

# **PUBLIC DISCLOSURE**

September 8, 2003

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Heritage Community Bank  
RSSD# 8547

426 Washington Street  
Columbus, Indiana 47201

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 RATING

**INSTITUTION'S CRA RATING:** Heritage Community Bank is rated "**SATISFACTORY.**"

The following table indicates the performance level of Heritage Community Bank with respect to the lending, investment, and service tests

<b>PERFORMANCE LEVELS</b>	<b><u>HERITAGE COMMUNITY BANK</u></b>		
	<b>PERFORMANCE TESTS</b>		
	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory	✓		
Low Satisfactory		✓	✓
Needs to Improve			
Substantial Noncompliance			

\*The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The major factors supporting the institution's rating include:

### LENDING TEST

- Heritage Community Bank maintains a high percentage of loans in its assessment area, while demonstrating good responsiveness to the credit needs in the assessment area.
- Although there are no low-income geographies and few moderate-income geographies in the assessment areas, the distribution of loans reflects good penetration among customers of low- and moderate-income (LMI) levels.
- The bank has a good record of meeting the credit needs of small businesses and small farms.

- The distribution by loan amount for small business loans reflects a high level of small business loans originated in amounts less than or equal to \$100,000.

#### INVESTMENT TEST

- Heritage Community Bank makes an adequate level of qualified investments within the assessment areas; however, the bank rarely demonstrates a leadership position.
- The bank demonstrates adequate responsiveness to the community development needs of the assessment areas.

#### SERVICE TEST

- The reasonableness of business hours and services do not vary in a way that inconveniences portions of the assessment areas.
- The bank closed the only branch that was in a metropolitan statistical area (MSA); the closure has generally not adversely affected the accessibility of its delivery systems particularly in LMI geographies or to LMI individuals.
- The bank provides an adequate level of community development services that benefit LMI individuals and small businesses.

# INSTITUTION

## DESCRIPTION OF INSTITUTION

Heritage Community Bank, with total assets of \$327 million as of March 31, 2003, is a subsidiary of First Financial Bancorp, a multi-bank holding company with assets of \$3.91 billion as of March 31, 2003. On November 9, 2001, Union Bank & Trust Company, North Vernon, Indiana; Farmers State Bank, Liberty, Indiana; and Vevay Deposit Bank, Vevay, Indiana merged into Peoples Bank & Trust Company, Sunman, Indiana. The new institution was named Heritage Community Bank and is now headquartered in Columbus, Indiana. The bank is primarily a consumer real estate lender; 1-4 family residential loans make up 40.8% of the loan portfolio as noted in the Uniform Bank Performance Report dated March 31, 2003. The bank operates 13 full service offices and one drive-up facility. The bank's assessment area consists of several counties in southeast Indiana, including the non-MSA counties of Rush, Fayette, Union, Bartholomew, Decatur, Franklin, Jennings, Ripley, and Jefferson. Also included are Dearborn and Ohio counties, which are part of the Cincinnati MSA (#1640). The ability to fund the credit needs of the assessment area has not been hampered by any legal impediments or the bank's current financial condition. This is the first CRA evaluation of Heritage Community Bank since this new institution was created in 2001.

## SCOPE OF EXAMINATION

The bank reported data that relates to the Home Mortgage Disclosure Act (HMDA) for 2002; this data includes multifamily property and 1-4 family real estate loans for the purpose of home purchase, refinance, and home improvement. In addition the bank also reported data related to the CRA for 2002; this data includes small loans to businesses and small loans to farms. Information reviewed for this examination included the 2002 HMDA data and 2002 CRA data, as well as qualified investments and community development services for the period of January 1, 2002 to September 8, 2003. Although all portions of the bank's assessment area were reviewed using the full examination procedures, greater weight was given to the non-MSA assessment area in reaching conclusions due to the limited presence of Heritage Community Bank in MSA 1640. Information presented here pertains throughout the evaluation unless specifically noted otherwise.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

Heritage Community bank is rated **high satisfactory** in the lending test. The lending test included a review of the 2002 HMDA and CRA data to formulate the conclusion. The level of lending reflects good responsiveness to the credit needs of borrowers, with a high percentage of loans within the assessment area. The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of lending reflects good penetration among customers of different income levels and businesses of different sizes. The bank exhibits a good record of serving the credit needs of low-income individuals and very small businesses. However,

Heritage Community Bank has not made any community development loans and has not made use of innovative and/or flexible lending practices in serving credit needs of the assessment area.

