



PUBLIC DISCLOSURE

September 27, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Home National Bank of Thorntown
Charter Number: 5842

117 East Main Street
Thorntown, IN 46071

Office of the Comptroller of the Currency

Central Ohio – Indiana Office
8777 Purdue Road, Suite 105
Indianapolis, IN 46268

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, and should not 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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Overall CRA Rating

Institution’s CRA Rating: This institution is rated Satisfactory.

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- a satisfactory Lending Test rating for the state of Indiana based on a reasonable distribution of loans among geographies and borrowers of different income levels,
- a reasonable loan-to-deposit (LTD ratio), and
- notable volume of Small Business Administration’s Paycheck Protection Program (SBA’s PPP) loans that were particularly responsive to the credit needs of farms and businesses during the COVID-19 pandemic.

Loan-to-Deposit Ratio

The Home National Bank’s (HNB or bank) LTD ratio is reasonable, considering the bank’s size, financial condition, credit needs of the assessment area (AA), and volume of loans sold. As calculated on a bank-wide basis, HNB’s quarterly LTD ratio averaged 49.5 percent over the 16-quarter period ending December 31, 2023. During this timeframe, the LTD ratio ranged from a low of 39.6 percent to a high of 65.1 percent. HNB’s average LTD ratio is lower than those of two similarly situated banks with total assets less than \$350 million. In comparison, the LTD for these two banks averaged 57.7 percent and 65.7 percent. The OCC considered HNB’s LTD ratio was affected by the sale of home mortgage loans totaling \$37.9 million.

Lending in Assessment Area

A majority of HNB’s loans are outside its AA. By number, the bank originated 50.6 percent of its total loans outside its AA. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. The OCC considered HNB’s competitive pricing for home mortgage loans and location of its loan production office (LPO) contributed to an increase in lending outside the AA. However, lending activity is most concentrated inside the AA (49.4 percent) and greater Boone County (53.9 percent).

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	82	44.3	103	55.7	185	13,189,881	34.0	25,579,379	66.0	38,769,260
Small Business	39	65.0	21	35.0	60	4,489,528	51.6	4,217,731	48.4	8,707,259
Total	121	49.4	124	50.6	245	17,679,409	37.2	29,797,110	62.8	47,476,519

Sources: Home mortgage loan sample for 2021 and HMDA data for 2022-2023; Small business loan sample for 2021-2023. Due to rounding, totals may not equal 100.0%.

Description of Institution

HNB is a federally chartered national bank that is wholly owned by Home National Corporation, a single bank holding company. Both entities are headquartered in Thorntown, Indiana, which is approximately 40 miles northwest of Indianapolis and 25 miles southeast of Lafayette. HNB has not engaged in merger-acquisition activity or opened or closed any offices since the prior CRA evaluation.

As a full-service community bank, HNB offers a variety of loan products, deposit accounts, and other services to meet the personal and business banking needs of its customers. Loan products include various types of home mortgage loans, commercial loans, agricultural loans, and personal loans. Deposit accounts consist of checking and savings accounts, certificates of deposits, and individual retirement accounts. Other available banking services include overdraft protection, wire transfers, remote deposit capture, safe deposit boxes, online banking, and mobile banking.

HNB has two full-service offices in northern Boone County, which is part of the Indianapolis-Carmel-Anderson, IN metropolitan statistical area (Indianapolis MSA). Automated teller machines (ATMs) are located at each office. In addition, HNB has a LPO in Clinton County that was opened in June 2019. Clinton County borders northern Boone County but is not in the Indianapolis MSA. As such, HNB has one rating area, the state of Indiana, with a single AA, the Indianapolis MSA AA. See *Description of Institution's Operations in Indiana* below for more details on this AA.

As of December 31, 2023, HNB had total assets of \$170.9 million, total deposits of \$151.2 million, and tier one capital of \$15.4 million. Gross loans and leases of \$99.8 million represented 58.4 percent of total assets. The loan portfolio consisted of residential real estate loans (58 percent), commercial and industrial loans (19 percent), agricultural loans (15 percent), commercial real estate loans (4 percent), and consumer loans (4 percent). By number, loans originated during 2021, 2022, and 2023 consisted of commercial (37 percent), home mortgage (24 percent), consumer (31 percent), and agricultural (8 percent).

