



LARGE BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

Public Disclosure

April 26, 2004

Community Reinvestment Act

Performance Evaluation

**First National Bank & Trust
Charter Number: 14519**

**105 West Sycamore Street
Kokomo, IN 46901**

Office of the Comptroller of the Currency

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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 following table indicates the performance level of **First National Bank & Trust** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank & Trust Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- FNBT’s lending reflects a good dispersion among borrowers of different income levels and businesses of different sizes.
- Community development lending had a positive effect on the Lending Test conclusions.
- Lending levels, as shown by the volume of all loans generated, reflect good responsiveness to the credit needs of the assessment area.
- FNBT’s lending reflects an adequate dispersion among geographies of different income levels.
- A substantial majority of loans originated or purchased by FNBT over the evaluation period were within its assessment area.
- FNBT made an excellent amount of qualified investments in its assessment areas during this evaluation period.
- FNBT’s delivery systems are accessible to geographies and individuals of different income levels in its assessment area.
- The bank had a good level of community development services that were responsive to the identified needs of the assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family

households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan 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: Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in-group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget,

with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

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

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One 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 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.

Description of Institution

First National Bank and Trust (FNBT) is a \$1.5 billion intrastate institution headquartered in Kokomo, Indiana. Kokomo is located in Central Indiana approximately 40 miles north of Indianapolis, Indiana. FNBT serves the entire Kokomo Indiana Metropolitan Statistical Area (MSA), portions of the Indianapolis Indiana MSA, portions of the Terre Haute Indiana MSA and the entire counties of Grant, Sullivan, Cass and Wayne in the State of Indiana. FNBT operates 32 full service retail-banking offices in Central Indiana. In total there are 8 branches in the Kokomo MSA, 11 branches in the Indianapolis MSA, 4 branches in the Terre Haute MSA, 5 in Sullivan County, 1 in Grant County, 1 in Cass County and 2 in Wayne County Indiana. Twenty-five of the branches have an automated teller machine (ATM) on premise. FNBT also has 10 freestanding ATMs for a total of 35 ATMs in the assessment areas.

First National Bank and Trust is wholly owned by Hasten Bancshares, Inc. (Hasten), which is headquartered in Indianapolis, Indiana. The holding company has total assets of approximately \$1.5 billion. FNBT has two subsidiaries that include First National Investment Services and First National Insurance Services.

In January 2002, FNBT acquired Harrington Bank, FSB. Prior to this acquisition, FNBT had total assets of approximately \$1.3 billion and Harrington Bank had total assets of approximately \$270 million. Through this acquisition, FNBT obtained a total of 4 branches and 4 ATMs in the Indianapolis MSA, and 2 branches and 3 ATMs in Wayne County.

FNBT is a full service lender offering various loan and deposit products. FNBT offers commercial loans, construction loans, and home mortgage loans, as well as consumer loans and agricultural loans. FNBT also offers a full array of deposit products such as checking, savings, certificates of deposit, individual retirement savings, and money market accounts. Through its affiliates, FNBT also offers brokerage and investment services. As of December 31, 2003, net loans represented 57 percent of total assets and consisted of residential real estate loans (63 percent), commercial loans (31 percent), agricultural loans (3 percent), consumer loans (3 percent), and other loans (less than 1 percent).

There are no legal, financial, or other factors impeding FNBT's ability to help meet the credit needs of the communities it serves. As of December 31, 2003, FNBT reported Tier 1 capital of \$119 million. FNBT was rated Satisfactory at its last CRA evaluation dated July 27, 1999.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for home mortgage, small business and small farm loans is January 1, 2001 through December 31, 2002. The evaluation period for community development (CD) loans, qualified investments and CD services is July 28, 1999 through April 26, 2004. Although the bank's last CRA evaluation was performed in 1999, we only included data in this evaluation that was determined to be accurate. The bank was unwilling to correct their home mortgage, small business and small farm data for 1999 and 2000.

Products included in FNBT's Lending Test analysis are home mortgage loans, small loans to businesses, small loans to farms, and CD loans. FNBT makes all of its home improvement loans under home equity loans and/or lines and chooses not to report these loans for HMDA purposes. FNBT makes very few small farm loans in the Indianapolis Indiana MSA, so we did not analyze the bank's performance for this loan type in this AA. Additionally, multi-family loans are not significant products of FNBT, so an analysis of these products would not be meaningful. Therefore, we did not include these loan types in our analysis.

For the Investment Test, current balances of qualified investments made in prior periods and qualified investments made in the current period were evaluated.

For the Service Test, the geographic distribution of branches, the bank's record of opening and closing branches, and retail and CD services were evaluated.

Market share data for home mortgage loans and small loans to businesses and farms were based on 2002 aggregate data, which was the most current data available at the time the bank's CRA performance was evaluated.

Data Integrity

The Community Reinvestment Act requires that banks, other than small banks, collect and maintain certain data regarding originations and purchases of small loans to businesses and farms. The Home Mortgage Disclosure Act (HMDA) requires banks with branches in Metropolitan Statistical Areas (MSAs) to collect information on its home mortgage loans.