The facts and data used to evaluate the bank's performance in all its assessment areas are shown in Appendix C. Lending activity is depicted in Core Table 1, Geographic Distribution in Core Tables 2 through 7 and Borrower Characteristics in Core Tables 8 through 12.

**Lending Activity:** The bank's overall lending levels reflect good responsiveness to the credit needs of the assessment area. Exhibit 1 shows the bank's lending volume in 2002 by product. The bank's lending was more heavily concentrated in home mortgage lending than in business lending. Home mortgage refinancing made up more than three quarters of the total mortgage lending which is reflective of the declining interest rate environment during 2002.

<b>Exhibit 1</b>				
<b>Summary of Lending Activity</b>				
<b>Heritage Community Bank</b>				
<b>January 1, 2002 - December 31, 2002</b>				
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Home Purchase	84	8.0	6,157	9.5
Refinancing	335	31.8	26,299	40.7
Home Improvement	17	1.6	308	0.5
Multifamily	4	0.4	751	1.2
<b>Total HMDA-related</b>	<b>440</b>	<b>41.8</b>	<b>33,515</b>	<b>51.9</b>
<b>Total small business</b>	<b>362</b>	<b>34.4</b>	<b>23,087</b>	<b>35.8</b>
<b>Total Farm Loans</b>	<b>250</b>	<b>23.8</b>	<b>7,946</b>	<b>12.3</b>
<b>TOTAL LOANS</b>	<b>1,052</b>	<b>100.0</b>	<b>64,548</b>	<b>100.0</b>

**Assessment Area Concentration:** The bank's lending activity inside and outside its assessment areas is illustrated in Exhibit 2. The bank originated 85% of the number of loans and 81% of the dollar volume inside its assessment areas.

**Exhibit 2**

**Lending Inside and Outside the Assessment Area  
Heritage Community Bank  
January 1, 2002 – December 31, 2002**

LOAN TYPE	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home purchase	61	72.6	4,582	74.4	23	27.4	1,575	25.6
Refinancing	303	90.4	23,617	89.8	32	9.6	2,682	10.2
Home Improvement	17	100.0	308	100.0	0	0.0	0	0.0
Multifamily	3	75.0	151	20.1	1	25.0	600	79.9
<b>Total HMDA-related</b>	<b>384</b>	<b>87.3</b>	<b>28,658</b>	<b>85.5</b>	<b>56</b>	<b>12.7</b>	<b>4,857</b>	<b>14.5</b>
<b>Total small business</b>	<b>305</b>	<b>84.3</b>	<b>17,553</b>	<b>76.0</b>	<b>57</b>	<b>15.7</b>	<b>5,534</b>	<b>24.0</b>
<b>Total Farm Loans</b>	<b>206</b>	<b>82.4</b>	<b>6,027</b>	<b>75.8</b>	<b>44</b>	<b>17.6</b>	<b>1,919</b>	<b>24.2</b>
<b>TOTAL LOANS</b>	<b>895</b>	<b>85.1</b>	<b>52,238</b>	<b>80.9</b>	<b>157</b>	<b>14.9</b>	<b>12,310</b>	<b>19.1</b>

Note: Affiliate loans are not included.

**Geographic and Borrower Distribution:** The geographic distribution of the bank’s HMDA-related loans, small business loans, and small farm loans reflects a good level of penetration throughout the assessment area, which primarily consists of middle-income census tracts. The bank’s HMDA lending in moderate-income census tracts is 8% which is good considering that only 7% of the census tracts in the bank’s assessment area are moderate-income. The details of the bank’s performance in this category can be found in Appendix C, Core Tables 2 through 7.

The distribution of loans by borrower income reflects good penetration among customers of different income levels and businesses of different sizes. The bank originated 38% of its HMDA loans to LMI individuals while 36% of the assessment area families are LMI. In addition, 93% of the bank’s small business loans and 100% of the bank’s small farm loans were to businesses or farms with gross annual revenue of \$1 million or less. In both instances the bank exceeds the percentage of small businesses and small farms located in the assessment areas.

**Community Development Lending** The bank did not originate any community development loans during the period of review for this examination.

**INVESTMENT TEST**

The investment test is rated **low satisfactory**, based on the number and dollar amount of the bank’s qualified investments as well as its innovation, complexity, and responsiveness to credit and community development needs. Heritage Community Bank purchased a municipal bond issued by the State of Indiana for the purpose of affordable housing. The initiative will consist of a statewide search for areas in need of affordable housing. There are no assurances that the bank’s assessment areas will benefit from this initiative. The bank also purchased a FHLMC targeted mortgage pool. Although the mortgage pool does not specifically benefit the bank’s assessment areas, it does benefit a broader statewide or regional area that includes the assessment areas and

generally targets mortgages to LMI borrowers. In addition, the bank provided a \$10,000 donation to the Housing Partnership Inc. to purchase a Neighborhood Assistance Program Tax Credit for the purpose of affordable housing. Due to the limited opportunities available and the high level of local competition, Heritage Community Bank made an adequate level of qualified community investments and grants. Additional information can be found in Appendix C, Core Table 14.

