indiana	6,080,485	6,445,295	6.0

**Source: U.S. Census Bureau*

Table 12 presents the median family incomes for the Columbus MSA and the state of Indiana, based on 2000 Census data and 2010 HUD-adjusted estimates. Both the MSA and the state saw a comparable increase in median family incomes between 2000 and 2010.

Table 12			
Median Family Income Changes			
2000 Census vs. 2010 HUD*			
Area	2000 Census	2010 Estimates	Percentage Change
Assessment Area	52,071	64,300	23.5
Indiana State	50,261	60,800	21.0
<i>*Source: U.S. Department of Housing and Urban Development</i>			

In late 2008 and early 2009, mortgage interest rates dropped to historic lows and the demand for mortgage credit increased dramatically almost exclusively in the refinancing market. At the same time rates were dropping, home values dropped including in IBT's flagship market. The Columbus IN MSA or Bartholomew County experienced a brief stay on at least one private mortgage insurer's distressed markets list. As a result, maximum loan to value lending limits were reduced for a period of two to three months. Traditionally, Bartholomew County had been an area where property values experienced stable to moderate increases.

Table 13				
Housing Costs				
Location	Median Housing Value	Median Gross Rent	2009 Fair Market Rent *	Affordability Ratio
Assessment Area	99,308	570	672	45
State of Indiana	92,500	521	N/A	45
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

According to the Columbus Economic Development Board, the Columbus MSA maintains a strong manufacturing sector within the transportation and automotive industry, specifically the Louisville & Indiana Railroad Company. Major employers include Cummins, Inc., Columbus Regional Hospital, NTN Driveshaft, Inc. and Bartholomew County School Corporation.

Cummins Engine Company, whose world headquarters are in Columbus, announced a number of key initiatives during the evaluation period to: purchase the former Irwin Union Bank building which is adjacent to its headquarters; construct a 130,000 square foot headquarters expansion; hire 600 engineers and other professional positions in Columbus, increasing the total number to 950 new positions in and around Columbus; and partner with the state of Indiana to complete a \$100 million infrastructure project at its Industrial Center plant in Seymour, Indiana. In 2009, Cummins reduced its workforce in response to weakening economic conditions. Since that time, Cummins restored the lost positions and began an aggressive hiring phase for positions of all levels.

Table 14 Unemployment Statistics*				
Location	2008	2009	2010	July 2011
United States	5.8	9.3	9.6	9.1
Columbus MSA	4.7	9.7	9.3	7.1
Indiana	5.9	10.4	10.2	8.5

*Source: U.S. Bureau of Labor Statistics

Selected demographic information for the Columbus MSA assessment area is provided in Table 15.

Table 15 Columbus MSA Assessment Area Demographics*								
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	3,549	17.6
Moderate-income	3	20.0	3,053	15.2	423	13.9	3,987	19.7
Middle-income	9	60.0	13,637	67.5	718	5.3	4,889	24.2
Upper-income	3	20.0	3,501	17.3	59	1.7	7,766	38.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	15	100.0	20,191	100.0	1,200	5.9	20,191	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	5,631	2,317	11.2	41.1	2,780	49.4	534	9.5
Middle-income	19,422	14,689	70.8	75.6	3,703	19.1	1,030	5.3
Upper-income	4,800	3,732	18.0	77.7	715	14.9	353	7.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	29,853	20,738	100.0	69.5	7,198	24.1	1,917	6.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	741	25.4	619	24.2	72	34.3	50	32.3
Middle-income	1,666	57.0	1,477	57.8	108	51.4	81	52.3
Upper-income	515	17.6	461	18.0	30	14.3	24	15.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,922	100.0	2,557	100.0	210	100.0	155	100.0
	Percentage of Total Businesses:			87.5		7.2		5.3

*2000 United States Census Data

Information obtained from one community representative stated that affordable housing demand is high, especially for low-income rental units. In response, a new 140-unit structure was recently

started to fulfill rental unit demand for affordable housing. Local financial institutions have been instrumental in the community by notifying residents of pending bond issues and investing in organizations serving economic development and affordable housing needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE COLUMBUS, IN METROPOLITAN STATISTICAL AREA

LENDING TEST

Geographic distribution reflects adequate penetration of small business and home mortgage loans throughout the assessment area and borrower loan distribution reflects good penetration among borrowers of different income levels and businesses of different sizes. The bank makes a relatively high level of community development loans compared to previous periods and its performance is consistent with community development and credit needs of the assessment area.

Geographic Distribution of Loans

The geographic distribution of loans reflects adequate dispersion in the assessment area based on IBT's record of making home mortgage loans in geographies of different income levels.

HMDA-reportable Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate dispersion in the assessment area. IBT made 328 home mortgage loans totaling \$53.2 million in 2010. Of these loans, 199 were refinancings that totaled \$32.6 million. The majority of the home mortgage loans overall and refinancings in particular were made to borrowers from middle-income geographies, 57.3 and 55.3 percent, respectively, by number. The majority of the remaining loans were made in upper-income geographies, 37.5 and 39.3 percent, respectively, by number. IBT made few loans in the moderate-income geographies of the assessment area, as did the aggregate lenders. There are no low-income geographies in this assessment area. The bank's performance was less than both the aggregated lenders' record and the percentage of owner-occupied housing units in moderate-income geographies.

Table 16							
Columbus MSA Home Mortgage Lending, 2010							
Geographic Distribution							
(000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner-Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	5	4.3	298	1.5	8.7	5.8	11.2
Middle	67	58.3	9,288	46.0	67.1	59.4	70.8
Upper	43	37.4	10,622	52.5	24.2	34.8	18.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	115	100.0	20,208	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	10	5.0	787	2.4	4.8	2.9	
Middle	110	55.3	13,809	42.4	63.7	54.2	
Upper	79	39.7	17,971	55.2	31.5	42.9	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	199	100.0	32,567	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	2	14.3	7	1.5	5.5	2.5	
Middle	11	78.6	184	40.1	76.0	67.7	
Upper	1	7.1	268	58.4	18.5	29.8	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	14	100.0	459	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	20.0	6.5	
Upper	0	0.0	0	0.0	80.0	93.5	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	17	5.2	1,092	2.1	6.0	3.5	
Middle	188	57.3	23,281	43.7	65.4	52.8	
Upper	123	37.5	28,861	54.2	28.6	43.7	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	328	100.0	53,234	100.0	100.0	100.0	

Percentages may not add to 100.0 percent due to rounding.

Small Business Loans

Geographic distribution of small business loans reflects good dispersion in the assessment area. As presented in Table 17, IBT made its highest number of small business loans in middle-income geographies, followed by loans to businesses in moderate-income and upper-income geographies. The distribution of businesses in the assessment area is consistent with the order of the bank’s lending. By percentage of loans, IBT outperformed the aggregated lenders in moderate- and upper-income geographies. When the bank’s record is evaluated by year within the review period, the percentage of loans to businesses in LMI geographies declined since 2008, but has continued to exceed the record of the aggregated lenders for the same years.