As part of our evaluation, we performed a data integrity review of the bank's 1999, 2000, 2001, and 2002 HMDA and CRA data. We compared information from the bank's loan application registers to the information contained in the loan files. During our review, we noted significant errors in key fields of the 1999, 2000, 2001, and 2002 HMDA and CRA data. FNBT management performed a file search for all 2001 and 2002 HMDA, small business and small farm loans reported during these timeframes to verify the accuracy of the reported data and correct the errors noted. Management was unwilling to correct the data for 1999 and 2000. After two additional reviews of this data, our most recent follow-up review noted no significant errors in key fields. Therefore, this performance evaluation is based on accurate HMDA and CRA data from 2001 and 2002.

In addition, we reviewed CD loans, investments, and services, submitted by the bank, to determine that they met the regulatory definitions. Our review indicated that some of the items submitted by FNBT for consideration did not meet the definition or purpose of CD. Therefore, this evaluation was based on only those CD loans, investments and services that met the regulatory definitions.

Selection of Areas for Full-Scope Review

Our analysis included full scope examination procedures for two (2) of FNBT's seven (7) assessment areas. The two areas receiving full-scope reviews (Kokomo Indiana MSA and Indianapolis Indiana MSA) accounted for over 69 percent of the bank's deposits, 71 percent of the bank's loans, and 59 percent of the bank's branches. The Kokomo Indiana MSA assessment area includes all of Howard and Tipton Counties. The Indianapolis Indiana MSA assessment area includes all of Hamilton, Hendricks, Marion, and Morgan Counties. Refer to Appendix A for additional information with regard to the areas receiving a full-scope review.

The other five (5) assessment areas (Terre Haute, Indiana MSA [Vigo and Clay Counties], Grant, Sullivan, Cass, and Wayne Counties in Indiana) received a limited-scope review. For purposes of analyzing performance and presenting data in this Evaluation, the nonmetropolitan Grant, Sullivan, Cass and Wayne County AAs were combined. All of these AAs are geographically proximate with similar performance contexts.

Ratings

The bank's overall rating is based primarily on the Kokomo Indiana MSA and the Indianapolis Indiana MSA, which received full-scope reviews. Due to loan volume, the Kokomo Indiana MSA was given more weight than the Indianapolis Indiana MSA for mortgage loans, and the Indianapolis Indiana MSA was given more weight than the Kokomo Indiana MSA for small loans to businesses.

Mortgage lending was given the most weight in reaching an overall conclusion for the Lending Test. Of the mortgage loan products, home mortgage refinances were weighted higher than home purchases. Since FNBT has historically focused on small business lending, this area of lending was given more weight than farm lending, which was given the least weight in the overall conclusions.

For the Investment Test, the Kokomo Indiana MSA was given more weight than the Indianapolis Indiana MSA. This was due to the fact that there is a higher level of loans and deposits in the Kokomo Indiana MSA.

The Kokomo Indiana MSA was given slightly more weight for the Service Test than the Indianapolis Indiana MSA. Although there are more branches in the Indianapolis Indiana MSA, the higher level of competition precludes the bank from having a strong presence in this market.

Other

Based on the demographics of the AA and the identified needs of affordable housing, small business financing, and small consumer loans, opportunities exist for the bank to help address these needs. This conclusion is based on a current discussion with an affordable housing organization, a prior discussion with an affordable housing organization and a small business organization, our review of the CRA performance evaluations of other financial institutions operating in the AA, and from discussion with bank management.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Kokomo Indiana MSA and Indianapolis Indiana MSA assessment areas is good. Since multi-family and home improvement lending are not significant products of FNBT, they are not included in this analysis.

Lending Activity

Lending levels, as shown by the volume of all loans generated, reflect good responsiveness to the credit needs of the assessment area. In the Kokomo Indiana MSA, the lending levels reflect excellent responsiveness to the credit needs of the assessment area. In the Indianapolis Indiana MSA, the lending levels reflect adequate responsiveness to the credit needs of the assessment area. Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Kokomo Indiana MSA

During the evaluation period, FNBT extended 1,761 home mortgage, small business, and small farm loans totaling \$169 million in the Kokomo Indiana MSA. Approximately 59 percent of the loans made in the Kokomo Indiana MSA were home mortgage loans. Of these, 73 percent were home refinance loans and 27 percent were home purchase loans. Approximately 28 percent of the total loans were small business loans and an additional 13 percent were small farm loans. Less than one percent of total loans in the Kokomo Indiana MSA were home improvement loans. The bank reported no multi-family loans.

Information on deposit market share compiled by the FDIC as of June 30, 2003 shows the bank's deposits in the Kokomo Indiana MSA are approximately \$350 million. This equates to a 34 percent market share, ranking FNBT as the first largest deposit taking institution out of 13 institutions in this assessment area.

Competition for both deposits and loans in the Kokomo Indiana MSA is very strong. Based on 2002 aggregate HMDA data, the bank ranked third out of 136 mortgage lenders for originating/purchasing home purchase loans with a seven percent market share. FNBT ranked first out of 205 mortgage lenders for originating/purchasing home refinance loans with a nine percent market share. Based on 2002 CRA data, FNBT ranked first of 42 lenders

originating/purchasing small loans to businesses with a 17 percent market share and second of 16 lenders originating/purchasing small loans to farms with a 33 percent market share.

