

PUBLIC DISCLOSURE

November 13, 2006

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Central Bank
RSSD#: 919241

160 West Main Street
Russiaville, Indiana 46979

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution

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

Central Bank ("bank") provides credit in a manner consistent with its size, location, and the current economic condition of its assessment area. The loan to deposit ratio (LTD) average is noticeably lower (50.17%) than the average LTD for banks in its peer group (79.73%) as well as local competitors and is considered less than reasonable. However, the bank meets the standards for a satisfactory rating in the remaining criteria. A significant majority of loans are located within the assessment area, and the distribution of loans reflects reasonable penetration among borrowers of different income and businesses of different revenue sizes. Residential real estate and small business loans are reasonably dispersed throughout the assessment area. Neither the bank nor the Federal Reserve Bank of Chicago ("Reserve Bank") has received any CRA-related complaints during the scope of this evaluation. Additionally, no patterns or practices of illegal discrimination or discouragement of applications from any member of a protected class was noted.

The bank was rated "**Satisfactory**" under the CRA at its previous evaluation conducted on October 28, 2002.

SCOPE OF EXAMINATION

The bank's CRA Performance was evaluated in the context of information about the institution and assessment area, such as asset size, financial condition, competition, and economic and demographic characteristics. Performance within the designated assessment area was evaluated using Interagency Small Bank Full Scope Examination Procedures based on the following performance standards.

- ***Loan to Deposit Ratio*** – An eight-quarter average loan-to-deposit ratio was calculated from December 31, 2004 to September 30, 2006, for the bank and compared to its peer group, as well as a sample of local competitors.
- ***Lending in the Assessment Area*** – A sample of residential real estate loans from January 1, 2004 to December 31, 2005 and small business loans from February January 1, 2004 to December 31, 2005 was reviewed to determine the percentage of loans originated in the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of residential real estate loans from January 1, 2004 to December 31, 2005 and small business loans from January 1, 2004 to December 31, 2005 was analyzed to evaluate the extent to which the bank

is making 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 –**
A sample of residential real estate loans from January 1, 2004 to December 31, 2005 was analyzed to assess the loan distribution among borrowers of different income levels. In addition, a sample of small business loans from January 1, 2004 to December 31, 2005 was analyzed to assess the loan distribution among businesses of different revenue sizes.
- **Response to Substantiated Complaints –** Neither Central Bank nor this Reserve Bank received any CRA-related complaints related to this institution since the previous examination.

In addition to the above criteria, three community representatives were interviewed during the examination to assess the credit needs of the community and determine whether local financial institutions are adequately meeting those needs.

Please see the glossary provided at the end of this document for definitions of the terms used throughout the evaluation.

DESCRIPTION OF INSTITUTION

The bank was established in 1947 and is headquartered in Russiaville, Indiana. According to the Uniform Bank Performance Report (UBPR), the bank has total assets of \$53.4 million as of September 30, 2006. This represents a 2.10 percent increase, or \$1.1 million, from September 30, 2002. The bank serves the local community primarily as a residential real estate and small business lender. The bank operates one full-service branch located in Kokomo, Indiana, with the main office in the City of Russiaville. Since the previous examination, the bank has not opened, closed, or relocated any offices.

The bank offers a standard array of non-complex deposit products such as interest and non-interest bearing checking accounts and savings accounts. Similar products are offered to businesses. The bank's lending portfolio is comprised of real estate mortgages, home equity lines of credit, consumer installment and single payment, commercial, and construction loans and business lines of credit.

The bank's peer group includes all commercial banks with assets between \$50 and \$100 million located in a metropolitan area with two or fewer full-service offices. A significant amount of local competition exists within the bank's assessment area. Main local competitors include Community First Bank of Howard County and First Farmers Bank and Trust of Converse.

There are no apparent factors relative to the bank's financial condition, size, products, prior performance, or legal impediments that would prevent the bank from meeting the credit needs of the community. However, the local economic conditions are weakening and have caused uncertainties within the community.