Table 17 Columbus MSA Small Business Lending, 2010 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	27	27.5	3,289	24.2	26.1	33.4	25.4
Middle	48	49.0	7,429	54.5	51.3	50.9	57.0
Upper	23	23.5	2,909	21.3	18.7	14.9	17.6
Unknown	0	0.0	0	0.0	3.9	0.8	0.0
Total	98	100.0	13,627	100.0	100.0	100.0	100.0

Percentages may not add to 100.0 percent due to rounding.

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

Given the demographics of the Columbus MSA assessment area, the loan distribution across borrowers of different income levels and businesses of different sizes reflects good penetration as supported by a review of home mortgage and small business loans.

Home Mortgage Loans

The distribution of home mortgage loans reflects good penetration among borrowers of different income levels. IBT made the majority of its home mortgage loans overall to borrowers with upper incomes. Its percentages of home mortgage loans to middle-income borrowers exceeded both the demographics and the record of the aggregated lenders. The percentage of loans to low-income borrowers, 10.4 percent, exceeds aggregate lending of 10.0 percent, but it is below the percentage of borrowers classified as low-income, 17.6 percent. The percentage of loans to moderate-income borrowers, 11.3 percent, is below that of aggregate lending of 17.0 percent and less than the percentage of borrowers classified as moderate-income, 19.7 percent.

Home mortgage lending in 2008 was comparable to the 2009 lending distribution. IBT's lending levels to low-income borrowers exceeded aggregate lending in each year, but was less than the percentage of borrowers classified as low-income. Lending levels to moderate-income borrowers exceeded both the aggregate lending levels and the percentage of families classified as moderate-income in each year.

IBT originated a higher percentage of refinanced home loans than any other mortgage product in 2010. The bank's pattern of lending for this product shows that it outperformed the aggregated lenders and the demographics for loans to middle- and upper-income borrowers while performance was slightly below aggregated lenders and demographics, for loans to LMI borrowers.

Table 18							
Columbus MSA Home Mortgage Lending, 2010							
Borrower Distribution							
(000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	13	11.3	976	4.8	15.4	9.3	17.6
Moderate	13	11.3	1,306	6.5	21.3	16.1	19.7
Middle	30	26.1	5,067	25.1	22.5	22.2	24.2
Upper	58	50.4	12,807	63.4	28.0	39.3	38.5
Unknown	1	0.9	52	0.2	12.8	13.1	0.0
Total	115	100.0	20,208	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	19	9.5	1,774	5.4	7.5	3.7	
Moderate	20	10.1	1,722	5.3	14.7	9.6	
Middle	49	24.6	6,139	18.9	21.3	17.7	
Upper	108	54.3	22,417	68.8	41.6	53.2	
Unknown	3	1.5	515	1.6	14.9	15.8	
Total	199	100.0	32,567	100.0	100.0	100.0	
Home Improvement Loans							
Low	2	14.2	14	3.0	10.0	6.6	
Moderate	4	28.6	117	25.5	20.5	19.1	
Middle	4	28.6	27	5.9	29.5	21.6	
Upper	4	28.6	301	65.6	35.5	52.0	
Unknown	0	0.0	0	0.0	4.5	0.7	
Total	14	100.0	459	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	34	10.4	2,764	5.2	10.0	5.1	
Moderate	37	11.3	3,145	5.9	17.0	11.0	
Middle	83	25.3	11,233	21.1	22.1	17.9	
Upper	170	51.8	35,525	66.7	37.1	45.7	
Unknown	4	1.2	567	1.1	13.8	20.3	
Total	328	100.0	53,234	100.0	100.0	100.0	

Percentage may not add to 100.0 percent due to rounding.

Small Business Loans

The borrower distribution of small business loans reflects excellent penetration among businesses of different sizes. With respect to small business loans originated to businesses with revenues of \$1 million or less in 2010, the bank's performance, 63.3 percent by number, significantly exceeded

that of aggregate lending at 29.6 percent by number of loans. The bank’s small business loan originations with original amounts of \$100,000 or less, 64.3 percent by number, was less than aggregate lending by comparison, 81.3 percent by number. While the volume of small business lending declined from 2008 to 2009 by 23.4 percent, the percentage of small business loans to businesses with revenues of \$1 million or less increased from 55.3 percent to 72.2 percent. In addition the percentage of small business loans in amounts of less than \$100,000 increased from 2008 to 2009, 48.9 percent to 58.3 percent, respectively. There was a substantial increase in the volume of small business lending from 2009 to 2010, 36 and 98 loans, respectively. The percentage of loans in amounts of less than \$100,000 also increased from 58.3 percent to 64.3 percent, while the percentage of loans to businesses with less than \$1 million in revenues declined to 63.3 percent.

Table 19							
Columbus MSA Small Business Loan Distribution, 2010							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	62	63.3	6,817	50.0	29.6	29.8	87.5
Over \$1 Million	35	35.7	6,809	50.0	70.4	70.2	7.2
Not Known	1	1.0	1	0.0	0.0	0.0	5.3
Total	98	100.0	13,627	100.0	100.0	100.0	100.0
By Loan Size							
\$100,000 or less	63	64.3	3,764	27.6	81.3	21.4	
\$100,000 - \$250,000	22	22.4	4,096	30.1	10.7	24.9	
\$250,000 - \$1 Million	13	13.3	5,767	42.3	8.0	53.7	
Total	98	100.0	13,627	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	45	72.6	2,698	39.6	*	*	
\$100,000 - \$250,000	12	19.4	2,239	32.8	*	*	
\$250,000 - \$1 Million	5	8.0	1,880	27.6	*	*	
Total	62	100.0	6,817	100.0	*	*	
* Data Unavailable							
Percentages may not add to 100.0 percent due to rounding.							

IBT makes use of innovative and flexible lending programs to meet the credit needs of its assessment areas. The majority of flexible lending programs that IBT participates in are available throughout the bank’s entire assessment area and are described in detail in the overall section. Community representatives cited multiple credit needs for low- and moderate-income individuals in the assessment area, which may provide the bank with additional flexible lending opportunities.

Community Development Lending Activities

Indiana Bank and Trust makes an adequate level of community development loans in the Columbus MSA assessment area. IBT made four loans totaling \$3.9 million during the review

period. The bank's community development lending supported revitalization efforts associated with the designated disaster area based on the 2008 flood, the provision of affordable housing and related services and community services tailored to meet the needs of LMI families, individuals and areas. Community representatives contacted in connection with this examination stated that affordable housing, programming to address long-term unemployment and rising costs were among the most significant issues in the community. IBT's community development lending is consistent with the needs identified by the community contacts.