It should be noted that consideration was given to the presence of a number of non-bank competitors in the assessment area, in arriving at the excellent conclusion.

Indianapolis Indiana MSA

In the Indianapolis Indiana MSA, FNBT extended 1,254 home mortgage, small business, and small farm loans totaling \$185 million. In the Indianapolis Indiana MSA, approximately 50 percent of the loans that were made were home mortgage loans. Of these, approximately 80 percent were home refinance loans and 20 percent were home purchase loans. Small business loans totaled approximately 46 percent of all loans with small farm loans totaling approximately 4 percent. Less than one percent of total loans in the Indianapolis Indiana MSA were home improvement loans. The bank reported no multi-family loans.

The bank's deposits in the Indianapolis Indiana MSA are approximately \$320 million. Based on the same information, this equates to a two percent market share, ranking FNBT as the ninth largest deposit taking institution out of 48 institutions in this assessment area. It is important to note that the three largest institutions have a combined market share of 56 percent.

Competition for both deposits and loans in the Indianapolis Indiana MSA is very strong. Based on 2002 aggregate HMDA data, the bank ranked 74th out of 401 mortgage lenders for originating/purchasing home purchase loans with a 0.21 percent market share. FNBT ranked 43rd out of 468 mortgage lenders for originating/purchasing home refinance loans with a 0.45 percent market share. Based on 2002 aggregate CRA data, FNBT ranked 17th of 142 lenders originating/purchasing small loans to businesses with a one percent market share.

Distribution of Loans by Income Level of the Geography

FNBT's lending reflects an adequate dispersion among geographies of different income levels. In the Kokomo Indiana MSA and the Indianapolis Indiana MSA assessment areas, the dispersion among geographies of different income levels is adequate.

Home Mortgage Loans

The overall geographic distribution of home mortgage loans is adequate in the full-scope assessment areas. We placed more emphasis on home refinance loans because the volume of these loans exceeds the volume of home purchase loans. Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Kokomo Indiana MSA

Home purchase loan geographic distribution is good. Although the bank made no loans in the low-income geography, only 0.10 percent or 259 of the owner-occupied homes in the AA are in the low-income geography. The percentage of loans made in moderate-income geographies (17.95 percent) is near the percent of owner-occupied units in those geographies (18.75

percent). The bank's market share in the low-income geography (0 percent) is well below the bank's overall market share (6.69 percent) for home purchase loans. The bank's market share in the moderate-income geographies (8.95 percent) exceeds the bank's overall market share in this assessment area for home purchase loans.

Home refinance loan geographic distribution is also adequate. Although the bank made no loans in the low-income geography, only 0.10 percent or 259 of the owner-occupied homes in the AA are in the low-income geography. The percentage of loans made in moderate-income geographies (14.59 percent) is below the percent of owner-occupied units in these geographies (18.75%). The bank's market share in the low-income geography (0 percent) is well below the bank's overall market share of 8.83 percent. In the moderate-income geographies, the bank's market share (6.69 percent) is also below the bank's overall market share in this assessment area for home refinance loans.

Indianapolis Indiana MSA

Home purchase loan geographic distribution is adequate. The percentage of the bank's home purchase loans made in the low-income geographies (0.81 percent) is significantly lower than the percentage of owner-occupied housing units (4.06 percent) that are in these geographies. The percentage of the bank's home purchase loans made in the moderate-income geographies (14.63 percent) is also lower than the percentage of owner-occupied housing units (18.68 percent) that are in these geographies. It should be noted that competition for home purchase loans in this assessment area is strong. The bank's market share in the low- (0.09 percent) and moderate-income (0.16 percent) geographies is lower than the bank's overall market share for home purchase loans (0.21 percent) in this assessment area. It should also be noted that in the Indianapolis Indiana MSA, the bank's lending activity is affected by the locations of the bank's branch network. With the exception of two branches, the offices in this assessment area are located in the counties surrounding the city center. This greatly limits the bank's outreach into the city center, where most of the low- and moderate-income census tracts are located. Additionally, the bank's lending focus for the Indianapolis Indiana MSA assessment area has traditionally been on commercial lending.

Home refinance loan geographic distribution is adequate. The percentage of the bank's home refinance loans made in the low-income geographies (2.56 percent) is lower than the percentage of owner-occupied housing units (4.06 percent) that are in these geographies. The percentage of the bank's home refinance loans made in the moderate-income geographies (11.05 percent) is also lower than the percentage of owner-occupied housing units (18.68) that are in these geographies. Again, it should be noted that competition for home purchase loans in this assessment area is strong. The bank's market share in the low-income geographies (0.49 percent) exceeds the bank's overall market share (0.45 percent) for home refinance loans. The bank's market share in the moderate-income geographies (0.32 percent) is only slightly lower than the bank's overall market share.