Based on the September 30, 2006 UBPR, the bank's loan portfolio as compared to peer is depicted in Exhibit 1 below.

Exhibit #1		
Loan Portfolio		
LOAN TYPE	Bank Loan Mix (%)	Peer Loan Mix (%)
REAL ESTATE LOANS	67.27	71.46
Construction & Development	0.89	10.41
1-4 Family Residential	51.41	26.11
<i>Home Equity</i>	5.63	2.50
Other Real Estate Loans	14.99	30.92
<i>Farmland</i>	0.96	3.61
<i>Multifamily</i>	0.63	1.51
<i>Non-Farm, Non-Residential</i>	13.40	23.79
COMMERCIAL & INDUSTRIAL LOANS	16.40	15.04
LOANS TO INDIVIDUALS	16.21	7.19
CREDIT CARD LOANS	0.95	0.04
AGRICULTURAL LOANS	0.11	2.66
MUNICIPAL LOANS	0.00	0.18
ALL OTHER LOANS*	0.00	0.11
* Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables.		

As Exhibit 1 illustrates, the bank's loan portfolio has a higher concentration of residential real estate lending, excluding construction and development, and a slightly higher concentration in commercial and industrial lending than peer. Residential real estate loans comprise 51.41 percent and commercial and industrial loans comprise 16.40 percent of the loan portfolio as compared to 26.11 percent and 15.04 percent, respectively, of peer. Similar to peer, residential real estate and non-farm, non-residential loans comprise a significant portion of the bank's real estate portfolio.

Exhibit 2 below illustrates the deposit market share of the bank and its main local competitors in Howard County. According to the market share analysis, as represented in the June 30, 2006 Federal Deposit Insurance Company (FDIC) Summary of Deposits, the bank has 4.50 percent of the deposits in its market. This ranks the bank 7th out of 13 institutions in Howard County, where the total market share is approximately \$1 billion. Within Howard County, there are four community banks and three large banks that hold 61.53 percent of the market share. These three large banks are First National Bank and Trust, KeyBank National, and National City Bank of Indiana.

Exhibit #2				
Deposit Market Share				
Institution	Number of offices (in AA)	Deposits inside Porter County (\$000s)	Market Share (%)	Market Share Ranking
Community First Bank of Howard County	2	88.2	8.82	4 th
First Farmers Bank and Trust of Converse	3	83.9	8.39	5 th
Central Bank of Russiaville	2	45.1	4.50	7th

Source: FDIC Summary of Deposits as of June 30, 2006

The bank’s assessment area is comprised of Howard County in its entirety. Howard County is considered a competitive banking market with local community banks, credit unions, and small local branches of larger financial institutions headquartered outside the immediate assessment area. Although a smaller bank compared to its local competitors, Central Bank has the ability to meet the credit needs of its assessment area based on the bank’s asset size, financial condition, and other resources.

DESCRIPTION OF ASSESSMENT AREA - HOWARD COUNTY

Central Bank’s assessment area, shown in Appendix A, is comprised of all of Howard County located in the State of Indiana. Howard County is part of the Kokomo MSA, but largely rural in nature and located outside the city of Kokomo. The assessment area consists of 20 census tracts, of which seven are moderate-income. The assessment area has a total population of 84,964. The seven moderate-income tracts have a combined population of 26,596, which is 31.30 percent of the total population. The assessment area contains whole geographies and does not reflect illegal discrimination. Also, it does not arbitrarily exclude low- or moderate-income geographies. The assessment area does not have any distressed or underserved census tracts.

Although Central Bank did not adjust to its assessment area, there were modifications made to the assessment area by the Office of Management and Budget (OMB). The OMB made geographical changes as a result of the 2000 Census. At the previous examination dated October 28, 2002, the bank's assessment area consisted of 21 census tracts, with one low-income tract (0001.00). This census tract no longer exists since it was merged into census tract 0002.00, which is a moderate-income tract. As a result, the current assessment area does not have any low-income tracts.