HNB's lending activities are consistent with its size, expertise, financial capacity, and local economic conditions. There are no legal, financial, or other factors that affect its ability to help meet the needs of its AA. HNB received a Satisfactory rating at its previous OCC CRA Performance Evaluation dated June 16, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This evaluation considers the bank's CRA performance from January 1, 2020, to December 31, 2023. The OCC assessed this performance using the Interagency Small Bank examination procedures. These procedures include a Lending Test with the following performance criteria:

- the LTD ratio,
- the percentage of originated and purchased loans made inside the AA,
- lending to borrowers of different income levels and/or businesses of different sizes,
- lending in low- and moderate-income (LMI) areas within the AA, and,

- the bank’s record of acting on written complaints regarding its performance in helping meet the credit needs of the AA.

To analyze HNB’s performance under the Lending Test, the OCC considered data from a representative sample of the primary loan products that were originated in 2021, 2022, and 2023. HNB was not required to report home mortgage loans under the Home Mortgage Disclosure Act (HMDA) in 2021 or small business and small farm loans under CRA in any year. Therefore, the OCC evaluated relevant loan data from random sample of 60 business loans, a random sample of 20 home mortgage loans from 2021, and all home mortgage loans reported under HMDA in 2022 and 2023. The OCC also considered HNB’s use of the SBA’s PPP to address credit needs during the COVID-19 pandemic.

The borrower and geographic loan distributions were analyzed using two time periods, 2021 and 2022-2023. This is due to census changes that became effective in 2022. For the 2021 analysis period, the demographic data used is from the 2015 ACS and 2021 Dunn and Bradstreet (D&B). The demographic data for the 2022-2023 analysis period is from the 2020 ACS and 2022 D&B.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings. HNB operates in one state with a single AA, so its overall rating is based on its performance in the state of Indiana. The two loan products being evaluated are weighted equally based on the bank’s general lending strategy and composition of the loans originated.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Indiana

CRA rating for the State of Indiana: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- a reasonable geographic distribution of loans across geographies of different income levels,
- a reasonable distribution of borrowers of different income levels and businesses of different sizes, and,
- a notable volume of PPP loans that were particularly responsive to the credit need of businesses and farms during the COVID-19 pandemic.

Description of Institution's Operations in Indiana

As previously mentioned, HNB has two full-service offices with an ATM and a LPO in north central Indiana. The main office in Thorntown and a branch in Lebanon are in Boone County, and the LPO in Frankfort is in Clinton County. With this footprint, the bank's lending activity is most concentrated in the north and central portion of Boone County. Therefore, HNB's AA consists of five contiguous census tracts that include six townships (Center, Clinton, Jefferson, Marion, Sugar Creek, and Washington).

Additional information regarding demographic data, job market, housing cost, competition, and credit needs is discussed below. This information provides further context for HNB's operations in the Indianapolis MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Indianapolis MSA (2021)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	20.0	80.0	0.0	0.0
Population by Geography	25,752	0.0	22.3	77.7	0.0	0.0
Housing Units by Geography	11,309	0.0	23.5	76.5	0.0	0.0
Owner-Occupied Units by Geography	7,276	0.0	20.8	79.2	0.0	0.0
Occupied Rental Units by Geography	3,077	0.0	29.3	70.7	0.0	0.0
Vacant Units by Geography	956	0.0	25.4	74.6	0.0	0.0
Businesses by Geography	2,164	0.0	18.0	82.0	0.0	0.0
Farms by Geography	198	0.0	4.0	96.0	0.0	0.0
Family Distribution by Income Level	7,275	18.3	24.2	24.8	32.7	0.0
Household Distribution by Income Level	10,353	22.4	17.4	21.1	39.1	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$66,803	Median Housing Value			\$124,018
FFIEC Updated Median Family Income (2021)		\$79,700	Median Gross Rent			\$700
			Families Below Poverty Level			4.5%
<i>Source: 2015 ACS and 2021 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Indianapolis MSA (2022-2023)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	80.0	20.0	0.0
Population by Geography	26,076	0.0	0.0	76.9	23.1	0.0
Housing Units by Geography	11,624	0.0	0.0	76.9	23.1	0.0
Owner-Occupied Units by Geography	8,014	0.0	0.0	75.0	25.0	0.0
Occupied Rental Units by Geography	2,841	0.0	0.0	76.9	23.1	0.0
Vacant Units by Geography	769	0.0	0.0	96.4	3.6	0.0
Businesses by Geography	2,753	0.0	0.0	75.4	24.6	0.0
Farms by Geography	239	0.0	0.0	79.1	20.9	0.0
Family Distribution by Income Level	6,690	16.1	19.0	22.7	42.3	0.0
Household Distribution by Income Level	10,855	22.6	17.3	17.7	42.4	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Anderson, IN MSA		\$80,981	Median Housing Value			\$159,272
FFIEC Updated Median Family Income (2023)		\$97,300	Median Gross Rent			\$794
			Families Below Poverty Level			5.5%
<i>Source: 2020 U.S. Census and 2023 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Job Market