Small Loans to Businesses

The bank's geographic distribution of small loans to businesses in the assessment areas is adequate. In the Kokomo Indiana MSA, the geographic distribution of small loans to businesses is good. In the Indianapolis Indiana MSA, the geographic distribution of small loans to businesses is adequate. Due to loan volume, we gave more weight to the

Indianapolis Indiana MSA in this evaluation. Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Kokomo Indiana MSA

The bank's geographic distribution of small loans to businesses in the Kokomo Indiana MSA assessment area is good. The percentage of FNBT's small loans to businesses made in the low-income geography (3.25 percent) is below the percentage of businesses (5.10 percent) in that geography. The percentage of FNBT's small loans to businesses made in the moderate-income geographies (22.52 percent) slightly exceeds the percentage of businesses (22.46 percent) in those geographies. The bank's market share for small loans to businesses (31.68 percent) in the low-income geography significantly exceeds the bank's overall market share (17.18 percent) for small loans to businesses. The bank's market share for small loans to businesses (19.70 percent) in the moderate-income geographies exceeds the bank's overall market share for small loans to businesses.

Indianapolis Indiana MSA

The bank's geographic distribution of small loans to businesses in the Indianapolis Indiana MSA assessment area is adequate. The percentage of FNBT's small loans to businesses made in the low-income geographies (3.83 percent) is below the percentage of businesses (8.24 percent) in those geographies. The percentage of FNBT's small loans to businesses made in the moderate-income geographies (11.13 percent) is also below the percentage of businesses (15.65 percent) in those geographies. The bank's market share for small loans to businesses in the low-income geographies (0.45 percent) is lower than the bank's overall market share (1.14 percent) for small loans to businesses. The bank's market share for small loans to businesses in the moderate-income geographies (1.07 percent) meets the bank's overall market share for small loans to businesses.

Small Loans to Farms

The bank's geographic distribution of small loans to farms in the assessment area is adequate. In the Kokomo Indiana MSA, the geographic distribution of small loans to farms is adequate. Due to the low volume of small loans to farms in the Indianapolis Indiana MSA, a geographic distribution of these loans was considered meaningless, and was not performed. Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

Kokomo Indiana MSA

FNBT's geographic distribution of small farm loans reflects an adequate distribution of lending to farms in low- and moderate-income geographies. Although the bank did not extend any small farm loans in the low- or moderate-income geographies, there are no farms located in the low-income geography and only 1.95 percent or ten of the farms located in the moderate-income geographies in this assessment area. The low level of farm lending in these geographies is not indicative of the bank's commitment to meet its assessment area's farm credit needs. FNBT ranks second of 16 lenders with an overall market share of 33 percent.

Lending Gap Analysis

No unexplained conspicuous gaps were identified. Maps and reports detailing FNBT's lending activity over the evaluation period for home mortgage loans and small loans to businesses and farms were reviewed to identify gaps in the geographic distribution of those loans.

Inside/Outside Ratio

A substantial majority (89 percent) of loans originated or purchased by FNBT over the evaluation period were within its assessment areas. Eighty-eight percent of its small loans to businesses, 90 percent of the bank's home purchase loans, 90 percent of home refinances, and 84 percent of its small loans to farms are within the assessment areas. Therefore, this performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geographies.

The analysis was performed at the bank level as opposed to the assessment area level. The information includes bank originations and purchases only.

Distribution of Loans by Income Level of the Borrower

FNBT's lending reflects a good dispersion among borrowers of different income levels and businesses and farms of different sizes. Distribution of loans by income level of the borrower in the Kokomo Indiana MSA is excellent and in the Indianapolis Indiana MSA is good.

Home Mortgage Loans

The distribution of home mortgage loans by income level of the borrower is excellent in the Kokomo Indiana MSA and the Indianapolis Indiana MSA assessment areas. We placed more emphasis on home refinance loans because the volume of these loans exceeds the volume of home purchase loans. In evaluating the borrower distribution of home mortgage loans, we considered the large number of households that live below the poverty level and the barriers that this may have on home ownership. Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Kokomo Indiana MSA

The borrower distribution of home purchase loans is excellent. Home purchase loans made to low-income borrowers (15.07 percent) are below the percentage of low-income families (20.05 percent) in the assessment area. Performance is considered excellent when considering that almost 11 percent of the households living in the assessment area are living below the poverty level. Therefore, opportunities for home purchase loans to very low-income individuals are limited. Home purchase loans made to moderate-income borrowers (25.74 percent) significantly exceed the percentage of moderate-income families (16.90 percent) in the assessment area. Market share for loans made to low-income borrowers (7.27 percent) substantially meets the overall market share (7.61 percent) for home purchase loans in the assessment area. Market share for loans made to moderate-income borrowers (6.00 percent) is below the overall market share for home purchase loans in the assessment area.

The borrower distribution for home mortgage refinance loans is excellent. Refinance loans made to low-income borrowers (10.53 percent) are below the percentage of low-income families (20.05 percent) in the assessment area. Performance is considered excellent when considering that almost 11 percent of the households living in the assessment area are living below the poverty level. Therefore, opportunities for home refinance loans to very low-income individuals are limited. Refinance loans made to moderate-income borrowers (21.73 percent) significantly exceed the percentage (16.90 percent) of moderate-income families in the assessment area. Market share for loans made to low-income borrowers (7.47 percent) is below the overall market share (10.54 percent). Market share for loans made to moderate-income borrowers (9.66 percent) is near the overall market share for refinance loans in the assessment area.