The local economy is almost entirely leveraged on two companies - DaimlerChrysler and Delphi, which are in a similar industry. The local economy is expected to weaken in the near term, which can be attributed to the Delphi labor negotiations weighing on the county's growth as well as negotiations with DaimlerChrysler. Other contributing factors that weaken the economy are a decline in the residential real estate market, increasing unemployment rates, increasing personal bankruptcies, and negative employment growth.

Howard County is considered a competitive banking market, especially in residential real estate and small business lending. There are 233 Home Mortgage Disclosure Act (HMDA) reporters within the bank's assessment area and 28 CRA reporters within the bank's assessment area, which does not include institutions with less than \$250 million in assets.

The local real estate market is slowing as uncertainty on salaries and job security remain an area of concern along with the increasing mortgage interest rate environment. While housing activity has slowed down in Indiana, the slow down in housing activity has been more pronounced in Howard County. Total housing permits declined 49.00 percent over the last twelve months. During the first half of 2006, single family permits in Howard County totaled 65.00 compared to 122 a year ago. As a result, opportunities for residential real estate lending are limited due to local competition within the assessment area as well as the economic uncertainties.

There are a total of 1,551 businesses within the assessment area, of which 689, or 44.42 percent, have less than \$1 million in revenue. Opportunities for small business lending, unlike residential real estate lending, are greater due to the number of small business in the local business market.

Income Characteristics

Exhibit 3 and 4 compare the income levels for the assessment area to those for the Kokomo MSA and the State of Indiana, based on 2000 and 1990 U.S. Bureau of Census data, respectively. The 2000 median family income for the assessment area has increased by 41.38 percent, or \$15,561, when compared to 1990 Census data. This can be attributed to slight increases in the percent of moderate- and upper-income families and comparable low-income families. The poverty level also improved slightly during this period.

Overall, the median family income for the assessment area continues to be above that of the State and slightly below the MSA. The median family income for the assessment area was \$391 below the MSA and \$2,903 more than the State, respectively, according to 2000 Census data. When compared to the 1990 Census data, the 2000 assessment area's median family income was substantial higher than all three locations. These income characteristics demonstrate gradual economic growth and some decreases in low- and moderate-income opportunities.

Exhibit #3						
Distribution of Families by Income Level - 2000						
Location	Median Family Income(\$)	Percent of Families				
		*Low	*Moderate	*Middle	*Upper	Below Poverty Level
Assessment Area	53,164	19.56	18.68	22.93	38.83	6.56
Kokomo MSA	53,555	18.71	16.82	23.49	39.18	5.95
State of Indiana	50,261	18.08	18.94	24.23	38.75	6.69

Source: 2000 U.S. Bureau of Census data

* Refer to the Glossary (Appendix B) for the definitions of Low, Moderate, Middle, and Upper-Income Tracts

Exhibit #4						
Distribution of Families by Income Level - 1990						
Location	Median Family Income(\$)	Percent of Families				
		*Low	*Moderate	*Middle	*Upper	Below Poverty Level
Assessment Area	37,603	20.6	16.3	24.4	38.6	9.5
Kokomo MSA	36,769	20.0	16.9	24.8	38.3	8.7
State of Indiana	34,082	18.2	18.9	24.8	38.1	7.9

Source: 1990 U.S. Bureau of Census data

* Refer to the Glossary (Appendix B) for the definitions of Low, Moderate, Middle, and Upper-Income Tracts

An area of concern is personal bankruptcy filings which have increased at a sharper pace in Howard County and Kokomo MSA than that of the State of Indiana over the past several years. During 2005, filings increased 75.7 percent in Howard County and Kokomo MSA, compared to a 43.7 percent increase in Indiana. This could be attributed to the increasing unemployment as well as the current increasing interest rate environment. In addition, the recent change in the bankruptcy law may have contributed to the increase in bankruptcy fillings over the past year. As a result, this may have a negative impact on median family incomes over time.