Business demographic data from the 2020 Census and 2023 D&B shows the primary industries in the AA are services (33.2 percent), finance, insurance, and real estate (9.9 percent), retail trade (8.9 percent), and agriculture (8 percent). In addition, a notable percentage of establishments are categorized as non-classifiable (21.7 percent). Some of the major employers in Boone County listed by Data Axle include the Amazon Fulfillment Center, Witham Hospital, Witham Health Services, Hendrickson Trailer, and Weber Concrete.

The average annual unemployment rate for Boone County is low and was relatively stable during the three-year evaluation period. In addition, the unemployment rate for Boone County remains below the statewide rate. The following table summarizes these unemployment rates:

Average Annual Unemployment Rates				
	2020	2021	2022	2023
State of Indiana	7.3	3.9	3.1	3.3
Boone County	4.4	2.3	2.1	2.5

Source: Bureau of Labor Statistics; Rates Not Seasonally Adjusted

Competition

Competition for deposits is modest given the number and size of financial institutions with offices in the AA. As of June 30, 2023, deposit data shows HNB, eight other banks, and one credit union operated 10 branches and had deposits totaling \$690.4 million. HNB's two offices with deposits of \$149.3 million represent a market share of 21.6 percent. This market share ranks HNB second among the group. The top competitor, State Bank, has two offices with deposits of \$182.9 million for a market share of 26.5 percent. The other six competitors each have one office and a market share of 5.5 to 12.2 percent.

Aggregate data collected from all lenders required to report home mortgage and CRA loans indicate significant competition exists for HNB's primary loan products.

Aggregate Lending Data			
	# of Loans	# of Lenders	Top Five Lenders (Market Share %)
Home Mortgage			Note: HNB was not required to report home mortgages in 2021.
2021	1,543	181	Rocket Mortgage (6.9), Huntington National Bank (5.9), Freedom Mortgage Corp (4.2), GVC Mortgage (3.9), and The Farmers Bank (3.6)
2022	1,693	187	Huntington National Bank (7.0), Rocket Mortgage (5.0), PNC Bank N.A. (4.0), The Farmers Bank (3.6), NVR Mortgage Finance (3.5) *HNB ranked tenth with a market share of 2.1%.
2023	1,216	163	Huntington National Bank (9.5), NVR Mortgage Finance (7.5), Rocket Mortgage (4.5), The Farmers Bank (4.0), and PennyMac Loan Services LLC (3.8) *HNB ranked sixth with a market share of 3.4%.
Small Business			Note: HNB was not required to report business loans in 2021 or 2022.
2021	1,538	70	JP Morgan Chase (21.9), American Express (14.0), Synchrony Bank (6.0), Capital One (5.3), and Huntington National Bank (5.1)
2022	1,567	58	JP Morgan Chase (31.7), American Express (17.6), Capital One (8.3), Synchrony Bank (7.0), and Citibank N.A. (3.8)

Source: Aggregate HMDA and CRA loan data

Housing Cost

A home mortgage loan may not be affordable for some LMI families in the AA. The demographic data in the table below shows the median housing value for the AA was at least 3.1 times the annual income of a low-income family and at least 1.9 times the annual income of a moderate-income family.