Indianapolis Indiana MSA

The borrower distribution of home purchase loans is excellent. Home purchase loans made to low-income borrowers (13.11 percent) are below the percentage of low-income families (18.85 percent) in the assessment area. Performance is considered excellent when considering that almost 10 percent of the households living in the assessment area are living below the poverty level. Therefore, opportunities for home purchase loans to very low-income individuals are limited. Home purchase loans made to moderate-income borrowers (27.87 percent) significantly exceed the percentage of moderate-income families (18.45 percent) in the assessment area. Market share for loans made to low-income borrowers (0.33 percent) and moderate-income borrowers (0.18 percent) are near the overall market share (0.25 percent) for home purchase loans in the assessment area.

The borrower distribution for home mortgage refinance loans is excellent. Refinance loans made to low-income borrowers (11.22 percent) are below the percentage of low-income families (18.85 percent) in the assessment area. Performance is considered excellent when considering that almost 10 percent of the households living in the assessment area are living below the poverty level. Therefore, opportunities for home refinance loans to very low-income individuals are limited. Refinance loans made to moderate-income borrowers (22.44 percent) substantially exceeds the percentage (18.45 percent) of moderate-income families in the assessment area. Market share for loans made to low-income borrowers (0.61 percent) and moderate-income borrowers (0.60 percent) is near the overall market share (.56 percent) in the assessment area for refinance loans.

Small Loans to Businesses

Borrower distribution of small loans to businesses is adequate. In the Kokomo Indiana MSA, the borrower distribution of small loans to businesses is good. In the Indianapolis Indiana MSA, the borrower distribution of small loans to businesses is adequate. Due to loan volume, more emphasis was placed on the Indianapolis Indiana MSA. Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Kokomo Indiana MSA

Borrower distribution of small loans to businesses in the Kokomo Indiana MSA assessment area is good. FNBT's loans to businesses with revenues of \$1 million or less (70.59 percent) are close to the percentage of small businesses (77.06 percent) in the Kokomo Indiana MSA assessment area. The bank has a market share of 27.40 percent for loans made to businesses with revenues of \$1 million or less. This market share is above the bank's overall market share of 17.18 percent for small loans to all businesses. FNBT's small business distribution shows a significant amount of these loans are for small dollar amounts.

Approximately 68 percent of the reported small business loans were for original amounts of \$100,000 or less. An additional 17 percent were for original amounts between \$100,000 and \$250,000, and another 15 percent of all reported small business loans were originated for amounts between \$250,000 and \$1 million.

Indianapolis Indiana MSA

Borrower distribution of small loans to businesses in the Indianapolis Indiana MSA assessment area is adequate. FNBT's loans to businesses with revenues of \$1 million or less (44.70 percent) are below the percentage of small businesses (70.35 percent) in the Indianapolis Indiana MSA assessment area. The bank has a market share of 1.78 percent for loans made to businesses with revenues of \$1 million or less. This market share is slightly above the bank's overall market share of 1.14 percent for small loans to all businesses. Additionally, FNBT's small business distribution shows that over half of these loans are for small dollar amounts. Approximately 53.5 percent of the reported small business loans were for original amounts of \$100,000 or less. An additional 21 percent were for original amounts between \$100,000 and \$250,000, and another 25.5 percent of all reported small business loans were originated for amounts between \$250,000 and \$1 million.

Small Loans to Farms

Borrower distribution of small loans to farms is good. In the Kokomo Indiana MSA, the borrower distribution of small loans to farms is good. Small loans to farms in the Indianapolis Indiana MSA were few in number; therefore, a borrower distribution analysis was not performed. Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

Kokomo Indiana MSA

Borrower distribution of small loans to farms in the Kokomo Indiana MSA assessment area is good. FNBT's loans to farms with revenues of \$1 million or less (88.79 percent) are close to the percentage of small farms (97.86 percent) in the Kokomo Indiana MSA assessment area. FNBT has a market share of 33.26 percent for loans made to farms with revenues of \$1 million or less. This market share is slightly above the bank's overall market share of 32.63 percent for small loans to all farms. FNBT's small farm distribution shows a significant amount of these loans are for small dollar amounts. Approximately 78 percent of the reported small business loans were for original amounts of \$100,000 or less. An additional 17 percent were for original amounts between \$100,000 and \$250,000, and another 5 percent of all reported small farm loans were originated for amounts between \$250,000 and \$500,000.

Community Development Lending

Community development lending had a positive effect on the Lending Test conclusions. The community development loan in the Kokomo Indiana MSA is responsive to the need for affordable housing in this assessment area. Please refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Kokomo Indiana MSA

During this evaluation period, the bank originated one community development loan in the amount of \$3.6 million. The project involved the construction of assisted-living quarters for low- and moderate-income individuals. These living quarters are located in the Kokomo Indiana MSA. This CD loan is responsive to affordable housing needs that were identified during this examination.