## **SERVICE TEST**

The service test is rated **low satisfactory**. The bank's delivery systems are reasonably accessible to all portions of the bank's assessment areas given the branch network of the bank, hours of operation, and loan and deposit products. Additionally, the bank's record of closing branches has generally not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. The bank provides an adequate level of community development services through various programs and initiatives in its assessment areas.

**Retail Services:** Heritage Community Bank's retail delivery systems are reasonably accessible to essentially all customers in the assessment areas and do not vary in a way that inconveniences portions of the assessment areas. The bank operates thirteen full service offices and one drive up facility. A full range of real estate, commercial and consumer credit products and services, and deposit products and services are available at the main office and at each full-service branch. One branch and the drive-up facility are located in moderate-income census tracts and the remaining twelve are in middle-income census tracts. The bank operates fourteen automatic teller machines (ATMs) located throughout the assessment area. Six ATMs are located off-site and do not accept deposits. All of the offices are open until at least 5:00 p.m. on Fridays. Core Table 15 in Appendix C illustrates the bank's branch distribution and openings/closings.

**Community Development Services:** Heritage Community Bank provides an adequate level of community development services. Exhibit 3 lists the bank's community development services provided within its assessment areas.



<b>Exhibit 3</b> <b>Community Development Services</b> <b>Heritage Community Bank</b> <b>January 1, 2002 – September 8, 2003</b>			
<b>Organization</b>	<b>Purpose</b>	<b>Location</b>	<b>Involvement</b>
Columbus Enterprise Development Center	The CEDC is a public/private, nonprofit corporation, which provides assistance to new and growing small businesses.	Columbus, Indiana	A bank officer provides training on applying for a small business loan, reviewing business plans, and meeting with potential small businesses to discuss banking needs.
Aging & Community Services	This organization assists in enabling the elderly and disabled to remain independent in their own homes.	Bartholomew, Brown, Decatur, Jackson, Jennings Counties	A bank officer participates on the Money Management Program that assists low-income elderly individuals with their personal finances so that they may maintain their independence.
Connersville Salvation Army	This organization provides a variety of social services targeted to the area's low-income and other distressed individuals.	Connersville, Indiana	A bank officer serves on the Advisory and Finance Committees of the Salvation Army.
Vevay Switzerland County Foundation Inc.	The foundation designs projects to stabilize and improve the moderate-income areas in Vevay.	Vevay, Indiana	A bank officer serves on the board of directors.

**COMPLIANCE WITH ANTI-DISCRIMINATION LAWS**

The 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 bank's 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 violations of the substantive provisions of the anti-discrimination laws and regulations were identified.

## METROPOLITAN AREAS

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN: Cincinnati MSA 1640

Heritage Community Bank's MSA assessment area includes two counties in MSA 1640. The bank currently operates one ATM in Widolff's Store in Guilford, Indiana in Dearborn County. The bank operated a banking center in Aurora, Indiana until September 27, 2002 when it was closed. The bank was not able to generate an acceptable level of loans and deposits to maintain the branch at a cost-effective level. The MSA assessment area consists of two counties, Dearborn and Ohio. There are nine census tracts in the MSA assessment area of which two are classified as moderate-income tracts. Details of the MSA assessment area are noted below in Exhibit 4.

<b>Exhibit 4</b>								
<b>Assessment Area Demographics</b>								
<b>Cincinnati MSA - 1640</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families Below Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	2,201	18.1
Moderate-income	2	22.2	1,842	15.1	223	12.1	2,641	21.7
Middle-income	7	77.8	10,337	84.9	630	6.1	3,118	25.6
Upper-income	0	0.0	0	0.0	0	0.0	4,219	34.6
<b>TOTALS</b>	<b>9</b>	<b>100.0</b>	<b>12,179</b>	<b>100.0</b>	<b>853</b>	<b>7.0</b>	<b>12,179</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	3,051	1,683	13.7	55.2	1,090	35.7	278	9.1
Middle-income	13,642	10,557	86.3	77.4	2,292	16.8	793	5.8
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>TOTALS</b>	<b>16,693</b>	<b>12,240</b>	<b>100.0</b>	<b>73.3</b>	<b>3,382</b>	<b>20.3</b>	<b>1,071</b>	<b>6.4</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract &amp; Revenue Size</b>					
			<b>Under \$1 million</b>		<b>Over \$1 million</b>			
	#	%	#	%	#	%		
Low-income	0	0.0	0	0.0	0	0.0		
Moderate-income	698	26.7	557	79.8	42	6.0		
Middle-income	1,916	73.3	1,511	78.8	73	3.8		
Upper-income	0	0.0	0	0.0	0	0.0		
Tract not reported	0	0.0	0	0.0	0	0.0		
<b>TOTALS</b>	<b>2,614</b>	<b>100.0</b>	<b>2,068</b>	<b>79.1</b>	<b>115</b>	<b>4.4</b>		