Housing Value vs Annual Income		
	2021	2022-2023
Median Housing Value (MHV)	\$124,018	\$159,272
Median Family Income (MFI)	\$79,700	\$97,900
Low Income Level (<50% MFI)	\$39,850	\$48,950
Moderate-Income Level (<80% MFI)	\$63,760	\$78,320
<i>Source: 2015 and 2020 ACS Census; 2021 and 2023 Updated FFIEC MFI</i>		

In addition, the median list price for homes rose during the evaluation period. According to Federal Reserve Economic Data, the median list price in Boone County was approximately \$176,000 in 2021, \$206,300 in 2022, and \$228,600 in 2023. Therefore, some LMI families may not be able to afford and maintain a home or qualify for a mortgage when also considering the down payment requirement, homeowner costs such as taxes and insurance, and other debt payments.

Community Contact

The OCC considered comments from a community contact for additional insight regarding credit and community development needs and opportunities in the AA. This contact works for a small business development center that supports the formation, growth, and sustainability of small businesses by providing entrepreneurs with expert guidance and access to a network of resources. According to the contact, working capital loans for small businesses is the most prominent credit need in the Indianapolis area. The contact noted newer businesses continue to face challenges with risk-adverse underwriting practices of banks. The contact also mentioned his organization receives requests from local small businesses for help with strategy, market research, business partnering, export assistance, and valuations. As such, the contact believes there is an opportunity to help both established and startup small businesses by providing financial literacy education.

Scope of Evaluation in Indiana

The OCC performed a full-scope review of HNB's only AA, the Indianapolis MSA. Refer to the table in Appendix A: Scope of Examination for additional information.

Lending Test

The bank's performance under the Lending Test in Indiana is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Indianapolis MSA is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits a reasonable geographic distribution of loans. The OCC considered the AA had no low-income census tracts (CTs) and one moderate-income CT in 2021. In addition, the AA did not have any LMI CTs in 2022-2023.

Home Mortgage Loans

HNB's geographic distribution of home mortgage loans in the Indianapolis MSA is reasonable. This conclusion is based on the following performance and context:

- In 2021, HNB's percentage of home mortgage loans in the moderate-income CT was below the percentage of owner-occupied housing units (OOHUs) and aggregate percentage for all reporting lenders.
- Opportunities to lend in the moderate-income geography were somewhat limited by the number of OOHUs and competition for loans. The geography had 1,513 OOHUs with 101 reporting lenders originating 377 loans for 2021. The top five lenders captured 27 percent of the market share and 57 lenders originated just one or two loans. The OCC considered HNB was not a reporting lender and would have ranked 44th based on the results of our loan sample. The sample included two loans totaling \$317,500.

Refer to Table O in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Small Loans to Businesses

HNB's geographic distribution of small loans to businesses in the Indianapolis MSA is excellent. This conclusion is based on the following performance:

- In 2021, HNB's percentage of small loans to businesses in moderate-income CTs exceeded the percentage of businesses and aggregate percentage for all reporting lenders.
- The OCC analyzed a sample of 20 loans originated during 2021. Of this total, six loans or 30 percent were made to businesses in the moderate-income CT.

Refer to Table Q in the state of Indiana section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Lending Gap Analysis

The OCC did not identify any unexplained, conspicuous gaps in HNB's geographic distribution of home mortgage and small business loans.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank. Unless otherwise noted, the OCC placed more weight on the bank's performance in 2022-2023 as it represents a larger portion of the evaluation period.

Home Mortgage Loans

HNB's overall borrower distribution of home mortgage loans in the Indianapolis MSA is excellent. This conclusion is based on the following performance:

- In 2021, HNB's percentage of home mortgage loans to low-income borrowers exceeded the percentage of low-income families and the aggregate percentage for all reporting lenders. Also, HNB's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate percentage for all reporting lenders.
- In 2022-2023, HNB's percentage of home mortgage loans to low-income borrowers exceeded the percentage of low-income families and the aggregate percentage for all reporting lenders. Also, HNB's percentage of home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and the aggregate percentage for all reporting lenders.
- The OCC analyzed 88 home mortgage loans originated during the evaluation period. Of these, 16 loans (18.2 percent) were made to low-income borrowers and 24 loans (27.3 percent) were made to moderate-income borrowers.