Other Loan Data – Indianapolis Indiana MSA

FNBT provided a \$1.1 million letter of credit to the Federal Home Loan Bank of Indianapolis for a builder of affordable multi-family housing. This is an unfunded loan commitment backed by a line of credit. If the letter of credit is drawn upon, then a loan obligation to FNBT is created. The Indiana Housing Finance Authority provided tax credits for this project. All 208 units in the multi-family housing development project are set aside for low- and moderate-income families. These housing units are located within the Indianapolis Indiana MSA.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the lending test. FNBT offers a limited number of flexible lending products in order to serve its assessment area's credit needs. These products are available in all of FNBT's assessment areas. A brief description of each loan program and the volume (numbers and dollars) of activity for each program during this evaluation period follow. It should be noted that this information was not available by assessment area. The information noted below reflects activity for the bank as a whole:

- **FHA / VA / IHFA** - The bank partnered with the Federal Housing Authority (FHA), the Veterans Administration (VA), and the Indiana Housing Finance Authority (IHFA) in making mortgage loans. These programs provide assistance for low- and moderate-income families, and make it possible for them to own their own homes through low down payments, lower interest rates and higher debt ratios. During the evaluation period, 560 loans totaling \$39.2 million were made through FHA, 38 loans totaling \$3.7 million were made through the VA, and 25 loans totaling \$1.4 million were made through the IHFA.
- **Small Business Administration – 33 Loans - \$9.0 million** – These loans provide for economic development through the expansion of small business. Many of these businesses provide jobs for low- and moderate-income individuals and in low- and moderate-income geographies.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Terre Haute Indiana MSA and Non-MSA Counties assessment areas is weaker than the bank's overall High Satisfactory performance under the lending test. This weaker performance is mainly due to the lack of any community development lending in these other assessment areas; however, it did not affect the overall Lending Test rating. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Kokomo Indiana MSA and in the Indianapolis Indiana MSA is excellent.

Information obtained from the District Community Affairs Officer at the OCC, other bank performance evaluations, and information gathered from the bank indicates that qualified investment opportunities in the Kokomo Indiana MSA are limited, and in the Indianapolis Indiana MSA are adequately available. Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Kokomo Indiana MSA

The level of qualified investments in this assessment area is excellent. FNBT made six investments totaling \$2.813 million in the Kokomo Indiana MSA during this evaluation period. Some of the more significant qualified investments are listed below:

- **Community Foundation of Howard County - \$2.8 million** - During this evaluation period, FNBT donated their former office building at 322 North Main Street in Kokomo, Indiana to the Community Foundation of Howard County, a not-for-profit corporation. The building is located in a low-income census tract and part of the state-designated Enterprise Zone. Donation of this building aided in the stabilization of a low-income geography. This investment is considered innovative and not of the type readily available from other investors. The Community Foundation manages charitable funds and is the largest single grant maker in the county. Some of the grants provided include scholarships to low- to moderate-income individuals, funds for health care for the needy, funds to physically and mentally handicapped individuals, and funds for area rescue missions.
- **Howard County Development Corporation – \$5,000** - This organization is involved in stabilizing the low- and moderate-income areas of the Kokomo area and all of Howard County. The organization promotes economic development by attracting new businesses and encouraging expansion of existing businesses in the area. Most of the

new/existing businesses are small businesses. These businesses have provided jobs for many low- and moderate-income individuals in the Kokomo area.

- **Kokomo Rescue Mission - \$6,250** - The mission provides shelter, food, clothing, and household goods to low- and moderate-income individuals and families in the Kokomo area. An emergency financial aid fund prevents homelessness by spending nearly \$50,000 annually helping families pay bills that might cause them to lose their home.

In addition, FNBT provided three smaller donations amounting to \$1,750 to various community groups and organizations. Two of these organizations provide community development services to low- and moderate-income individuals/families in the Kokomo Indiana MSA. The other organization helps to revitalize and stabilize low- and moderate-income communities through the promotion of economic development in Tipton County, which is located in the Kokomo Indiana MSA.

Indianapolis Indiana MSA

The level of qualified investments in this assessment area is excellent. FNBT made three investments totaling \$3.3 million in the Indianapolis Indiana MSA during this evaluation period. Additionally, the bank made three donations totaling \$1,370 to organizations that help revitalize or stabilize low- or moderate-income areas, or provide for low-income housing. The Indianapolis Indiana MSA's primary need is affordable housing for low- and moderate-income individuals/families and operating funds and capital improvement for small businesses. Competition for available investments in this assessment area is strong. Some of the more significant qualified investments are listed below:

- **Fannie Mae Pools - \$2.3 million** - The bank purchased two Fannie Mae pools of \$1.7 million and \$600 thousand. These pools are comprised of mortgage-backed securities supported by loans to low- and moderate-income homebuyers within the assessment area.
- **CRA Qualified Investment Fund - Freddie Mac - \$1 million** - These funds were used to purchase mortgage- backed securities comprised of low- and moderate-income homebuyers within the assessment area.

