

PUBLIC DISCLOSURE

April 28, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Bank of Evansville
RSSD #2975269**

**4424 Vogel Road
Evansville, Indiana 47715**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

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 the 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**.

Bank of Evansville meets the criteria for a satisfactory rating based upon an evaluation of the bank's overall lending performance. Analyses of the bank's lending activity revealed a reasonable geographic distribution throughout the bank's assessment area. Secondly, borrower distribution analyses indicated excellent responsiveness to small businesses; however, borrow distribution among families of various income levels, specifically low- and moderate-income (LMI) levels, was poor. The bank's loan-to-deposit (LTD) ratio is excellent given the bank's size, financial condition, and assessment area credit needs, and a substantial majority of the bank's loans are in the bank's designated assessment area. Lastly, no CRA-related complaints were filed against the bank for this review period.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the small bank examination procedures. The review period covered the date of the bank's previous CRA evaluation on March 10, 2004, to April 28, 2008. Bank of Evansville operates in one assessment area, which is part of the Evansville, Indiana-Kentucky, multi-state metropolitan statistical area (Evansville MSA). Lending performance was based on residential real estate loan activity reported under the Home Mortgage Disclosure Act (HMDA) for 2007 and small business loans originated from January 1 to December 31, 2007. Although the Bank of Evansville offers a wide array of consumer and commercial products and services, the bank has a commercial lending focus that is targeted to owner-operated and mid-sized businesses. Consequently, the analysis of the small business loan activity carried the most weight as compared to the HMDA data analysis when making performance conclusions under the CRA.

DESCRIPTION OF INSTITUTION¹

Bank of Evansville is owned by American Community Bancorp, Inc., a one-bank holding company located in Evansville, Indiana. Although the bank has a strong commercial lending focus, the bank is a full-service financial institution offering a complete line of commercial and consumer purpose loan and deposit products. The bank operates three full-service banking facilities in the city of Evansville, with automated teller machines (ATMs) at each location. Since the bank's most recent CRA evaluation conducted by the Office of the Comptroller of the Currency (OCC) on March 10, 2004, Bank of Evansville has opened one new branch office but has not closed any offices.

¹ Any percentage row or column "TOTAL" figure displayed throughout this evaluation that does not equal exactly 100 percent is strictly due to rounding differences, which are considered immaterial to overall performance conclusions.

The bank has the ability to meet the credit needs of its assessment area based on its asset size, financial condition, and other resources. As of March 31, 2008, the bank reported total assets of \$301.5 million. As of the same date, gross loans were \$257.3 million (85.3 percent of total assets), and deposits totaled \$262.8 million. The bank's loan portfolio composition by credit category is displayed in the following table.²

Distribution of Total Loans		
Credit Product Type	Amount in \$000s	Percentage of Total Loans
Construction and Development	\$ 21,929	8.5%
Commercial Real Estate	73,790	28.7%
Multifamily Residential	4,921	1.9%
1-4 Family Residential	65,396	25.4%
Secured by First Liens	53,586	20.8%
Secured by Junior Liens	4,912	1.9%
Home Equity Loans	6,898	2.7%
Farmland	1,525	0.6%
Farm Loans	15	0.0%
Commercial and Industrial	87,814	34.1%
Loans to Individuals	1,599	0.6%
Credit Cards	-	0.0%
Related Plans	1	0.0%
Other Loans to Individuals	1,598	0.6%
Total Other Loans	282	0.1%
TOTAL	\$ 257,271	100%

As stated earlier, the bank has a commercial lending focus, as is evident in the table above. By dollar volume, the top two lending categories were commercial and industrial loans (34.1 percent) and commercial real estate loans (28.7 percent). In addition, because many of the bank's business customers rehabilitate and/or rent residential real estate properties, a significant portion of the 1-4 family residential loan category (25.4 percent) is business related as well.

As of June 30, 2007, the bank was one of 10 financial institutions operating in Vanderburgh County. In terms of market share of total deposits, the bank ranked fourth in the county (5.8 percent of total deposits).³ As part of this evaluation under the CRA, the bank's performance was assessed in relation to the performance of local competitors. Four financial institutions were identified as regional peers, with asset sizes ranging from \$57.0 million to \$366.7 million as of March 31, 2008.

The bank received a satisfactory rating at its previous CRA evaluation conducted by the OCC on March 10, 2004.