Housing Characteristics and Affordability

As depicted below in Exhibit 5, there are 37,604 total housing units within the bank’s assessment area. Of these, 24,954 units, or 66.36 percent, are owner-occupied; 9,846, or 26.18 percent, are occupied rental units; and 2,804, or 7.46 percent, are vacant rental units. The median housing value for the assessment area is \$86,991, which is approximately the same as the median housing value for the Kokomo MSA of \$86,994 and lower than that of the State of Indiana at \$92,500. The median gross rent for the assessment area is \$509, which is also lower than the \$521 for the State of Indiana, and approximately the same as the \$506 for the Kokomo MSA.

Exhibit #5							
Housing Summary							
Location	Housing Units	Owner Occupied Units	Median Housing Value (\$)	Occupied Rental Units	Median Gross Rent (\$)	Vacant Units	Affordability Ratio (%)
Assessment Area	37,604	24,954	86,991	9,846	509	2,804	61.11
Kokomo MSA	44,452	30,122	86,994	11,147	506	3,183	61.56
State of Indiana	2,532,319	1,669,083	92,500	667,223	521	196,013	54.33

Source: 2000 U.S. Bureau of Census data

Despite having a higher median housing value and a higher median gross rental expense, the assessment area has an affordability ratio of 61.11 percent, which is slightly lower than the 61.56 percent for the Kokomo MSA and higher than the 54.33 percent of the State of Indiana. Affordability ratios are useful in comparing costs for different geographic areas. These ratios are developed by dividing the median family income by the median housing value for a given area or groups of geographies. An area with a higher ratio generally has more affordable housing than an area with a lower ratio. Therefore, housing in the assessment area is generally more affordable than the State of Indiana and slightly less affordable than the Kokomo MSA. This is due to median family incomes rising faster than median housing values.

Labor and Employment

Exhibit 6 shows that the average unemployment rate in Howard County and the Kokomo MSA has increased from 2002 to 2005, while the State of Indiana has been consistently lower. According to a community representative, the higher level of unemployment can be attributed to the bankruptcy filing of Delphi during 2005 since it is one of the two major employers in the area. In addition, the higher unemployment rates can also be attributed to the decline in the local manufacturing industry, as several companies are downsizing or outsourcing to overseas facilities.

Exhibit #6				
UNEMPLOYMENT RATES				
Geography	2002*	2003*	2004*	2005*
Assessment Area	5.8%	6.9%	6.8%	6.6%
Kokomo MSA	5.7%	6.7%	6.5%	6.4%
State of Indiana	5.8%	6.0%	5.5%	5.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics

*Annual averages not seasonally adjusted

Exhibit 7 shows Howard County and Kokomo MSA’s average employment growth rates have been negative since 2002, which is below the average growth rate for the State of Indiana. This may be an indication that the Howard County and Kokomo MSA are not creating new job opportunities to offset the increasing unemployment rates in both areas. According to a community representative, job creation will continue to lag behind the State of Indiana due to the strong union influences and higher than average wages. In addition, manufacturing jobs in the area continue to be lost permanently to competition, mainly from overseas facilities, as their productivity and operations continue to improve and grow.

Exhibit 7				
EMPLOYMENT GROWTH RATE				
Geography	2002*	2003*	2004*	2005*
Assessment Area	-1.8%	-2.8%	-1.5%	-0.4%
Kokomo MSA	-1.9%	-3.9%	-1.3%	-1.2%
State of Indiana	-1.0%	0.2%	0.2%	1.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics

*Annual averages not seasonally adjusted

Since Central Bank is located in the Howard County, which is also part of the Kokomo MSA, the employment economy is concentrated in the manufacturing industry, which has been one of the contributing factors for the increasing unemployment rates as well as the lack of employment growth. As a result, the bank and local economy have a higher exposure to the potential downturn in the manufacturing industry.