Table 20											
Columbus MSA Qualified Community Development Loans											
August 8, 2008 to October 24, 2011											
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:											
Columbus MSA	1	150	0	0	1	3,404	2	364	4	3,917	100.0

INVESTMENT TEST

IBT made an adequate level of qualified investments, donations, and grants in the Columbus MSA assessment area during the review period, particularly those not routinely provided by private investors, but rarely in a leadership position. Additionally, the bank makes occasional use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

Table 21									
Qualified Community Development Investments by Type									
August 4, 2008 to October 24, 2011									
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*	692*	0	0	8*	692*	47.1	0	0
Economic Development	0	0	0	0	0	0	0.0	0	0
Revitalization and Stabilization	0	0	0	0	0	0	0.0	0	0
Community Services	3	776	0	0	3	776	52.9	0	0
Total	11*	1,468*	0	0	11*	1,468*	100.0	0	0

*Figure will not match overall numbers when aggregated other assessment areas as overall section identifies pools rather than number of loans within the MBS pools.

IBT's investment activity during the evaluation period is limited to nine qualified donations totaling \$72,669. Most notable among these donations were those to various low- and moderate-income targeted organizations within the Bartholomew United Way and Foundation for Youth. Donation activity increased from the previous evaluation when the bank made \$34,169 in qualifying donations in the Columbus MSA assessment area.

In addition to the donations made during the evaluation period, qualified investment activity is limited to 11 prior period investments, but which continue to have outstanding balances and to benefit the assessment area.

SERVICE TEST

IBT provided an adequate level of services in the Columbus MSA based on retail services that are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and individuals. Employees provided an adequate level of community development services in the assessment area.

Retail Services

The Columbus IN MSA assessment area consists of 15 geographies, including 3 moderate-, 9 middle-, and 3 upper-income geographies. As presented in the table in the overall section, the bank operates seven offices in the assessment area, all of which are located in moderate-, middle-, and upper-income geographies within the city of Columbus. There are no low-income geographies within this assessment area. Two of the offices are located in moderate-income geographies, one of which is the bank's main office. Four branches are equipped with a full-service ATM and three branches have a cash-dispensing ATM. All branch offices are reasonably accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. All of the branches in the Columbus MSA are located within Columbus allowing them to be easily accessible to customers. No changes have been made to the bank's branching and ATM network since the previous evaluation.

The majority of branch offices are open 9:00 a.m. to 5:00 p.m., Monday through Thursday, 9:00 a.m. to 6:00 p.m. on Friday, with morning hours on Saturday. Extended drive-up hours are also available Monday through Saturday. Business hours and banking services are reasonable and do not vary in a way that inconveniences low- and moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

IBT provided an adequate level of community development services to the Columbus MSA during the evaluation period. These services, provided through employee and officer participation, helped seven community development service organizations, most notably the Columbus Economic Development Board, Columbus Neighborhood Coalition, Community Center for Hope, Housing Partnerships, Inc., and Teach Children to Save.

Representatives of IBT provided community development services benefiting Housing Partnerships, Inc. by helping to provide homebuyer training to 440 individuals. In addition, Housing Partnerships, Inc. sold 106 homes while renting out another 96 properties for affordable housing consideration. IBT's involvement with the Columbus Economic Development Board also aided in creating 150-200 jobs in the Columbus MSA during the evaluation period. Community services for low- and moderate-income individuals aided youth groups and educational services that serve up to 14,000 individuals annually. Approximately 60.0 percent of the individuals benefiting from the organization are considered low- and moderate-income. The remainder of services involves various financial literacy classes taught by employees of IBT including 'Teach Children to Save' and 'Smart Money' week.

Table 22											
Columbus MSA Qualified Community Development Services											
August 4, 2008 to October 24, 2011											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	% of Total Hours
Full Review:											
Columbus	1	75	1	175	1	N/A	4	420	7	670	100.0

NON-METROPOLITAN INDIANA AREA- FULL REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NON-METROPOLITAN INDIANA ASSESSMENT AREA

IBT’s operations in the Non-metropolitan Indiana assessment area are managed through nine branch offices with seven full-service and two cash only automated teller machines. As of June 30, 2010, IBT maintained a 15.02 percent market share of FDIC-insured deposits, ranking 2nd of 23 FDIC-insured financial institutions with at least one branch in the assessment area. By comparison, the top three institutions by market share were: Mainsource Bank, 16.53 percent, IBT, and River Valley Financial Bank, 8.81 percent.

The non-metropolitan Indiana assessment area consists of Decatur, Jackson, Jefferson, Jennings, Ripley, and Scott Counties in their entirety. The assessment area is comprised of 1 moderate-, 35 middle-, and 2 upper-income geographies. The majority of branches and ATMs are located in middle- and upper-income geographies with one branch and cash only ATM located in a moderate-income geography.

As presented in Table 23, the total estimated population for the non-metropolitan Indiana assessment area increased by 3.2 percent since 2000, below that of the population for the state of Indiana which increased six percent (2010 Census estimates). The stable population increase is a result of strong employment in manufacturing in the area including automotive and railroad industries.

Table 23			
Population Changes			
2000 Census vs. July 1, 2010*			
Area	2000 Census	July 1, 2010 Estimates	Percentage Change
Assessment Area	174,632	180,288	3.2
Decatur County	24,555	25,146	2.4
Jackson County	41,335	43,306	4.8
Jefferson County	31,705	32,822	3.5
Jennings County	27,554	27,979	1.5
Ripley County	26,523	27,354	3.1
Scott County	22,960	23,681	3.1
Indiana State	6,080,485	6,445,295	6.0
<i>*Source: U.S. Census Bureau</i>			

Table 24 presents the median family incomes for the non-metropolitan Indiana assessment area and the state of Indiana, based on 2000 Census data and 2010 HUD-adjusted estimates. Each of the counties comprising this assessment area and the state saw comparable increases in median family incomes between 2000 and 2010.

Table 24			
Median Family Income Changes			
2000 Census vs. 2010 HUD*			
Area	2000 Census	2010 Estimates	Percentage Change
Assessment Area	44,549	N/A	N/A
Decatur County	46,453	56,200	21.0
Jackson County	45,210	54,600	20.8
Jefferson County	45,712	54,400	19.0
Jennings County	42,519	50,800	19.5
Ripley County	47,019	57,500	22.3
Scott County	39,475	47,900	21.3
Indiana State	50,261	60,800	21.0

**Source: U.S. Department of Housing and Urban Development*

According to community representatives, area housing values are now increasing despite national trends and after Jennings County and Jefferson County suffered property value declines in the 15-25 percent range. Demand for new home construction has decreased as residents have looked to the existing housing stock. Housing needs are being met and have recently coincided with area employees of Cummins, Inc. relocating to the area. FHA and rural development loans are in high demand in the assessment area with mortgage companies receiving greater mortgage business than local community banks due to lower interest rate offerings. Affordable housing is needed as evidenced by a long waiting list for Section 8 housing.

Difficulties in home mortgage lending resulted from appraisals from an insufficient comparable sales base in the assessment area due to a severe lack of home purchase activity. In many cases, it was difficult to find three sales of comparable homes within any rolling 12-month time frame. According to community representatives, residents were waiting it out until a perceived market bottom was reached. Much of the sales activity has been distressed due to foreclosure or short sale activity. In many cases those sales have become a larger than normal portion of the comparable sales base and as such have reset market prices downward. An issue unique to rural areas has been the lack of immediate access to the interstate highway system. That lack of access has had the effect of making those geographies among the first and hardest hit when evaluating economic growth activities and possibilities.