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN: Cincinnati MSA - 1640**

### **LENDING TEST**

Considering the bank's resources, business strategy and other information such as population, income, housing, and business data, Heritage Community Bank's lending levels reflect adequate responsiveness to meeting the credit needs of the MSA assessment area.

**Lending Activity:** The bank originated an adequate percentage of loans inside MSA 1640 given its limited presence. The bank originated 5.6% of total loans in the MSA assessment area, which represents 6.6% of loans inside the assessment area. Dearborn and Ohio County have nine census tracts, which account for 12.9% of the bank's entire assessment area. In addition, the bank maintains 0.3% of its deposits in these two counties.

**Geographic Distribution:** The geographic distribution of the bank's HMDA-related loans, small business loans, and small farm loans reflects adequate penetration throughout the MSA assessment area. The bank's HMDA lending in moderate-income census tracts is 9.5%, which is adequate considering the bank's ability to compete with banks in the same area. The details of the bank's performance in this category can be found in Appendix C, Core Tables 2 through 7.

**Distribution by Borrower Income and Revenue Size of Businesses/Farms:** The bank has demonstrated an adequate distribution of loans to LMI individuals. Of the 21 HMDA-related loans originated in the MSA assessment area, eight or 38.1% were to low- or moderate-income borrowers. The bank has reasonably fulfilled the credit needs of the community considering its limited presence in MSA 1640 and the fact that 39.8% of families in the MSA assessment area are classified as LMI. The details of the bank's performance in this category can be found in Appendix C, Core Tables 8 through 12.

**Community Development Lending** The bank did not originate any community development loans. Community development opportunities are not readily available to the institution due to its limited presence inside the MSA assessment area.

### **INVESTMENT TEST**

Heritage Community Bank made an adequate level of investments in the metropolitan assessment area. Although none of the qualified investments specifically benefit the MSA assessment area, the bank purchased a municipal bond issued by the State of Indiana for the purpose of affordable housing. The initiative sponsored by the state will consist of a statewide search for areas in need of affordable housing. There are no assurances that the bank's assessment area will benefit from this initiative.

## **SERVICE TEST**

The bank is considered to have a poor level of services in the metropolitan assessment area. The bank closed its branch located in Aurora, Indiana, which limits the accessibility of retail services to customers in Dearborn and Ohio County. The bank has not implemented any alternative delivery systems to improve accessibility in the metropolitan assessment area. In addition, the bank does not provide any community development services in the metropolitan assessment area. Details of the retail services can be found in Appendix C, Core Table 15.

## **NON-METROPOLITAN AREA**

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN: Non-MSA Indiana**

The bank's performance in all non-metropolitan counties in Indiana was combined into a single non-MSA assessment area for the purposes of this evaluation. This area includes all of Bartholomew, Rush, Decatur, Jefferson, Jennings, Ripley, Switzerland, Franklin, Fayette, and Union Counties. According to the Indiana Department of Workforce Development the assessment area has a combined unemployment rate of 5.5% as of 2002; Fayette County holds the highest unemployment rate at 9.1%. Layoffs by companies such as Nine West, Randall Textron, and Viston have negatively impacted the assessment area. There are 61 census tracts in the non-MSA assessment area of which ten are classified as upper-, 48 as middle-, and three as moderate-income census tracts. Low- and moderate- income tracts outside the assessment area have not been excluded arbitrarily by the bank.

In addition to the main office, the bank has 12 branches and a drive-up location in the non-MSA assessment area. The bank has 99.7% of all its deposits in this assessment area. Heritage Community Bank has managed to obtain 6.1% of the market share considering the banking competition in the area. The bank's largest competitors include Irwin Union Bank and Trust, Home Federal Savings Bank, and Fifth Third Bank. Details of the non-MSA assessment area are noted below in Exhibit 5.