Regional / Statewide Area

FNBT has supplemented its investment performance with several investments, which serve a regional or statewide area that includes the bank's assessment areas. In total, two investments totaling \$3 million were made. During this evaluation period, the bank invested in the following:

- **Indiana Housing Finance Authority - \$2.8 million** - These funds are used to purchase bonds to finance mortgage loans to low- to moderate-income first-time homebuyers within the state of Indiana.
- **CRA Qualified Investment Fund - Freddie Mac - \$200 thousand** -These funds were used to purchase mortgage-backed securities comprised of low- and moderate-income homebuyers from Alabama, Illinois, Indiana, New York, and Oklahoma.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Terre Haute Indiana MSA and in the Non-MSA Counties of Grant, Sullivan, Cass, and Wayne, is weaker than the bank's overall low satisfactory investment test rating. Refer to the comments below and Table 14 in Appendix C for the facts and data that support these conclusions.

Although the investment opportunities in the Terre Haute Indiana MSA assessment area are somewhat limited, the fact that the bank made no qualified investments in this assessment area had a negative impact on the investment test rating. Primary needs in the area are affordable housing and revitalization and stabilization of the downtown area.

The bank made no qualified investments in the Non-MSA Assessment Areas. Based on information obtained during this examination, which indicates that investment opportunities are limited in the Non-MSA Counties, this level of qualified investments is considered adequate and did not affect the overall investment test rating.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Kokomo Indiana MSA is excellent and in the Indianapolis Indiana MSA is adequate.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Kokomo MSA

FNBT's delivery systems are accessible to geographies and individuals of different income levels in its assessment area. In addition to the main office, FNBT operates eight branches and four ATMs in this assessment area. Sixty-two and a half percent or five of the bank's branches and 50 percent or three of the bank's ATMs are located in moderate-income geographies. This distribution significantly exceeds the 21.48 percent of the population that lives in moderate-income geographies. Although the bank has no branches or ATMs in the low-income geography, less than 1 percent of the population (310 people) lives in the low-income geography.

The bank purchased and renovated a vacant building in downtown Kokomo to relocate their main office and provide for additional growth. The building is located in a low-income census tract and part of a state-designated Enterprise Zone. These \$4 million in renovations helped to

revitalize and stabilize the downtown area. The project received the State of Indiana 2001 Downtown Revitalization Award from the Indiana Main Street Association.

Of the bank's eight offices, all offices except one motor branch provide full banking services. Full service facilities offer all lending and deposit products and services. These include guaranteed mortgage and business loans, as well as affordable housing programs, and a variety of deposit and savings accounts, ATM, and debit cards. All offices have ATMs. Six of the ATMs are deposit-taking ATMs and two are cash dispensing only. In addition, FNBT operates four stand-alone cash dispensing ATMs in the AA. All offices, with the exception of one, have drive-up facilities. This office is located approximately one half mile from the motor bank.

Services, including business hours, do not vary in a way that inconveniences low- or moderate-income individuals or low- or moderate-income geographies. Branch hours offer reasonable access and convenience. Lobby and drive-up hours vary depending on the community's needs and traffic level. The branch hours in the moderate-income geographies are comparable and sometimes favorable to the branches in middle- and upper-income geographies.

Opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems in low- or moderate-income geographies. The bank closed two branches in moderate-income geographies in this assessment area during this evaluation period. In June of 2002, one branch was closed as a result of opening a new main office only a few blocks away. In October of 2003, the other branch was relocated approximately one half mile from the old site. Offices in the same moderate-income geography as the original location replaced both branches. In addition to relocating these two branches, the bank opened one additional branch in a middle-income geography.

FNBT offers some alternative delivery systems used to expand the availability of retail bank services to all areas of the AA. In addition to their ATM network, the bank offers 24-hour access through its telephone banking and Internet banking systems. These free systems allow customers to check balances, transfer funds, make loan payments, and perform other related transactions. FNBT did not have any information to show how low- and moderate-income individuals or geographies benefited from these alternative delivery systems. Therefore, we could not place significant weight on these systems when drawing our CRA performance conclusions.

Indianapolis MSA

FNBT's delivery systems are reasonably accessible to all geographies and individuals of different income levels in this AA. FNBT operates eleven branches and three ATMs in this assessment area. Eighteen percent of the bank's branches are located in moderate-income geographies compared to 22.67 percent of the population living in the moderate-income geographies. The bank has no branches or ATMs in low-income geographies; however, the bank does have four branches in moderate-income geographies that are located in close proximity to the low-income tracts ("i.e.", within one to five miles).

All of the bank's eleven offices, except one motor branch, provide full banking services. Full service facilities offer all lending and deposit products and services. These include guaranteed

mortgage and business loans, as well as affordable housing programs, and a variety of deposit and savings accounts, ATM and debit cards. All offices, with the exception of two, have ATMs. Nine of the ATMs are deposit-taking ATMs. In addition, FNBT operates three stand-alone cash dispensing ATMs in this assessment area. All offices, with the exception of two, have drive-up facilities. One office is located in close proximity to a motor bank located in the same town.

Services, including business hours, do not vary in a way that inconveniences low- or moderate-income individuals or low- or moderate-income geographies. Branch hours offer reasonable access and convenience. Lobby and drive-up hours vary depending on the community's needs and traffic level. The branch hours in the moderate-income geographies are comparable and sometimes favorable to the branches in middle- and upper-income geographies.