Table 25 illustrates the housing costs within the assessment area.

Table 25				
Housing Costs				
Location	Median Housing Value	Median Gross Rent	2010 Fair Market Rent *	Affordability Ratio
Assessment Area	84,335	473	N/A	46
Decatur County	88,100	490	676	46
Jackson County	83,900	495	663	47
Jefferson County	84,700	419	610	45
Jennings County	77,000	490	647	51
Ripley County	97,900	478	670	42
Scott County	74,700	463	621	46
State of Indiana	92,500	521	N/A	45
<i>2000 United States Census Data;</i>				
<i>*Department of Housing and Urban Development</i>				

Manufacturing accounts for a large sector of employment in the area along with health care and educational services. Honda Motors, located in Greensburg in Decatur County, is a major employer in the assessment area. In the summer of 2006, Honda announced the acquisition of land to build a plant to manufacture its Civic brand vehicle including 16 months to develop the site and construct the auto assembly facility. Mass production of the Honda Civic commenced at this plant on October 9, 2008. As of Oct. 1, 2010 Honda employed about 1,000 associates. When the facility reaches full capacity, it is anticipated it will employ approximately 2,000 associates and produce 200,000 vehicles per year. Honda's long range plans include doubling the size of the Greensburg facility by adding another building to the present site.

Table 26 illustrates the unemployment rates for each county in the assessment area during the review period.

Table 26				
Unemployment Statistics*				
Location	2008	2009	2010	July 2011
United States	5.8	9.3	9.6	9.1
Decatur County	6.3	12.6	11.6	9.0
Jackson County	5.3	11.3	10.0	7.9
Jefferson County	6.1	11.0	11.1	9.1
Jennings County	7.2	13.8	12.4	10.1
Ripley County	6.0	11.0	11.2	8.6
Scott County	6.5	13.1	12.5	10.5
Indiana	5.9	10.4	10.2	8.5
<i>*Source: U.S. Bureau of Labor Statistics</i>				

Selected demographic information for the non-metropolitan Indiana assessment area is provided in Table 27.

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	8,301	17.2	
Moderate-income	1	2.6	1,214	2.5	203	16.7	9,768	20.1	
Middle-income	35	92.1	44,320	91.3	3,118	7.0	13,085	26.9	
Upper-income	2	5.3	3,024	6.2	143	4.7	17,404	35.8	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	38	100.0	48,558	100.0	3,464	7.1	48,558	100.0	
			Housing Types by Tract						
	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	1,785	1,049	2.0	58.8	594	33.2	142	8.0	
Middle-income	66,120	45,944	91.7	69.5	14,741	22.3	5,435	8.2	
Upper-income	4,298	3,122	6.3	72.9	936	21.8	229	5.3	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
Total Assessment Area	72,203	50,126	100.0	69.5	16,271	22.5	5,806	8.0	
			Businesses by Tract & Revenue Size						
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	102	1.3	92	1.3	4	1.1	6	1.7	
Middle-income	6,963	90.3	6,322	90.3	318	90.1	323	89.2	
Upper-income	648	8.4	584	8.3	31	8.8	33	9.1	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	7,713	100.0	6,998	100.0	353	100.0	362	100.0	
	Percentage of Total Businesses:			90.7		4.6		4.7	

*U.S. Census Bureau

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN INDIANA ASSESSMENT AREA

LENDING TEST

Geographic distribution reflects adequate dispersion of small business and home mortgage loans in the assessment area, while loan distribution reflects good penetration among borrowers of different income levels and businesses of different sizes. The bank makes few, if any, community development loans.

Geographic Distribution of Loans

The geographic distribution of the bank's lending reflects adequate dispersion based on the bank's record of making home mortgage and small business loans in geographies of different income levels.

HMDA-reportable loans

IBT made 99.0 percent of its 2010 home mortgage loans to borrowers in middle-and upper-income geographies, at 82.1 percent and 16.9 percent, respectively. Lending to borrowers from moderate-income geographies was minimal, but consistent with the record of the aggregated lenders for the same year. There are no low-income geographies in the assessment area.

Home mortgage lending performance in 2008 was similar to 2009 and remained similar to aggregate performance with minimal overall volume in moderate-income geographies. In 2008, the bank originated 0.6 percent of total home mortgage loans within the moderate-income geographies compared to 1.0 percent of total home mortgage loans by aggregate lenders. In 2009, the bank originated 0.3 percent of total home mortgage loans within moderate-income geographies compared to 1.1 percent by the aggregated lenders.

Table 28							
Non-metropolitan Indiana Home Mortgage Lending, 2010							
Geographic Distribution							
(000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner-Occupied Housing
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	1.0	0.5	2.0
Middle	129	84.9	13,416	82.4	85.8	85.4	91.7
Upper	23	15.1	2,857	17.6	11.8	13.5	6.3
Unknown	0	0.0	0	0.0	1.4	0.6	0.0
Total	152	100.0	16,273	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	2	0.9	125	0.5	1.1	0.6	
Middle	182	80.5	19,034	76.8	86.0	84.4	
Upper	42	18.6	5,635	22.7	12.8	14.7	
Unknown	0	0.0	0	0.0	0.1	0.3	
Total	226	100.0	24,794	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	2	5.1	18	3.7	1.2	0.5	
Middle	31	79.5	346	71.9	89.9	87.7	
Upper	6	15.4	117	24.4	8.2	9.8	
Unknown	0	0.0	0	0.0	0.7	2.0	
Total	39	100.0	481	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	2	100.0	4,020	100.0	90.0	98.0	
Upper	0	0.0	0	0.0	10.0	2.0	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	2	100.0	4,020	100.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	4	1.0	143	0.3	1.1	0.6	
Middle	344	82.1	36,816	80.8	86.2	85.2	
Upper	71	16.9	8,609	18.9	12.1	13.9	
Unknown	0	0.0	0	0.0	0.6	0.4	
Total	419	100.0	45,568	100.0	100.0	100.0	

Percentages may not add to 100.0 percent due to rounding.

Small Business Loans

Geographic distribution of small business loans reflects adequate dispersion in the assessment area. In 2010, the bank made 98.8 percent of its small business loans to businesses in middle- and upper-income geographies which was generally consistent with the presence of businesses in

middle- and upper-income geographies (98.7 percent). The percentage of small business loans made in moderate-income geographies, 1.3 percent, is similar but slightly above the aggregate lending level, 0.8 percent, and consistent with the percentage of businesses located in moderate-income geographies, 1.3 percent. Small business lending performance improved from 2009 when the bank did not make any small business loans in moderate-income geographies compared to the aggregated lenders at 1.5 percent. Performance declined in 2009 from 2008 when 6.1 percent of loans were made in moderate-income geographies which outperformed aggregate lending of 0.3 percent.