² For purposes of this table, total loan information is derived from gross loans and leases data reported on the Consolidated Reports of Condition and Income as of March 31, 2008.

³ Source: FDIC website.

DESCRIPTION OF ASSESSMENT AREA

As previously noted, Bank of Evansville operates in one assessment area. The assessment area is located inside the Indiana portion of the Evansville multi-state MSA.⁴ This assessment area is comprised of three Indiana counties in their entirety: Posey, Vanderburgh, and Warrick (see Appendix A for additional details regarding the composition of the bank’s assessment area). The following table reflects the number and population of assessment area census tracts for each income category.⁵

Assessment Area Geographical Information by Income Category						
2000 Census Data	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Assessment Area Geographies	3 4.6%	16 24.6%	29 44.6%	17 26.2%	0 0.0%	65 100%
Family Population	1,796 2.7%	11,941 17.7%	31,104 46.0%	22,737 33.6%	0 0.0%	67,578 100%

The previous table reveals that, although the bank’s assessment area contains a material proportion of LMI geographies and families, the vast majority of families live in middle- and upper-income census tracts (79.6 percent of the total population).

Based upon 2000 census data, the median family income for the assessment area was \$50,084, which is slightly higher than the 2000 Evansville MSA median family income figure of \$48,255. More recently, the Department of Housing and Urban Development (HUD) estimates the 2007 median family income of the Evansville MSA to be \$56,900, representing a 17.9 percent increase from 2000. The following table displays population percentages of assessment area families by income level, compared to the Evansville MSA family population as a whole.

Assessment Area Family Population by Income Level						
2000 Census Data	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Assessment Area	11,832 17.5%	12,111 17.9%	16,091 23.8%	27,544 40.8%	0 0.0%	67,578 100%
Evansville IN-KY MSA	17,644 18.9%	17,198 18.4%	22,432 24.0%	36,114 38.7%	0 0.0%	93,388 100%

As displayed in the previous table, the population characteristics of the assessment area are generally similar to the entire MSA. However, the assessment area is slightly more affluent than the MSA in terms of the percentage of families that are considered middle- and upper-income, noted to be 64.6 and 62.7 percent, respectively. Both the assessment area and the MSA have a significant percentage of LMI families, noted to be 35.4 and 37.3 percent, respectively. Further, the percentage of assessment area families living below the poverty level (6.6 percent) is slightly below both the MSA figure (7.3 percent) and the figure for the entire state of Indiana (6.7 percent).

⁴ The entire Evansville MSA is comprised of four Indiana counties and two Kentucky counties.

⁵ See the glossary in Appendix B for the definitions of the low-, moderate-, middle-, and upper-income categories.

Housing development in the bank's assessment area has been relatively stable in recent history, despite a slight slowdown in the last year, as evidenced by longer home selling periods. Further, housing affordability in the assessment area is reasonable compared to the MSA and the state of Indiana. The 2000 median housing value for the assessment area was \$86,117, which is between the MSA value of \$81,120 and the state of Indiana value of \$92,500. Similarly, assessment area housing is reasonably affordable in relation to respective income levels. The affordability ratio⁶ for the assessment area is 45.0 percent, which is higher than the state of Indiana affordability ratio of 44.0 percent, but below that of the MSA of 47.0 percent. Lastly, the median gross rent figure for the assessment area was \$459, significantly below that of \$521 for the state of Indiana, but higher than the MSA figure of \$444. Therefore, it appears housing values and income levels for the assessment area are both stable and comparable to that of the Evansville MSA and the state of Indiana.

Despite the economic instability that much of the country is experiencing at this writing, the Evansville economy has been largely insulated from this slowdown for several reasons. First, Evansville industry is varied, including a good mix of manufacturing, service, medical, education, and agricultural sectors. Secondly, the businesses across these industries include a good mix of various business sizes (including a significant proportion of small businesses). Lastly, Evansville is well situated in terms of transportation as it is located within relatively close proximity to several other large metropolitan areas such as: St. Louis, Missouri; Louisville, Kentucky; and Indianapolis, Indiana. Major employers in the Evansville area include: Toyota Motor Manufacturing Indiana, Deaconess Health Systems, St. Mary's Medical Center, Evansville-Vanderburgh School Corporation, and Industrial Contractors, Inc. Unemployment rates were similar for the assessment area, the Evansville MSA, and the entire state of Indiana.⁷ The 2007 annual unemployment rates were as follows: Posey County (4.2 percent), Vanderburgh County (4.7 percent), Warrick County (3.9 percent), Evansville MSA (4.6 percent), and state of Indiana (4.5 percent). For each of these areas, the unemployment rate exhibited a generally decreasing trend through the course of 2007.