Major employers in the area are listed in Exhibit 8. In addition to manufacturing, other major industries in Howard County includes health care and retail. Since 2002, no major employers have completely closed or have relocated from Howard County.

Exhibit 8			
MAJOR EMPLOYERS IN THE ASSESSMENT AREA			
Company	Location	Employees	Description
DaimlerChrysler Corporation	Kokomo, IN	7,260	Manufacturing
Delphi Electronics and Safety	Kokomo, IN	5,920	Manufacturing
St. Joseph Hospital	Kokomo, IN	1,001	Health Care
Haynes International	Kokomo, IN	636	Manufacturing
Wal-Mart, Inc.	Kokomo, IN	467	Retail

Source: Kokomo/Howard County Chamber of Commerce

Community Contact

Three community representatives, contacted during the examination to determine the credit needs of the assessment area, indicated that local financial institutions are actively involved in the community and are adequately meeting the credit needs of the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

In determining CRA performance, these standards are analyzed and evaluated within the assessment area context, which includes, but is not limited to, comparative analyses of the assessment area and the state and the county and the metropolitan portions of the state demographic data on median family income, nature of housing stock, housing costs, and other relevant data pertaining to the bank’s assessment area. All demographic data reported is based on 2000 U.S. census data unless otherwise specified. In addition, information from the performance context, such as economic conditions present within the assessment area, loan demand, bank size, financial condition, and business strategies, were considered when evaluating the bank’s performance.

Loan- to-Deposit (LTD) Ratio

The bank’s LTD, which remains below peer and its local competitors, is less than reasonable and needs to improve in a safe and sound manner. According to the UBPR from December 2004 to September 2006, the bank’s eight-quarter LTD average was 50.17 percent as compared to the peer’s average LTD of 79.73 percent and two local competitors, Community First Bank of Howard County at 85.32 percent and First Farmers Bank and Trust at 92.96 percent . The following table illustrates these figures.

Exhibit 9									
Loan to Deposit Ratio									
Bank Name, City, Assets as of 9/2006 \$(Millions)	9/06 (%)	6/06 (%)	3/06 (%)	12/05 (%)	9/05 (%)	6/05 (%)	3/05 (%)	12/04 (%)	Avg. (%)
Central Bank Russiaville, IN (\$45.1)	51.77	53.08	52.81	47.47	51.41	47.80	50.06	46.98	50.17
Peer Group*	79.92	80.35	79.77	79.08	79.59	79.86	79.82	79.46	79.73
Community First Bank of Howard County Kokomo, IN (\$107.1)	85.54	85.28	79.27	77.27	90.77	88.39	85.65	90.38	85.32
First Farmers Bank and Trust Converse, IN (\$543.1)	89.48	93.18	91.07	95.05	91.01	96.91	94.12	92.89	92.96

* The bank's peer group includes all insured commercial banks having assets between \$50 million and \$100 million in a metropolitan area with two or fewer full-service offices.

The bank's eight quarter average LTD has increased from 47.80 percent at the time of the October 28, 2002 examination. Management attributes the low LTD to strong competition within the assessment area, the bank's small size relative to its competitors, and its conservative lending philosophy. The bank's small size translates into a relatively small legal lending limit, thus precluding some lending opportunities. All the bank's competitors are larger and have offices outside the assessment area, allowing them increased lending opportunities and more diversification of risk.

Lending In the Assessment Area

The distribution of a sample of residential real estate and small business loans originated during the sample period is illustrated in Exhibit 10.

Exhibit 10			
Distribution of Loans in/out of Assessment Area (AA)			
Loan Type	Number of Loans		
	# in Sample	# in AA	% in AA
Residential Real Estate	73	69	94.52
Small Business	42	41	99.85
Totals	115	110	95.65

Overall, residential real estate and small business lending within the bank’s assessment area exceed the standards for satisfactory performance under this criterion.