Table 29 Non-metropolitan Indiana Small Business Lending, 2010 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	#	%	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	1.3	50	0.4	0.8	1.1	1.3
Middle	68	85.0	11,926	91.8	89.8	90.6	90.3
Upper	11	13.8	1,015	7.8	6.6	7.5	8.4
Tract Unknown	0	0.0	0	0.0	2.8	0.8	0.0
Total	80	100.0	12,991	100.0	100.0	100.0	100.0

Percentages may not add to 100.0 percent due to rounding.

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

Given the demographics of the Non-metropolitan Indiana assessment area, the distribution of loans across borrowers of different income levels and businesses of different sizes reflects good penetration as supported by a review of small business and home mortgage loans.

HMDA-reportable loans

The distribution of home mortgage loans reflects good penetration among borrowers of different income levels. The percentage of loans to low-income borrowers, 13.4 percent, is above the aggregate lending level of 9.5 percent. The percentage of loans to moderate-income borrowers, 25.5 percent, is above the aggregate lending level of 22.4 percent. Home mortgage lending in 2008 and 2009 was comparable to the 2010 lending distribution with the bank's level of lending to low- and moderate-income borrowers above that of aggregate lending. Notably in 2010, the bank's record of lending to low- and moderate-income borrowers for home purchase purposes exceeded the record of the aggregated lenders and the percentages of families with low- and moderate-

incomes. The promotion of home ownership among low- and moderate-income borrowers is consistent with identified community credit needs.

Table 30							
Non-metropolitan Indiana Home Mortgage Lending, 2010							
Borrower Distribution							
(000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	26	17.1	1,841	11.3	15.4	9.8	17.2
Moderate	57	37.5	4,983	30.6	30.6	24.3	20.1
Middle	38	25.0	4,686	28.8	21.4	22.9	26.9
Upper	31	20.4	4,763	29.3	23.3	33.8	35.8
Unknown	0	0.0	0	0.0	9.3	9.2	0.0
Total	152	100.0	16,273	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	22	9.7	1,214	4.9	6.5	3.6	
Moderate	35	15.5	2,853	11.5	18.5	13.6	
Middle	65	28.8	7,113	28.7	23.7	20.9	
Upper	102	45.1	13,195	53.2	38.1	46.5	
Unknown	2	0.9	419	1.7	13.2	15.4	
Total	226	100.0	24,794	100.0	100.0	100.0	
Home Improvement Loans							
Low	8	20.5	46	9.6	11.6	5.4	
Moderate	15	38.5	126	26.2	22.9	17.0	
Middle	5	12.8	50	10.4	19.8	15.9	
Upper	10	25.6	256	53.2	42.4	58.7	
Unknown	1	2.6	3	0.6	3.3	3.0	
Total	39	100.0	481	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	2	100.0	4,020	100.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	56	13.4	3,101	6.8	9.5	5.4	
Moderate	107	25.5	7,962	17.5	22.4	16.6	
Middle	108	25.8	11,849	26.0	22.7	20.8	
Upper	143	34.1	18,214	40.0	33.9	42.0	
Unknown	5	1.2	4,442	9.7	11.5	15.2	
Total	419	100.0	45,568	100.0	100.0	100.0	
Percentages may not add to 100.0 percent due to rounding.							

Small Business Loans

The distribution of small business loans reflects good penetration among businesses of different sizes. With respect to small business loans originated to businesses with revenues of \$1 million or less in 2010, the bank's performance significantly exceeded that of aggregate lending. IBT's small business loans in amounts of \$100,000 or less are significantly less than aggregate lending by comparison. Small business lending performance improved from 2008 to 2009 in which small business loans originated to businesses with revenues of \$1 million or less grew from 67.3 percent to 80.0 percent and from 59.2 percent to 64.0 percent for original amounts of \$100,000 or less. 2008 and 2009 aggregate lending levels reflected 52.6 percent and 24.5 percent of total small business loans originated to businesses with gross annual revenues of \$1 million or less, respectively, and 96.8 percent and 95.2 percent of those were for original amounts of \$100,000 or less, respectively.

Table 31							
Non-metropolitan Indiana Small Business Loan Distribution, 2010							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	53	66.3	5,010	38.5	31.9	30.2	90.7
Over \$1 Million	26	32.5	7,919	61.0	68.1	69.8	4.6
Not Known	1	1.2	62	0.5	0.0	0.0	4.7
Total	80	100.0	12,991	100.0	100.0	100.0	100.0
By Loan Size							
\$100,000 or less	52	65.0	2,602	20.0	92.4	34.9	
\$100,000 - \$250,000	14	17.5	2,367	18.2	3.2	12.6	
\$250,000 - \$1 Million	14	17.5	8,022	61.8	4.4	52.5	
Total	80	100.0	12,991	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	42	79.3	1,949	38.9	*	*	
\$100,000 - \$250,000	7	13.2	1,281	25.6	*	*	
\$250,000 - \$1 Million	4	7.5	1,780	35.5	*	*	
Total	53	100.0	5,010	100.0	*	*	
* Data Unavailable							
Percentages may not add to 100.0 percent due to rounding.							

Community Development Lending Activities

Table 32 Non-metropolitan Indiana Qualified Community Development Loans August 4, 2008 to October 24, 2011											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$
Total	3	708	1	132	4	818	3	702	11	2,360	100.0

IBT originated a relatively high level of community development loans in this assessment area. The bank's made 11 community development loans totaling \$2.4 million during the review period; all of the loans except one was made during this review period. One community development loan was refinanced from a previous period. Unfunded commitments of \$8.5 million were also negotiated during the period. Loan proceeds benefited economic development through funding an industrial corporation to attract new businesses to the area, retain and create jobs, and recruit new industries.

The bank's community development lending also supported affordable housing objectives in the assessment area, and community services tailored to meet the needs of low- and moderate-income individuals and families.

INVESTMENT TEST

IBT made an adequate level of qualified investments, donations, and grants in the non-metropolitan assessment area during the review period, particularly those not routinely provided by private investors, rarely in a leadership position. Additionally, the bank makes rare use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

Table 33 Non-metropolitan Indiana Qualified Community Development Investments by Type August 4, 2008 to October 24, 2011									
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*	368*	0	0	6*	368*	16.5	0	0
Economic Development	0	0	0	0	0	0	0.0	0	0
Revitalization and Stabilization	0	0	0	0	0	0	0.0	0	0
Community Services	0	0	1	1,867	1	1,867	83.5	0	0
Total	6*	368*	1	1,867	7*	2,235*	100.0	0	0
*Figure will not match overall numbers when aggregated other assessment areas as overall section identifies pools rather than number of loans within the MBS pools.									

The current period investment totaling \$1,867,000 was a bond to improve school facilities primarily educating children with the majority eligible for free and reduced lunch in Jennings County. Jennings County Schools are comprised of a large percentage of free and reduced lunch eligible children including Jennings County Middle School. Of the four Freddie Mac MBS pools discussed in the overall section, each of the pools included outstanding underlying mortgages with initial investment amounts of \$367,756 benefiting the non-metropolitan Indiana assessment area.