As a part of this CRA examination, one community contact interview was conducted in order to obtain information regarding the bank's assessment area, including information relating to credit needs, community development opportunities, and the local economy.⁸ This interview was conducted with an Evansville business person specializing in venture capital initiatives and small business development. Generally speaking, this interviewee echoed the economic information described previously in this section, highlighting the fact that the Evansville economy is broad-based. Further, despite recent increases in unemployment rates compared to previous years and longer periods for home sales, the Evansville economy usually fares better economically than the larger, surrounding region and the country as a whole. In addition, this contact revealed pertinent information regarding the credit needs of the assessment area's residents and

⁶ This figure is calculated by dividing the median household income by the median housing value; it represents the amount of single family owner-occupied housing that a dollar of income can purchase for the median household in the geography. Values closer to 100 percent indicate greater affordability.

⁷ Source: Bureau of Labor Statistics. Unemployment figures are not seasonally adjusted.

⁸ In addition, two Evansville area community contact interviews, previously completed as part of other examinations, were also analyzed.

businesses. These comments were useful in determining the context in which to evaluate the bank's performance in its assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Bank of Evansville meets the criteria for a satisfactory rating based upon its lending performance as measured by the CRA small bank performance standards. This lending performance was based upon loan information from two categories: small business loan activity and HMDA data.⁹ These loan categories are considered the bank's primary lines of business, based upon lending volume by number and dollar amounts, and in light of the bank's stated business strategy. Therefore, loan activity represented by these credit products is deemed indicative of the overall lending performance of the bank. The CRA small bank performance standards evaluate the following five criteria as applicable:

- The geographic distribution of loans within the various census tracts.
- The distribution of loans by borrower income and business revenue.
- The bank's average LTD ratio.
- The level of lending within the assessment areas.
- A review of written complaints.

The remaining sections of this evaluation are based upon analyses of the bank's lending performance under these five performance criteria.

Geographic Distribution of Loans

As previously noted, Bank of Evansville has one assessment area that is located in the Indiana portion of the Evansville multi-state MSA. This assessment area is comprised of three counties in their entirety: Posey, Vanderburgh, and Warrick. There are 3 low-income, 16 moderate-income, 29 middle-income, and 17 upper-income census tracts in this assessment area. The analysis in this section illustrates the distribution of the bank's loan activity across these geographies, in comparison to key assessment area demographics.

⁹ The HMDA loan category includes loans for the purpose of home purchase, refinancing, and home improvement.

Distribution of Loans (Number and Dollar Volume in \$000s) Inside Assessment Area by Income Level of Geography						
Loan Type	Geography Income Classification					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
2007 Small Business	1	26	45	42	0	114
	0.9%	22.8%	39.5%	36.8%	0.0%	100%
	\$ 239	\$ 4,507	\$ 6,430	\$ 6,106	\$ -	\$ 17,282
	1.4%	26.1%	37.2%	35.3%	0.0%	100%
Business Institutions	2.8%	24.1%	46.0%	27.2%	0.0%	100%

Analysis of small business lending activity revealed lending performance commensurate with that of comparison figures. As detailed in the table, the bank made a reasonable number of small business loans in LMI areas. Small business loan activity inside the assessment area revealed that 23.7 percent of small business loans were made in LMI geographies (representing 27.5 percent of the dollar volume of loans). This figure is in line with the business geodemographic data estimate, which indicates that 26.9 percent of assessment area businesses are located in LMI areas.¹⁰ The bank's performance in extending small business loans is satisfactory in both low- and moderate-income census tracts. The bank extended 0.9 percent of its loans in low-income areas and 22.8 percent of its loans in moderate-income areas, while businesses were distributed through these areas at 2.8 and 24.1 percent, respectively. Further, the bank's lending performance appears reasonable in light of market performance for the assessment area. The 2006 CRA aggregate data¹¹ indicate that 22.3 percent of all small business loans made within the assessment area were located in LMI census tracts. Based on this analysis, the bank's geographic distribution of small business lending is considered to be satisfactory.