<b>Exhibit 5</b>								
<b>Assessment Area Demographics</b>								
<b>Non-MSA Indiana</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families Below Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low-income	0	0.0	0	0.0	0	0.0	11,260	16.6
Moderate-income	3	4.9	2,684	4.0	352	13.1	12,915	19.1
Middle-income	48	78.7	53,779	79.4	4,474	8.3	16,219	23.9
Upper-income	10	16.4	11,302	16.6	422	3.7	27,371	40.4
<b>TOTALS</b>	<b>61</b>	<b>100.0</b>	<b>67,765</b>	<b>100.0</b>	<b>5,248</b>	<b>7.7</b>	<b>67,765</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract Income</b>		<b>Housing Unit Types as % of Housing Units by Tract</b>				
		<b>Owner-occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	4,068	2,565	3.9	63.1	946	23.3	557	13.7
Middle-income	77,849	52,748	79.4	67.8	19,097	24.5	6,004	7.7
Upper-income	14,510	11,093	16.7	76.5	2,696	18.6	721	5.0
<b>TOTALS</b>	<b>96,427</b>	<b>66,406</b>	<b>100.0</b>	<b>68.9</b>	<b>22,739</b>	<b>23.6</b>	<b>7,282</b>	<b>7.6</b>
	<b>Total Businesses by Tract</b>		<b>Businesses by Tract &amp; Revenue Size</b>					
			<b>Under \$1 million</b>		<b>Over \$1 million</b>			
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		
Low-income	0	0.0	0	0.0	0	0.0		
Moderate-income	469	3.6	394	84.0	11	2.3		
Middle-income	10,479	81.5	8,241	78.6	602	5.7		
Upper-income	1,909	14.9	1,480	77.5	117	6.1		
Tract not reported	0	0.0	0	0.0	0	0.0		
<b>TOTALS</b>	<b>12,857</b>	<b>100.0</b>	<b>10,115</b>	<b>78.7</b>	<b>730</b>	<b>5.7</b>		

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN: Non-MSA Indiana**

**LENDING TEST**

The bank's lending levels exhibit good responsiveness to meeting the credit needs of the non-metro assessment area based on the lending test. The bank has a high percentage of lending activity in the assessment area. The geographic distribution of loans is good given that the bank has no low- and only three moderate-income census tracts in its non-metro assessment area. The distribution of loans by income level of the borrower reflects good penetration of loans to low- and moderate-income borrowers. The bank also demonstrates a good level of lending to businesses of different revenue sizes.

**Lending Activity:** A high percentage of loans are made within the assessment area. The bank originated 79.5% of total loans in the non-metro assessment area, which represents 93.4% of loans inside the assessment area. In addition, the bank maintains 99.7% of its deposits in this assessment area.

**Geographic Distribution:** The geographic distribution of the bank's HMDA-related loans and small business/small farm loans reflects good penetration throughout the non-metro assessment area, which primarily consists of middle-income census tracts. The bank's distribution of all loan types in moderate-income census tracts is 5.6%, which is good considering the bank's ability to compete with banks in the same area. The details of the bank's performance in this category can be found in Appendix C, Core Tables 2 through 7.

**Distribution by Borrower Income and Revenue Size of the Business:** The distribution of borrowers reflects good penetration among borrowers of different income individuals and businesses and farms of different sizes. Of the 363 HMDA-related loans originated in the non-metropolitan assessment area, 139 or 38.2% were to LMI individuals. In addition, 92.0% of the bank's small business loans and 100.0% of the bank's small farm loans were to businesses or farms with gross annual revenues of \$1 million or less. In both instances the bank's performance exceeds the percentage of small businesses and small farms located in the assessment area. The bank has been able to fulfill the credit needs of the assessment area considering its ability to compete with banks in the same area. The details of the bank's performance in this category can be found in Appendix C, Core Tables 8 through 12.

**Community Development Lending** The bank has not made any community development loans. Community development opportunities are not readily available to the institution due to competition in the non-metropolitan assessment area.

## **INVESTMENT TEST**

As with the bank's performance throughout all of its assessment areas and as already discussed in this evaluation, the bank made an adequate level of qualified community development investments and grants, but not in a leadership position. The bank purchased a municipal bond issued by the State of Indiana for the purpose of affordable housing. The initiative sponsored by the state will consist of a statewide search for areas in need of affordable housing. There are no assurances that the bank's assessment area will benefit from this initiative. The bank also purchased a FHLMC targeted mortgage pool. Although the mortgage pool does not specifically benefit the bank's assessment area, it does benefit a broader statewide or regional area that includes the assessment area and generally targets mortgages to LMI borrowers. In addition, the bank donated \$10,000 to the Housing Partnership Inc. located in Columbus, Indiana for a tax credit to develop affordable housing in the Columbus area. The bank exhibits adequate responsiveness to credit and community development needs given the opportunities available in the assessment area; however, the bank rarely uses innovative and/or complex investments to support community development initiatives.