Overall investments in the assessment area increased as IBT did not make any qualified investments, but made \$517,492 in qualified grants and donations during the previous review. The activity from the previous examination was tied to a large real estate donation for affordable housing.

The bank's qualified grants and donations decreased to ten qualified donations totaling \$75,546 during this review period to various economic development corporations and services tailored to low- and moderate-income individuals. Most notable were donations to the Jackson County Industrial Development Corporation and various low- and moderate-income organizations within the Jackson County United Way.

SERVICE TEST

IBT's performance relative to the Service Test in the non-metropolitan assessment area is adequate based on retail services that are reasonably accessible to essentially all portions of the assessment area and changes in the branch and ATM network did not adversely affect the accessibility of its delivery systems. The bank provides reasonable business hours that do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and

individuals. Employees provided an adequate level of community development services in the assessment area.

Retail Services

The non-metropolitan assessment area consists of 38 geographies, including 1 moderate-, 35 middle-, and 2 upper-income geographies. As presented in the table in the overall section, the bank operates nine branch offices in the assessment area, most of which are located in middle-income geographies with one in a moderate-income geography. Seven branches are equipped with a full-service ATM, with two branches having a cash-dispensing only ATM. All branch offices are reasonably accessible to essentially all portions of the assessment area, including low- and moderate-income individuals and geographies. One branch office was closed in this area since the previous review, but no ATMs have been opened or closed since the previous review.

The branch offices in the non-metropolitan assessment area are open from approximately 8:30 a.m. to 5:00 p.m., Monday through Thursday, 9:00 a.m. to 6:00 p.m. on Friday, with morning hours on Saturday. Extended drive-up hours are also available Monday through Saturday. Business hours and banking services are reasonable and do not vary in a way that inconveniences moderate-income individuals or geographies. All loan products are available via walk-in service or by appointment. Alternative delivery systems include ATMs, internet banking, and bank by phone services, available 24 hours a day for balance inquiry, account transfers, and bill pay.

Community Development Services

IBT provided an adequate level of community development services to the non-metropolitan assessment during the review period. These services provided through employee and officer participation helped nine community development service organizations, most notably Jackson County Industrial Development Corporation, Seymour Industrial Corporation, Jefferson County Transitional Services, Southeastern Indiana Regional Planning Commission (SIRPC), Jennings County Economic Development Board, Scott County Partnership, Volunteer Income Tax Assistance, and Teach Children to Save.

Representatives of IBT provided community development services benefiting the Jefferson County Transitional Services by providing financial skills to approximately 40 individuals in substance abuse programs to aid them in obtaining gainful employment. In addition, the bank provided services to Jackson County Industrial Development, a sister organization to the Seymour Industrial Corporation. Both organizations strive to attract new business to the area using a variety of purchase options and lease programs but have not had any land sales in the previous five years. In addition, services supporting the SIRPC benefited 28 first time homebuyers to obtain income restricted housing, down payment assistance and homeowner counseling.

Representatives served on the Jennings County Economic Development Board to attract new businesses and retain existing enterprises creating 65 jobs with infrastructure in place for an additional 300 through four companies. Financial literacy training provided to primarily low- and moderate-income children benefitted 475 students in Jennings and Scott Counties. Services provided for Volunteer Income Tax Assistance helped 147 qualifying individuals with tax preparation for low- and moderate-income individuals generating federal refunds of \$152,065 and state refunds of \$17,534 in Jackson County.

Table 34											
Non-metropolitan Indiana Qualified Community Development Services											
August 4, 2008 through October 24, 2011											
Assessment Area	Affordable Housing		Economic Development		Revitalization and Stabilization		Community Services		Total		
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours	% of Total Hours
Full Review:											
Non-metropolitan Indiana	1	N/A	2	40	0	0	6	277	9	317	100.0

INDIANAPOLIS METROPOLITAN AREA- LIMITED REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANAPOLIS IN MSA ASSESSMENT AREA (#26900)

IBT's operations in the Indianapolis assessment area are managed through two branch offices and two full-service ATMs. North of the assessment area, in Indianapolis, is a loan production office. As of June 30, 2010, IBT accounted for 0.43 percent market share of FDIC-insured deposits, ranking 14th of 24 FDIC-insured financial institutions with at least one branch in the assessment area. By comparison, the top three institutions by market share were: JP Morgan Chase Bank N.A, 30.75 percent, PNC Bank N.A., 26.83 percent, and Fifth Third Bank, 9.27 percent.

The Indianapolis assessment consists of Perry Township in Marion County within the Indianapolis MSA. Perry Township is located in the south central portion of Marion County. The assessment area is comprised of seven moderate-, nine middle-, and four upper-income geographies. All branches and ATMs are located in middle-income geographies.

Selected demographic information for the Indianapolis MSA assessment area is provided in Table 35.

Table 35 Indianapolis MSA Assessment Area Demographics*								
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	4,627	18.9
Moderate-income	7	35.0	7,916	32.3	651	8.2	5,086	20.7
Middle-income	9	45.0	10,530	42.9	375	3.6	5,989	24.4
Upper-income	4	20.0	6,091	24.8	63	1.0	8,835	36.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	24,537	100.0	1,089	4.4	24,537	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	15,661	5,717	24.2	36.5	8,523	54.4	1,421	9.1
Middle-income	16,465	11,238	47.6	68.3	4,434	26.9	793	4.8
Upper-income	8,754	6,666	28.2	76.1	1,534	17.5	554	6.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	40,880	23,621	100.0	57.8	14,491	35.4	2,768	6.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	928	27.3	813	27.0	55	26.8	60	32.8
Middle-income	1,704	50.2	1,498	49.8	117	57.1	89	48.6
Upper-income	764	22.5	697	23.2	33	16.1	34	18.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,396	100.0	3,008	100.0	205	100.0	183	100.0
	Percentage of Total Businesses:			88.6		6.0		5.4

*U.S. Census Bureau

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANAPOLIS
METROPOLITAN STATISTICAL ASSESSMENT AREA**

LENDING TEST

IBT's performance in the Indianapolis MSA assessment area relative to the lending test is below the institution's performance overall, but did not impact the rating.

Geographic Distribution of Loans

HMDA-reportable loans

Table 36 Indianapolis MSA Home Mortgage Lending 2010 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner- Occupied Housing
	#	%	\$	%	#	%	%
Home Purchase Loans							
Moderate	0	0.0	0	0.0	23.1	21.2	24.2
Middle	0	0.0	0	0.0	56.3	55.7	47.6
Upper	0	0.0	0	0.0	20.6	23.1	28.2
Total	0	0.0	0	0.0	100.0	100.0	100.0
Refinanced Loans							
Moderate	0	0.0	0	0.0	14.5	12.4	
Middle	0	0.0	0	0.0	52.2	52.0	
Upper	2	100.0	225	100.0	33.3	35.7	
Total	0	100.0	225	100.0	100.0	100.0	
Home Improvement Loans							
Moderate	0	0.0	0	0.0	21.1	19.4	
Middle	0	0.0	0	0.0	45.1	35.2	
Upper	0	0.0	0	0.0	33.8	45.4	
Total	0	0.0	0	0.0	100.0	100.0	
Multifamily Loans							
Moderate	0	0.0	0	0.0	60.0	95.5	
Middle	0	0.0	0	0.0	20.0	2.5	
Upper	0	0.0	0	0.0	20.0	2.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Moderate	0	0.0	0	0.0	17.9	19.8	
Middle	0	0.0	0	0.0	53.5	50.4	
Upper	2	100.0	225	100.0	28.6	29.7	
Total	2	100.0	225	100.0	100.0	100.0	

Percentages may not add to 100.0 percent due to rounding.