Lending To Borrowers of Different Income Levels and To Businesses of Different Revenue Sizes

Given the demographics of the assessment area, the business strategy of the bank, and the loan distribution among borrowers of different income levels and businesses of different sizes, the bank’s performance under this criterion meets the standards for satisfactory performance. The distribution of loans reflects reasonable penetration among borrowers of different income and revenue levels. The bank is meeting the needs of all residents as well as the business owners in the area.

Exhibit 11 shows the distribution of the sample of residential real estate loans originated by borrower income level. As shown, the combined percentage of loans to low- and moderate-income borrowers is 47.83 percent as compared to the 38.19 percent of low- and moderate-income applicants in the assessment area. Based on the economic conditions of the assessment area, the distribution of residential real estate by borrower income level exceeds the demographic data related to median family income.

Exhibit 11			
Distribution of Residential Real Estate Loans by Borrower Income Level			
Income Level*	Total Number of Loans	Percent of Total Loans	Percent of Families in Assessment Area**
Low	15	21.74	19.56
Moderate	18	26.09	18.63
Low/Moderate Total	33	47.83	38.19
Middle	19	27.54	40.51
Upper	17	24.63	21.30
Totals	69	100.00	100.0

*HUD’s estimated 2005 median family income of \$59,400 was used to determine the income level of the applicants.

**Source: 2000 U.S. Bureau of Census data

Commercial loans in an original amount of \$1 million or less are considered to be small business loans. Furthermore, small businesses, as a rule, typically seek loans in smaller amounts than larger businesses due to their limited capacity to repay and relatively smaller credit needs. The resulting correlation is that a higher volume of loans in smaller loan sizes is indicative of a stronger performance in meeting the credit needs of small businesses.

Small business loans originated in amounts of \$250,000 and less represent 85.37 percent of the number and 42.65 percent of the dollar amount of total loans reported during the review period. Of the 41 total small business loans, 78.05 percent were made to businesses with gross annual revenues of \$1 million or less.

Exhibit 12		
Distribution of Small Business Loans		
Original Dollar Amount	Outstanding Number	Outstanding Dollar Amount
Less than or equal to \$100,000	31	\$1,008,894
Greater than \$100,000 through \$250,000	4	\$724,992
Greater than \$250,000 through \$1 million	6	\$2,331,805
Total	41*	\$4,065,691

*Nine of 41 loans were to businesses with gross annual revenues greater than \$1 million.

Geographic Distribution of Loans

The geographic distribution reflects reasonable dispersion throughout the assessment area and meets the standard for satisfactory performance under this criterion. As of the 2000 census, the bank's assessment area contains seven moderate-income census tracts. The tracts surrounding the bank's office, where the majority of the bank's loan activity is conducted, are designated as middle- and upper-income. Of the total residential real estate originations, 33.30 percent were made in moderate-income geographies, which reflects a reasonable level of penetration within the assessment area. The bank's lending to moderate-income tracts exceeds the demographic housing unit data of 18.63 percent located in moderate-income geographies.

An analysis of small business lending by tract income level revealed a reasonable penetration level in moderate-income tracts at 22.00 percent within the assessment area in relation to the number of tracts and the percentage of small businesses in those tracts. Demographic data indicates that 38.80 percent of the assessment area's small businesses are located in moderate-income geographies. The bank's small business lending is below the demographic data, which can be attributed to the number of banks in this area, as competition decreases the bank's lending opportunities.