## **SERVICE TEST**

Based on the retail and community development services offered by the bank, the bank exhibits an adequate level of meeting the service needs of the community.

**Retail Services:** The bank did not make any changes in branch locations in the non-metro assessment area. Services do not vary in a way that inconveniences portions of the assessment area, particularly to LMI geographies and/or LMI individuals. Delivery systems are reasonably accessible to essentially all portions of the assessment area.

The bank has 12 full service branches and one limited-service drive up located in the non-metro assessment area. One full service branch and the limited-service branch are located in a moderate-income census tract. Bank services are reasonably accessible to all areas within the non-metro assessment area. The bank has 13 ATMs in the assessment area. Five ATMs are located at remote locations and do not accept deposits. The eight ATMs at the branches do have the capability of accepting deposits. No branch offices have been opened or closed since December 2001. The bank's hours and services are reasonable. There are no areas in the non-metro assessment area that are considered under-served. Details of the bank's retail services can be found in Appendix C, Core Table 15.

**Community Development Services:** The bank provides an adequate level of community development services.

Members of the bank's management work together with various organizations to provide community development services. Currently the bank works with the Columbus Enterprise Development Center to provide assistance to new and growing small businesses. A bank officer represents the bank in its efforts with the organization. He primarily reviews business plans and identifies specific credit needs for individual small businesses.

The bank is also represented in projects with the Vevay Switzerland County Foundation Inc. The foundation designs projects to stabilize and improve the moderate-income areas in Vevay. The most recent project was a \$40,000 sidewalk project to improve accessibility to after school programs sponsored at the YMCA from the Switzerland Middle School, Jefferson Craig Elementary School, and the Switzerland County High School.

The bank also lends its financial expertise to the Connersville Salvation Army. A bank officer serves on the Advisory and Finance Committees of the Salvation Army. This organization provides a variety of social services targeted to the area's low-income and other distressed individuals.

A bank officer represents the bank on the Money Management Program under the Aging & Community Services program. The organization serves five counties: Bartholomew, Brown,



Decatur, Jackson, and Jennings. This program offers daily money management services to help low-income elderly or disabled individuals with their personal finances so that they may maintain their independence.



<p>9686.00, 9687.00, 9688.00, 9689.00</p> <ul style="list-style-type: none"> <li>• County: 077 – Jefferson Census Tracts: 9660.00, 9661.00, 9662.00, 9663.00, 9664.00, 9665.00, 9666.00</li> <li>• County: 041 – Fayette Census Tracts: 9540.00, 9541.00, 9542.00, 9543.00, 9544.00, 9545.00, 9546.00</li> <li>• County: 079 – Jennings Census Tracts: 9602.00, 9603.00, 9604.00, 9605.00, 9606.00</li> <li>• County: 161 – Union Census Tracts: 9607.00, 9608.00</li> <li>• County: 031 – Decatur Census Tracts: 9690.00, 9691.00, 9692.00, 9693.00, 9694.00, 9695.00</li> </ul>		<p>North North Vernon, Indiana 47265</p> <p><b>Ripley County</b> Highway 101 North Sunman, Indiana 47041</p> <p><b>Rush County</b> Main Street Carthage, Indiana 46115</p> <p>327 North Main Street Rushville, Indiana 46173</p> <p><b>Switzerland County</b> Routes 56 And 250 East Enterprise, Indiana 47019</p> <p>Main Street Vevay, Indiana 47043</p> <p><b>Union County</b> 310 North Main Street Liberty, Indiana 47353</p> <p>Brookville Street West College Corner, Indiana 47003</p>	
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Note: "Branches visited" indicates where technical compliance with the CRA (signs, public file, etc.) was confirmed. The evaluation of the institution's CRA performance takes into consideration activity from all branch locations, as described in the Scope of Examination.

## APPENDIX B

### **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 householder 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:** 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.

## APPENDIX C

### CORE CRA TABLES

**Table 1. Lending Volume**

LENDING VOLUME		BANK: HERITAGE COMMUNITY BANK						Evaluation Period: January 1, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b><u>FULL REVIEW</u></b>												
Cincinnati MSA - 1640	6.6	21	1,664	19	616	19	692	0	0	59	2,972	0.3
Non-MSA Indiana	93.4	363	26,994	286	16,937	187	5,335	0	0	836	49,266	99.7

\*Loan data as of December 31, 2002. Rated area refers to either the state or multi-state MSA rating area.