Small Business Loans

Table 37 Indianapolis MSA Small Business Lending, 2010 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	24.4	26.2	27.3
Middle	2	100.0	657	100.0	51.4	52.7	50.2
Upper	0	0.0	0	0.0	24.2	21.1	22.5
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	2	100.0	657	100.0	100.0	100.0	100.0
Percentages may not add to 100.0 percent due to rounding.							

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

Home Mortgage Loans

Table 38							
Indianapolis MSA Home Mortgage Lending, 2010							
Borrower Distribution							
(000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	30.5	25.3	18.9
Moderate	0	0.0	0	0.0	29.2	29.0	20.7
Middle	0	0.0	0	0.0	15.6	17.7	24.4
Upper	0	0.0	0	0.0	10.3	14.0	36.0
Unknown	0	0.0	0	0.0	14.3	13.9	0.0
Total	0	0.0	0	0.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	11.7	8.4	
Moderate	0	0.0	0	0.0	21.2	18.0	
Middle	0	0.0	0	0.0	23.6	23.3	
Upper	2	100.0	225	100.0	24.4	29.6	
Unknown	0	0.0	0	0.0	19.1	20.8	
Total	2	100.0	225	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	19.7	14.3	
Moderate	0	0.0	0	0.0	25.4	17.0	
Middle	0	0.0	0	0.0	23.9	27.7	
Upper	0	0.0	0	0.0	19.7	22.2	
Unknown	0	0.0	0	0.0	11.3	18.8	
Total	0	0.0	0	0.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	18.8	13.7	
Moderate	0	0.0	0	0.0	24.2	20.7	
Middle	0	0.0	0	0.0	20.6	20.3	
Upper	2	100.0	225	100.0	19.1	22.7	
Unknown	0	0.0	0	0.0	17.3	22.6	
Total	2	100.0	225	100.0	100.0	100.0	

Percentages may not add to 100.0 percent due to rounding.

Small Business Loans

Table 39							
Indianapolis MSA Small Business Loan Distribution, 2010							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	1	50.0	607	92.4	29.8	34.9	88.6
Over \$1 Million	1	50.0	50	7.6	70.2	65.1	6.0
Not Known	0	0.0	0	0.0	0.0	0.0	5.4
Total	2	100.0	657	100.0	100.0	100.0	100.0
By Loan Size							
\$100,000 or less	1	50.0	50	7.6	86.2	20.4	
\$100,000 - \$250,000	0	0.0	0	0.0	5.7	15.1	
\$250,000 - \$1 Million	1	50.0	607	92.4	8.1	64.5	
Total	2	100.0	657	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	0	0.0	0	0.0	*	*	
\$100,000 - \$250,000	0	0.0	0	0.0	*	*	
\$250,000 - \$1 Million	1	100.0	607	100.0	*	*	
Total	1	100.0	607	100.0	*	*	
* Data Unavailable							
Percentages may not add to 100.0 percent due to rounding.							

Community Development Lending Activities

IBT makes few, if any, community development loans. No qualified community development loans were made in the assessment area during the review period; however, IBT generated loans outside the bank's current assessment area for affordable housing and to revitalize and stabilize low- and moderate-income geographies. During the previous review period performance was similar to the current period as community development loans were made outside the bank's assessment area.

INVESTMENT TEST

IBT's performance relative to the Investment Test is consistent with the institution's performance overall.

Table 40									
Indianapolis MSA Qualified Community Development Investments by Type									
August 4, 2008 to October 24, 2011									
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	0	0	0	0	0	0	0	0	0
Economic Development	0	0	0	0	0	0	0.0	0	0
Revitalization and Stabilization	0	0	1	925	1	925	100.0	0	0
Community Services	0	0	0	0	0	0	0.0	0	0
Total	0	0	1	925	1	925	100.0	0	0

SERVICE TEST

IBT's performance relative to the Service Test is below the institution's performance overall.

Retail Services

The Indianapolis MSA assessment area consists of 20 geographies, including 7 moderate-income geographies with both branches located in middle-income geographies. Both branches are equipped with full-service ATMs and are accessible to the bank's geographies and individuals of different income levels in the assessment area. No branch offices or ATMs have been opened or closed in this assessment area since the previous review; therefore delivery systems have not been adversely affected.

Both branches are open Monday through Friday, hours of operation are consistent with other assessment areas and do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and/ or individuals. Extended drive-thru hours are also available Monday through Friday for both locations. There is a commercial loan production office located in the assessment area with hours of operation Monday through Friday by appointment only.

Community Development Services

The bank did not provide any community development services in the assessment area during the current or previous review period. IBT provided financial literacy courses in the assessment area; however, they were not targeted to low- and moderate-income individuals or geographies.

LOUISVILLE-JEFFERSON COUNTY, KY-IN METROPOLITAN STATISTICAL AREA - LIMITED REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LOUISVILLE-JEFFERSON COUNTY, KY-IN METROPOLITAN STATISTICAL AREA (#31140)

IBT maintains limited operations in this assessment area, operating one branch office with a full service ATM in the city of Salem, Indiana. IBT ranked fourth of six financial institutions by deposit market share in Washington County with 8.83 percent of FDIC insured deposits as of June 30, 2010. By comparison, the top three financial institutions by market share were: PNC Bank N.A., 34.03 percent; Mid-Southern SB FSB, 29.62 percent; and First Harrison Bank, 12.59 percent.

This assessment area consists of one moderate- and five middle-income geographies in Washington County, IN, which is located within the Louisville-Jefferson County, KY-IN MSA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LOUISVILLE-JEFFERSON COUNTY, KY-IN METROPOLITAN STATISTICAL AREA

LENDING TEST

Indiana Bank and Trust's performance for the lending test in the Louisville assessment area is consistent with the bank's lending performance overall. For the review period, the bank originated 143 home mortgage and 8 small business loans in this assessment area.