Similar to the small business loan analysis, the bank's geographic distribution of HMDA data was also reviewed. The following table displays the results of this review, compared to the percentages of owner-occupied housing units located in each geography income category.

¹⁰ These statistics are derived from Business Geodemographic Data for the assessment area, as reported by Dun & Bradstreet (for the year 2007).

¹¹ CRA aggregate data represent all lending activity collected and reported under the CRA for this assessment area, based upon all financial institutions required to report such data.

Distribution of Loans (Number and Dollar Volume in \$000s) Inside Assessment Area by Income Level of Geography						
Loan Type	Geography Income Classification					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
2007 HMDA	5	19	46	53	0	123
	4.1%	15.4%	37.4%	43.1%	0.0%	100%
	\$ 196	\$ 1,781	\$ 4,492	\$ 8,315	\$ -	\$ 14,784
	1.3%	12.0%	30.4%	56.2%	0.0%	100%
Owner-Occupied Housing	2.0%	14.9%	47.9%	35.2%	0.0%	100%

The analysis of HMDA loans reflects satisfactory lending performance under the CRA. The bank's penetration to LMI geographies represents 19.5 percent of loans by number (13.3 percent of dollar volume), which compares favorably to the level of owner-occupied housing units that are located in LMI tracts (16.9 percent). The bank's performance in extending HMDA loans is satisfactory in both low- and moderate-income census tracts. The bank extended 4.1 percent of its loans in low-income areas and 15.4 percent in moderate-income areas, which compares favorably to the level of owner-occupied housing units, 2.0 and 14.9 percent, respectively. The bank's lending performance also compares favorably to 2006 HMDA aggregate data,¹² which indicate that 15.4 percent of all HMDA loans originated to applicants inside the bank's assessment area were made to applicants residing in LMI geographies. Consequently, the geographic distribution of HMDA loans reflects satisfactory penetration throughout the assessment area.

Lastly, based on reviews from both loan categories, Bank of Evansville had loan activity in 78.5 percent of all assessment area census tracts, including 15 of 19 (78.9 percent) LMI census tracts. Consequently, based on activity from the small business and HMDA loan categories reviewed, the geographic distribution of loans reflects satisfactory penetration to LMI areas, thereby meeting the standard for satisfactory performance under this criterion.

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

The small bank performance standards evaluate the bank's lending to businesses of different sizes. For CRA purposes, a business is considered to be a small business if its gross annual revenues in the preceding calendar year were \$1 million or less. The following table shows the distribution of small business loans by business revenue size.

¹² HMDA aggregate data represents all lending activity collected and reported under the HMDA for this assessment area, based upon all financial institutions required to report such data.

Lending Distribution by Business Revenue Level				
Gross Revenue	Loan Origination Amount (in \$000s)			TOTAL
	≤\$100	≥\$100≥\$250	≥\$250≥\$1,000	
\$1 Million or Less	66 57.9%	27 23.7%	21 18.4%	114 100%
Greater Than \$1 Million	0 0.0%	0 0.0%	0 0.0%	0 0.0%
TOTAL	66 57.9%	27 23.7%	21 18.4%	114 100%

Based on this analysis of business loans, the bank is doing an excellent job of meeting small business credit needs. As noted in the previous table, all of the bank’s small business loans were made to businesses with gross annual revenues of \$1 million or less. This small business lending level is well above business geodemographic data, which indicate that 86.0 percent of institutions inside the assessment area are small businesses. Further, the data indicates that 57.9 percent of the small business loans reviewed were in amounts of \$100,000 or less. Using loan amount as a proxy for the size of a business, this provides evidence that the bank is meeting the needs of the smallest businesses within its assessment area. In light of these findings, the bank’s small business lending is considered excellent.

In addition to small business lending activity, the bank’s lending performance to consumer borrowers of various income levels was also evaluated. Consumers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the most recent median family income figure, as estimated by HUD. In 2007, this figure was \$56,900 for the Evansville MSA. The following table shows the distribution of HMDA loans by borrower income level.