\*\*The evaluation period for Community Development Loans is January 1, 2002 to September 8, 2003

\*\*\*Deposit data as of June 30, 2002.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		STATE: INDIANA					Evaluation Period: January 1, 2002 TO December 31, 2002			
MA/Assessment Area: 2002	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies	
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA - 1640	1	1.6	0	0.0	13.7	0.0	86.3	100.0	0.0	0.0
Non-MSA Indiana	60	98.4	0	0.0	3.9	5.0	79.4	85.0	16.7	10.0

\*Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area

\*\*Percentage of owner occupied units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on the 1990 census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

<b>Geographic Distribution:</b> HOME IMPROVEMENT			<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002			
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies	
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA – 1640	2	11.8	0.0	0.0	13.7	0.0	86.3	100.0	0.0	0.0
Non-MSA Indiana	15	88.2	0.0	0.0	3.9	6.7	79.4	80.0	16.7	13.3

\* Home improvement loans originated in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census Information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

<b>Geographic Distribution:</b> HOME MORTGAGE REFINANCE			<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002			
MA/Assessment Area:	Total Home Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies	
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA –1640	17	5.6	0.0	0.0	13.7	11.8	86.3	88.2	0.0	0.0
Non-MSA Indiana	286	94.4	0.0	0.0	3.9	8.0	79.4	83.6	16.7	8.4

\* Home mortgage refinance loans originated in the MSA/AA as a percentage of all home mortgage refinance loans originated in the rated area.

\*\*Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census Information.



**Table 5. Geographic Distribution of Multi-Family Loans**

<b>Geographic Distribution:</b> MULTI-FAMILY		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	Total Multi-Family Loans		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies	
	#	% of Total*	% MF Units**	% BANK Loans	% MF Units**	% BANK Loans	% MF Units**	% BANK Loans	% MF Units**	% BANK Loans
<b><i>FULL REVIEW</i></b>										
Cincinnati MSA - 1640	1	33.3	0.0	0.0	49.4	0.0	50.6	100.0	0.0	0.0
Non-MSA Indiana	2	66.7	0.0	0.0	3.6	0.0	80.4	100.0	16.1	0.0

\*Multifamily loans originated and purchased in the MSA/AA as a percentage of all home multifamily loans originated in the rated area.

\*\*Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by the number of multifamily housing units in the area based on 1990 Census Information.

**Table 6. Geographic Distribution of Small Loans to Businesses**

<b>Geographic Distribution:</b> SMALL LOANS TO BUSINESSES		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	Total Small Loans to Businesses		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies	
	#	% of Total*	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans	% of Businesses**	% BANK Loans
<b><i>FULL REVIEW</i></b>										
Cincinnati MSA - 1640	19	6.2	0.0	0.0	26.7	10.5	73.3	89.5	0.0	0.0
Non-MSA Indiana	286	93.8	0.0	0.0	3.6	4.2	81.5	90.2	14.9	5.6

\*Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated in the rated area.

\*\*Source of Data: Dun and Bradstreet.

**Table 7. Geographic Distribution of Small Loans to Farms**

<b>Geographic Distribution:</b> SMALL LOANS TO FARMS		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	Total Small Loans to Farms		Low-Income Geographies		Moderate-Income Geographies		Middle -Income Geographies		Upper-Income Geographies	
	#	% of Total*	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA -1640	19	9.2	0.0	0.0	5.9	10.5	94.1	89.5	0.0	0.0
Non-MSA Indiana	187	90.8	0.0	0.0	1.3	4.3	86.5	83.4	12.2	12.3

\*Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated in the rated area.

\*\*Source of Data: Dun and Bradstreet

**Table 8. Borrower Distribution of Home Purchase Loans**

<b>Borrower Distribution:</b> HOME PURCHASE		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle -Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% Families**	% BANK Loans***	% Families**	% BANK Loans***	% Families**	% BANK Loans***	% Families**	% BANK Loans***
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA -1640	1	1.6	18.1	0.0	21.7	100.0	25.6	0.0	34.6	0.0
Non-MSA Indiana	60	98.4	16.6	15.0	19.1	25.0	23.9	28.3	40.4	28.3

\*Home purchase loans originated in the MSA/AA as a percentage of all home purchase loans originated in the rated area.

\*\*Percentage of Families based on 1990 Census data

\*\*\*As a percentage of loans with borrower income information available. No information was available for 3.4% of Home Purchase Loans originated by the bank.