Exhibit 13				
Distribution by Tract Income Level				
Tract Level	Residential Real Estate		Small Business	
	#	%	#	%
Low	0	0.0	0	0.0
Moderate	23	33.30	9	22.00
Middle	19	27.50	8	19.50
Upper	27	39.20	24	58.50
Total	69	100.0	41	100.0

Complaints

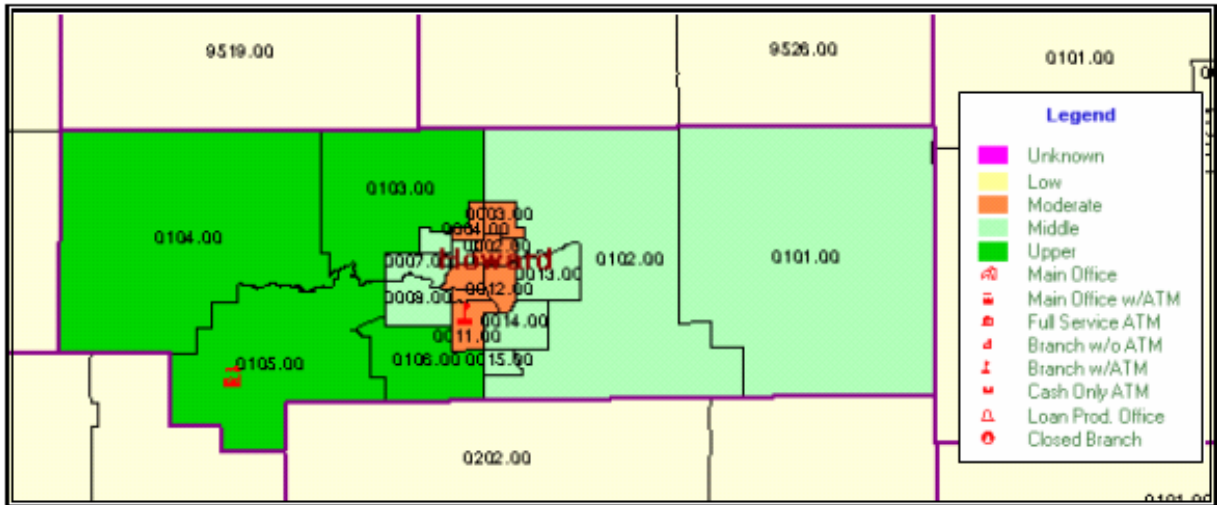
Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous examination.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Central Bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A sample of the banks' lending activity was reviewed to determine whether loan policies and lending standards were in compliance with the fair lending laws and regulations and that these are being consistently applied to all applicants. No evidence of prohibited discriminatory or other illegal credit practices was detected.

APPENDIX A – ASSESSMENT AREA MAP

Central Bank – Russiaville, Indiana



The assessment area consists of 20 census tracts:

- **7 moderate income:** 18-29020-067-0002.00, 18-29020-067-0003.00, 18-29020-067-0004.00, 18-29020-067-0009.00, 18-29020-067-0010.00, 18-29020-067-0011.00, 18-29020-067-0012.00
- **9 middle income:** 18-29020-067-0005.00, 18-29020-067-0006.00, 18-29020-067-0007.00, 18-29020-067-0008.00, 18-29020-067-0013.00, 18-29020-067-0014.00, 18-29020-067-0015.00, 18-29020-067-0101.00, 18-29020-067-0102.00
- **4 upper income:** 18-29020-067-0103.00, 18-29020-067-0104.00, 18-29020-067-0105.00, 18-29020-067-0106.00

APPENDIX B – CRA PUBLIC EVALUATION GLOSSARY

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.

Block numbering area (“BNA”): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

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.

Community development: Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals, activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies,

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 household and no wife present) or “female

householder” (a family with a female householder and no husband present).

Full review: Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

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 Disclosure Act (“HMDA”): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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 refinancings 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.

Limited review: Performance under the lending, investment, and service tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

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.

Metropolitan area (MA): Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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.

Multifamily: Refers to a residential structure that contains five or more units.

Optional loans: Includes any unreported category of loans for which the institution collects and maintains data for consideration during a CRA examination. Also includes consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.

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.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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.