Distribution of Loans (Number and Dollar Volume in \$000s) Inside Assessment Area by Income Level of Borrower						
Loan Type	Borrower Income Classification					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
2007 HMDA	2 1.6%	5 4.1%	15 12.2%	66 53.7%	35 28.5%	123 100%
	\$ 60 0.4%	\$ 107 0.7%	\$ 1,784 12.1%	\$ 10,466 70.8%	\$ 2,367 16.0%	\$ 14,784 100%
	Family Population	17.5%	17.9%	23.8%	40.8%	0.0%

As indicated in the previous table, it does not appear that the bank is effectively reaching LMI home mortgage borrowers. Home mortgage lending to both low-income and moderate-income borrowers is well below that of population figures. Combined LMI lending was only 5.7 percent of HMDA loans reviewed, compared to an LMI family population percentage of 35.4 percent. The bank’s performance in extending HMDA loans is weak for both low- and moderate-income borrowers. The bank extended only 1.6 percent of its loans to low-income borrowers and 4.1

percent of its loans to moderate-income borrowers. These figures are well below the distribution of families in these income categories, noted above to be 17.5 and 17.9 percent, respectively. In addition, the bank’s performance is significantly below that of 2006 HMDA aggregate data, which indicate that 31.5 percent of all HMDA loans were made to LMI borrowers. Therefore, based upon the distribution of HMDA loans to LMI borrowers, the bank’s performance is considered to be poor when compared to demographic and aggregate data.¹³

Despite the poor borrower distribution of HMDA loans to LMI borrowers, the bank’s overall borrower distribution of loans is considered to be satisfactory. The bank’s small business loan performance carries the most weight since it is primarily a commercial lender. The bank’s excellent performance in extending small business loans compensates for the poor performance in extending HMDA loans to LMI borrowers. Therefore, Bank of Evansville meets the standard for satisfactory performance under the borrower distribution criterion.

Loan-to-Deposit (LTD) Ratio

One indication of the bank’s overall level of lending activity is its LTD ratio. The following table displays the bank’s average LTD ratio¹⁴ in comparison to that of several regional competitors.

Loan-to-Deposit Ratio Analysis			
Name	Asset Size¹⁵	Headquarters	Average LTD Ratio
Bank of Evansville	\$ 301,491	Evansville, Indiana	93.5%
Regional Bank Competitors	\$ 366,669	Evansville, Indiana	94.2%
	\$ 241,450	Evansville, Indiana	91.4%
	\$ 104,758	Lynnville, Indiana	91.1%
	\$ 57,033	Evansville, Indiana	121.0%

Based on data from the previous table, all bank LTDs were considerably high, reflecting strong responsiveness to assessment area credit needs. The bank’s quarterly average LTD ratio was 93.5 percent for the review period. For the last 17 quarters, the Bank of Evansville’s LTD ratio ranged from a low of 86.7 percent to a high of 98.7 percent and represented a generally stable to increasing trend. In comparison, the quarterly average LTD ratios for the regional competitors

¹³ Bank of Evansville management conjectured that these findings were likely due to the fact that most loans of this nature are made to the bank’s already established broad commercial customer base (which is typically comprised of upper-income individuals). Although this assertion is a very plausible explanation, it does not change the fact that this performance does not bode well under the CRA standards.

¹⁴ The average LTD ratio represents a 17-quarter average, dating back to the bank’s previous CRA evaluation; however, one of the regional bank competitors only recently began operations. Therefore, one of the banks used for comparison purposes only included eight quarters of LTD ratio analysis, dating back to the quarter ending June 30, 2006.

¹⁵ Asset size figures in this table represent total assets as of March 31, 2008 (in \$000s).

ranged from 91.1 to 121.0 percent. Therefore, in light of the bank’s lending levels as analyzed for the review period, Bank of Evansville exceeds the standard for satisfactory performance for this criterion.

Lending in the Assessment Area

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside the bank’s assessment area.

Lending Inside and Outside of Assessment Area			
Loan Type	Inside Assessment Area	Outside Assessment Area	TOTAL
2007 HMDA	123 92.5%	10 7.5%	133 100%
	\$ 14,784 80.0%	\$ 3,698 20.0%	\$ 18,482 100%
2007 Small Business	114 92.7%	9 7.3%	123 100%
	\$ 17,282 88.3%	\$ 2,287 11.7%	\$ 19,569 100%
TOTAL	237 92.6%	19 7.4%	256 100%
	\$ 32,066 84.3%	\$ 5,985 15.7%	\$ 38,051 100%

The previous table demonstrates that a substantial majority of loans were extended to borrowers and businesses residing or operating in the bank’s assessment area. Of the 256 loans reviewed, 92.6 percent by number and 84.3 percent by dollar volume were originated within the bank’s assessment area. Therefore, the bank exceeds the standard for satisfactory performance for this criterion.