Refer to Table P in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Small Loans to Businesses

HNB's overall borrower distribution of small loans to businesses in the Indianapolis MSA is reasonable. This conclusion is based on the following performance:

- In 2021, HNB's percentage of small loans to businesses with revenues of \$1 million or less was near to the percentage of such businesses and exceeded the aggregate percentage for all reporting lenders.
- In 2022-2023, HNB's percentage of small loans to businesses with revenues of \$1 million or less was below the percentage of such lenders but exceeded the aggregate percentage for all reporting lenders.
- The OCC analyzed 60 small loans to businesses originated during the evaluation period. Of these, 44 loans (73.3 percent) were made to businesses with revenue of \$1 million or less.

Refer to Table R in the state of Indiana section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Responses to Complaints

HNB did not receive any complaints regarding its CRA performance during the evaluation period.

Product Innovation and Flexibility

HNB's participated in the SBA's PPP. This innovative and flexible loan program was particularly responsive to the credit needs of businesses and farms during the COVID-19 pandemic. In 2021, HNB originated 100 PPP totaling \$2.6 million to businesses and farms.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2021 to 12/31/2023	
Bank Products Reviewed:	Home Mortgage and Small Business loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Indiana		
Indianapolis MSA	Full Scope	A portion of Boone County

Appendix B: Summary of MMSA and State Ratings

RATINGS The Home National Bank	
Overall Bank:	Lending Test Rating
The Home National Bank	Satisfactory
MMSA or State:	
State of Indiana	Satisfactory

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, 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 (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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 (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

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

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial 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.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal

to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Indianapolis MSA	20	2,695,600	100.0	1,543	0.0	0.0	0.0	20.8	10.0	24.4	79.2	90.0	75.6	0.0	0.0	0.0	0.0	0.0	0.0
Total	20	2,695,600	100.0	1,543	0.0	0.0	0.0	20.8	10.0	24.4	79.2	90.0	75.6	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-23
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Indianapolis MSA	68	11,290,781	100.0	836	0.0	0.0	0.0	0.0	0.0	0.0	75.0	79.4	67.9	25.0	20.6	32.1	0.0	0.0	0.0
Total	68	11,290,781	100.0	836	0.0	0.0	0.0	0.0	0.0	0.0	75.0	79.4	67.9	25.0	20.6	32.1	0.0	0.0	0.0

Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2023 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Indianapolis MSA	20	2,695,600	100.0	1,543	18.3	20.0	10.7	24.2	25.0	24.6	24.8	25.0	23.3	32.7	30.0	22.4	0.0	0.0	18.9
Total	20	2,695,600	100.0	1,543	18.3	20.0	10.7	24.2	25.0	24.6	24.8	25.0	23.3	32.7	30.0	22.4	0.0	0.0	18.9

*Source: 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-23
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Indianapolis MSA	68	11,290,781	100.0	836	16.1	17.6	11.4	19.0	27.9	23.6	22.7	13.2	22.8	42.3	35.3	24.0	0.0	5.9	18.2
Total	68	11,290,781	100.0	836	16.1	17.6	11.4	19.0	27.9	23.6	22.7	13.2	22.8	42.3	35.3	24.0	0.0	5.9	18.2

*Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 Bank Data, 2023 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2021
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Indianapolis MSA	20	2,630,013	100.0	358	0.0	0.0	0.0	18.0	30.0	22.1	82.0	70.0	77.9	0.0	0.0	0.0	0.0	0.0	0.0
Total	20	2,630,013	100.0	358	0.0	0.0	0.0	18.0	30.0	22.1	82.0	70.0	77.9	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2022-23
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Indianapolis MSA	40	4,413,845	100.0	345	0.0	0.0	0.0	0.0	0.0	0.0	75.4	80.0	78.3	24.6	20.0	21.7	0.0	0.0	0.0
Total	40	4,413,845	100.0	345	0.0	0.0	0.0	0.0	0.0	0.0	75.4	80.0	78.3	24.6	20.0	21.7	0.0	0.0	0.0

Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Indianapolis MSA	20	2,630,013	100.0	358	84.6	80.0	54.5	4.3	15.0	11.1	5.0
Total	20	2,630,013	100.0	358	84.6	80.0	54.5	4.3	15.0	11.1	5.0
<i>Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022-23
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Indianapolis MSA	40	4,413,845	100.0	345	87.4	70.0	54.8	3.5	30.0	9.1	0.0
Total	40	4,413,845	100.0	345	87.4	70.0	54.8	3.5	30.0	9.1	0.0
<i>Source: 2023 D&B Data; 01/01/2022 - 12/31/2023 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>											