**Table 9. Borrower Distribution of Home Improvement Loans**

<b>Borrower Distribution:</b> HOME IMPROVEMENT		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle -Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% Families**	% BANK Loans***	% Families**	% BANK Loans***	% Families**	% BANK Loans***	% Families**	% BANK Loans***
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA - 1640	2	11.8	18.1	50.0	21.7	0.0	25.6	50.0	34.6	0.0
Non-MSA Indiana	15	88.2	16.6	20.0	19.1	40.0	23.9	33.3	40.4	6.7

\*Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*Percentage of families is based on the 1990 Census information.

\*\*\*As a percentage of loans with borrower income information available.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

<b>Borrower Distribution:</b> HOME MORTGAGE REFINANCE LOANS		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 01, 2002 TO December 31, 2002				
MA/Assessment Area: 2002	Total Home Mortgage Refinance		Low-Income Borrowers		Moderate-Income Borrowers		Middle -Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% Families**	% BANK Loans***	% Families**	% BANK Loans***	% Families**	% BANK Loans***	% Families**	% BANK Loans***
<b><u>FULL REVIEW</u></b>										
Cincinnati MSA -1640	17	5.6	18.1	11.8	21.7	23.5	25.6	35.3	34.6	29.4
Non-MSA Indiana	286	94.4	16.6	12.2	19.1	24.8	23.9	28.0	40.4	31.8

\*Home mortgage refinance loans originated in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*Percentage of families as based on the 1990 Census information

\*\*\*As a percentage of loans with borrower income information available. No information was available for 3.2% of Home mortgage refinance loans originated by the bank

**Table 11. Borrower Distribution of Small Loans to Businesses**

<b>Borrower Distribution:</b> SMALL LOANS TO BUSINESSES			<b>State:</b> Indiana		<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002		
MA/Assessment Area: 2002	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		
	#	% of Total*	% of Businesses**	% BANK Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
<b><u>FULL REVIEW</u></b>							
Cincinnati MSA - 1640	19	6.2	79.1	100.0	17	2	0
Non-MSA Indiana	286	93.8	78.7	92.0	251	21	14

\*Small loans to businesses originated in the MSA/AA as a percentage of all small loans to businesses originated in the rated area.

\*\*Businesses with revenues of \$1 million or less as a percentage of all business; Source: Dun and Bradstreet

\*\*\*Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses

**Table 12. Borrower Distribution of Small Loans to Farms**

<b>Borrower Distribution:</b> SMALL LOANS TO FARMS			<b>State:</b> Indiana		<b>Evaluation Period:</b> January 1, 2002 TO December 31, 2002		
MA/Assessment Area: 2002	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		
	#	% of Total*	% of Farms**	% BANK Loans***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000
<b><u>FULL REVIEW</u></b>							
Cincinnati MSA - 1640	19	9.2	98.8	100.0	17	2	0
Non-MSA Indiana	187	90.8	97.6	100.0	175	11	1

\*Small loans to farms originated in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area

\*\*Farms with revenues of \$1million or less as a percentage of all farms; Source: Dun and Bradstreet

\*\*\*Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms..

**Table 14. Qualified Investments**

<b>QUALIFIED INVESTMENTS</b>		<b>State:</b> Indiana				<b>Evaluation Period:</b> January 1, 2002 TO September 8, 2003			
MA/Assessment Area: 2002	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b><i>FULL REVIEW</i></b>									
Cincinnati MSA - 1640	-	-	0	0	0	0	0	0	0
Non-MSA Indiana	-	-	2	510	2	510	40.0	0	0
Statewide/Regional	-	-	1	862	1	862	60.0	0	0

\* "Prior period investments" means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* "Unfunded Commitments" are legally binding commitments that are tracked and recorded by the bank's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

<b>DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS</b>																	
<b>State:</b> Indiana																	
<b>Evaluation Period:</b> January 1, 2002 TO September 8, 2003																	
MA/Assessment Area: 2002	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA*	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings**	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b><i>FULL REVIEW</i></b>																	
Cincinnati MSA - 1640	0.3	1	7.1	0.0	0.0	100.0	0.0	0	1	0	0	-1	0	0.0	16.2	83.8	0.0
Non-MSA Indiana	99.7	14	92.9	0.0	14.3	85.7	0.0	0	0	0	0	0	0	0.0	3.9	80.5	15.6

\*Deposit data as of June 30, 2002. Rated area refers to either the state or multi-state MSA rating area.

\*\*Branch was closed in September 2002; currently the bank has no branches in the Cincinnati MSA -1640