Geographic Distribution of Loans

HMDA-reportable loans

Table 41							
Louisville MSA Home Mortgage Lending, 2010							
Geographic Distribution							
(000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Owner-Occupied Housing
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	1	9.1	84	6.4	17.4	12.6	11.4
Middle	10	90.9	1,235	93.6	82.6	87.4	88.6
Upper	0	0.0	0	0.0	0.0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	11	100.0	1,319	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	2	7.4	88	3.7	11.9	8.2	
Middle	25	92.6	2,269	96.3	87.9	91.5	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	0.2	0.3	
Total	27	100.0	2,357	100.0	100.0	100.0	
Home Improvement Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	2.6	0.2	
Middle	8	100.0	32	100.0	97.4	99.8	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	8	100.0	32	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	100.0	100.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	3	6.5	172	4.6	13.2	9.5	
Middle	43	93.5	3,536	95.4	86.6	90.3	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	46	100.0	3,708	100.0	100.0	100.0	

Percentages may not add to 100.0 percent due to rounding.

Small Business Loans

Table 42 Louisville MSA Small Business Lending, 2010 Geographic Distribution (000's)							
Census Tract Income Level	Bank Loans				Aggregate of All Lenders		Businesses by Census Tract Income Level
	#	%	\$	%	# %	\$ %	%
Low	0	0.0	0	0.0	0.0	0.0	0.0
Moderate	0	0.0	0	0.0	16.4	5.5	19.0
Middle	3	100.0	90	100.0	83.6	94.5	81.0
Upper	0	0.0	0	0.0	0.0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0	0.0	0.0
Total	3	100.0	90	100.0	100.0	100.0	100.0

Percentages may not add to 100.0 percent due to rounding.

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

Home Mortgage Loans

Table 43							
Louisville MSA Home Mortgage Lending, 2010							
Borrower Distribution							
(000's)							
Income Level of the Borrower	Bank Loans				Aggregate of All Lenders		Families by Family Income Level
	#	%	\$	%	# %	\$ %	%
Home Purchase Loans							
Low	1	9.0	64	4.9	19.5	13.3	22.6
Moderate	4	36.4	393	29.8	27.8	25.4	22.2
Middle	4	36.4	362	27.4	26.1	25.1	27.3
Upper	2	18.2	500	37.9	22.0	29.4	27.9
Unknown	0	0.0	0	0.0	4.6	6.8	0.0
Total	11	100.0	1,319	100.0	100.0	100.0	100.0
Refinanced Loans							
Low	3	11.1	159	6.7	15.4	10.9	
Moderate	3	11.1	138	5.9	24.9	19.5	
Middle	9	33.3	877	37.2	21.7	21.0	
Upper	12	44.5	1,183	50.2	26.1	36.9	
Unknown	0	0.0	0	0.0	11.9	11.7	
Total	27	100.0	2,357	100.0	100.0	100.0	
Home Improvement Loans							
Low	2	25.0	6	18.8	17.9	7.8	
Moderate	4	50.0	17	53.0	35.9	26.6	
Middle	1	12.5	3	9.4	28.3	46.8	
Upper	1	12.5	6	18.8	17.9	18.8	
Unknown	0	0.0	0	0.0	0.0	0.0	
Total	8	100.0	32	100.0	100.0	100.0	
Multifamily Loans							
Low	0	0.0	0	0.0	0.0	0.0	
Moderate	0	0.0	0	0.0	0.0	0.0	
Middle	0	0.0	0	0.0	0.0	0.0	
Upper	0	0.0	0	0.0	0.0	0.0	
Unknown	0	0.0	0	0.0	100.0	100.0	
Total	0	0.0	0	0.0	100.0	100.0	
Total Home Mortgage Loans							
Low	6	13.0	229	6.2	16.9	11.6	
Moderate	11	23.9	548	14.8	26.4	21.6	
Middle	14	30.4	1,242	33.5	23.5	22.9	
Upper	15	32.6	1,689	45.6	24.2	33.8	
Unknown	0	0.0	0	0.0	9.0	10.1	
Total	46	100.0	3,708	100.0	100.0	100.0	
Percentages may not round to 100.0 percent due to rounding.							

Small Business Loans

Table 44							
Louisville MSA Small Business Loan Distribution, 2010							
By Revenue and Loan Size							
(000's)							
Category	Bank Loans				Aggregate of All Lenders		Businesses By Annual Revenues
	#	%	\$	%	# %	\$ %	# %
By Revenue							
\$1 Million or Less	2	667.	40	44.4	42.1	29.5	93.3
Over \$1 Million	1	33.3	50	55.6	57.9	70.5	2.7
Not Known	0	0.0	0	0.0	0.0	0.0	4.0
Total	3	100.0	90	100.0	100.0	100.0	100.0
By Loan Size							
\$100,000 or less	3	100.0	90	100.0	92.5	26.4	
\$100,000 - \$250,000	0	0.0	0	0.0	3.1	11.0	
\$250,000 - \$1 Million	0	0.0	0	0.0	4.4	62.6	
Total	3	100.0	90	100.0	100.0	100.0	
By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	2	100.0	40	100.0	*	*	
\$100,000 - \$250,000	0	0.0	0	0.0	*	*	
\$250,000 - \$1 Million	0	0.0	0	0.0	*	*	
Total	2	100.0	40	100.0	*	*	
* Data Unavailable							
Percentages may add to 100.0 percent due to rounding.							

Community Development Lending Activities

IBT did not make any community development during this review period or the previous review period.

INVESTMENT TEST

IBT's investment performance in the Louisville MSA is below the bank's investment performance overall; however, it does not change the overall rating. No qualified investments, donations or grants were directly reported within the assessment area; however, of the four Freddie Mac MBS pools discussed in the overall section, two of the pools included two underlying mortgages outstanding with initial investment amounts of \$103,300 in the Louisville MSA assessment area. No qualified investments were reported within the assessment area during the previous review.

SERVICE TEST

Performance under the Service Test in the Louisville assessment area is below the performance of the institution overall.

Retail Services

Table 45 Branch Locations by Census Tract Income Level												
Assessment Area	Low Income		Moderate Income		Low- and Moderate- Income Total		Middle Income		Upper Income		Total	
	#	%	#	%	#	%	#	%	#	%	#	% of Total
Louisville MSA	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	100.0

Community Development Services

Employees participated in one service which provided community development services to low- and moderate-income individuals in the assessment area. The bank did not provide any community development services in this assessment area during the previous review period.

APPENDIX A – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	There are different time periods for lending and community development activities: <ul style="list-style-type: none"> • January 1, 2008 to December 31, 2010 (HMDA and CRA Reportable Loans within Lending Test) • August 4, 2008 to October 24, 2011 (Community Development Loans, Investment, and Service Tests) 		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Indiana Bank & Trust Company Columbus, Indiana			<ul style="list-style-type: none"> • HMDA • Small Business Loans • Community Development Loans
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Columbus MSA – 18020 County: 05 – Bartholomew	Full Scope	None	N/A
Non-metropolitan Indiana County: 31 – Decatur County: 71 – Jackson County: 77 – Jefferson County: 79 – Jennings County: 137 – Ripley County: 143 – Scott	Full Scope		
Indianapolis Carmel MSA 26900 County 097 – Marion Census Tracts 3801.00 through 3812.06 in Perry Township	Limited Scope		
Louisville-Jefferson County, Kentucky/Indiana MSA 31140 County: 175 - Washington	Limited Scope		

APPENDIX B - 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.