Review of Complaints

No CRA-related complaints were received for this institution during the time frame used for this evaluation.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

During the Consumer Affairs examination conducted concurrently with this CRA evaluation, a fair lending analysis was performed to assess the bank's compliance under Regulation B (Equal Credit Opportunity) and the Fair Housing Act. The analysis concluded that the bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations for the products and services reviewed.

Bank of Evansville Assessment Area				
County	Geography Number	Geography Income Classification	MSA	Contains Bank Office
Posey	401.00	Middle	21780	No
Posey	402.00	Middle	21780	No
Posey	406.00	Middle	21780	No
Posey	407.00	Middle	21780	No
Posey	403.00	Upper	21780	No
Posey	404.00	Upper	21780	No
Posey	405.00	Upper	21780	No
Vanderburgh	13.00	Low	21780	No
Vanderburgh	19.00	Low	21780	No
Vanderburgh	26.00	Low	21780	No
Vanderburgh	1.00	Moderate	21780	No
Vanderburgh	3.00	Moderate	21780	No
Vanderburgh	10.00	Moderate	21780	No
Vanderburgh	11.00	Moderate	21780	No
Vanderburgh	12.00	Moderate	21780	No
Vanderburgh	14.00	Moderate	21780	No
Vanderburgh	15.00	Moderate	21780	No
Vanderburgh	17.00	Moderate	21780	No
Vanderburgh	20.00	Moderate	21780	No
Vanderburgh	21.00	Moderate	21780	No
Vanderburgh	25.00	Moderate	21780	No
Vanderburgh	33.00	Moderate	21780	No
Vanderburgh	36.00	Moderate	21780	No
Vanderburgh	37.02	Moderate	21780	No
Vanderburgh	101.00	Moderate	21780	No
Vanderburgh	2.01	Middle	21780	No
Vanderburgh	2.02	Middle	21780	Yes
Vanderburgh	6.00	Middle	21780	No
Vanderburgh	8.00	Middle	21780	No
Vanderburgh	9.00	Middle	21780	No
Vanderburgh	18.00	Middle	21780	No
Vanderburgh	23.00	Middle	21780	No
Vanderburgh	24.00	Middle	21780	No
Vanderburgh	28.00	Middle	21780	No
Vanderburgh	29.00	Middle	21780	No
Vanderburgh	30.00	Middle	21780	Yes
Vanderburgh	31.00	Middle	21780	No
Vanderburgh	32.00	Middle	21780	No
Vanderburgh	34.00	Middle	21780	No

Bank of Evansville Assessment Area				
County	Geography Number	Geography Income Classification	MSA	Contains Bank Office
Vanderburgh	35.00	Middle	21780	No
Vanderburgh	37.01	Middle	21780	No
Vanderburgh	38.01	Middle	21780	No
Vanderburgh	38.04	Middle	21780	No
Vanderburgh	39.00	Middle	21780	No
Vanderburgh	102.03	Middle	21780	No
Vanderburgh	4.00	Upper	21780	No
Vanderburgh	5.00	Upper	21780	No
Vanderburgh	38.03	Upper	21780	No
Vanderburgh	102.01	Upper	21780	No
Vanderburgh	102.02	Upper	21780	No
Vanderburgh	104.03	Upper	21780	No
Vanderburgh	104.04	Upper	21780	No
Vanderburgh	105.00	Upper	21780	No
Vanderburgh	106.00	Upper	21780	No
Vanderburgh	107.00	Upper	21780	Yes
Warrick	304.00	Moderate	21780	No
Warrick	301.00	Middle	21780	No
Warrick	302.00	Middle	21780	No
Warrick	305.00	Middle	21780	No
Warrick	306.00	Middle	21780	No
Warrick	308.00	Middle	21780	No
Warrick	303.00	Upper	21780	No
Warrick	307.01	Upper	21780	No
Warrick	307.02	Upper	21780	No
Warrick	307.03	Upper	21780	No

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision 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. Census tracts 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: All Agencies have adopted the following language. Affordable housing (including multifamily rental 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (ii) Distressed or underserved non-metropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) 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: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States 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 applicants, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes 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.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

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 reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An 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. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include 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.

Rated area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small loan(s) to business (es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

Small loan(s) to farm(s): 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 \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.