Opening and closing of branches has not adversely affected the accessibility of the bank's delivery systems in low- or moderate-income geographies. The bank closed no branches and opened one branch in a middle-income geography in this assessment area during this evaluation period.

FNBT offers some alternative delivery systems used to expand the availability of retail bank services to all areas of the AA. In addition to its ATM network, the bank offers 24-hour access through its telephone banking and Internet banking systems. These free systems allow customers to check balances, transfer funds, make loan payments, and perform other related transactions. FNBT did not have any information to show how low- and moderate-income individuals or geographies benefited from these alternative delivery systems. Therefore, we could not place significant weight on these systems when drawing our CRA performance conclusions.

Community Development Services

FNBT's performance in providing CD services to its full-scope AAs is adequate. The bank's performance is good in the Kokomo Indiana MSA and very poor in the Indianapolis Indiana MSA assessment areas.

Kokomo Indiana MSA

Management is involved in community development programs targeted to low- and moderate-income individuals. The bank had a good level of CD services that were responsive to the identified needs in the assessment area. Over half of the services the bank provides address the need for small business financing. The following paragraphs describe the CD services FNBT provided during this evaluation period:

- Howard County Children's Center – This organization provides day-care for infants and pre-school programs for toddlers, as well as after school care, for primarily low- to moderate-income families. Families must be eligible to participate in the "Title 20" or "Area S" Program. Eligibility is based on monthly income according to the guidelines of these two programs. A bank employee provides financial expertise and has served as the treasurer for this organization since 2002.

- United Way of Howard County – This organization provides funding to various organizations such as Big Brothers Big Sisters, Food Finders Food Bank, Salvation Army, and Samaritan Caregivers, who provide community services primarily to low- and moderate-income individuals and families. An officer of the bank served on the Executive Committee of the Board of Directors in 2003. Another bank employee served on the organization’s fund distribution council from 2003 to present. Additionally, a bank manager served as the organization’s treasurer during 2003. All three provided financial expertise by assisting with the management and allocation of funds.
- Kokomo Revolving Loan Fund – This organization provides financing for small businesses. The primary goal of the organization is economic development. A revolving loan fund provides mezzanine financing to businesses for growth and expansion that otherwise would not be available. A member of the bank’s management team provided financial expertise and served on the organization’s board of directors during 2003. The board oversees the program and makes decisions with regard to funding and granting of loans.
- Tipton County Economic Development Corporation – The Corporation’s goal is to encourage economic development activities in the county. Emphasis is placed on assisting small businesses to locate or expand in Tipton County and to thereby create new jobs and economic prosperity in the community. A member of the bank’s executive management team provides financial expertise by serving as a member of the corporation’s economic development commission. The commission is charged with ratification of bond issues.
- Kokomo-Howard County Development Corporation – This organization provides a revolving loan fund to finance job-creation efforts specifically in small businesses. A member of the bank’s executive management team provides financial expertise by serving as one of the corporation’s directors. The directors assist with the management and distribution of the revolving loan fund.

Indianapolis Indiana MSA

FNBT provides no community development services in the Indianapolis Indiana MSA assessment area. Due to the fact that there are a significant number of CD organizations in this assessment area that present opportunity for the bank’s involvement, lack of involvement reflects very poor performance.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Non-MSA Counties and in the Terre Haute Indiana MSA is weaker than the bank’s overall High Satisfactory rating. In the Non-MSA Counties, the bank has 22.22 percent of its branches in low-income tracts and no branches in moderate-income tracts. Only 0.51 percent of the population (1,028 people) lives in the low-income tracts and 19.88 percent of the population lives in moderate-income tracts. In the Terre Haute assessment area, the bank has no branches in low- or moderate-income geographies. Although only 0.28 percent of the population (360 people) resides in low-income geographies, 28 percent reside in moderate-income geographies. This weaker performance; however, did not affect the overall Service

Test rating. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

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 metropolitan and non-metropolitan areas 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	Lending Test (excludes CD Loans): (01/01/01 to 12/31/02) Investment and Service Tests and CD Loans: (07/28/99 to 4/26/2004)	
Financial Institution	Products Reviewed	
First National Bank and Trust (FNBT) Kokomo, Indiana	Mortgage Loans (Purchase and Refinance); Small Loans to Businesses, Small Loans to Farms, and Community Development Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Kokomo Indiana MSA - #3580	Full-Scope	
Indianapolis Indiana MSA -#3480	Full-Scope	
Terre Haute Indiana MSA -#8320	Limited-Scope	
Non-MSA Counties (Grant, Sullivan, Cass, and Wayne)	Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Kokomo Indiana MSA.....	B-2
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Kokomo Indiana MSA

Demographic Information for Full Scope Area: Kokomo Indiana MSA 2002						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	25	4.00	20.00	56.00	20.00	0.00
Population by Geography	96,946	0.32	21.48	57.33	20.87	0.00
Owner-Occupied Housing by Geography	27,348	0.10	18.75	58.57	22.57	0.00
Business by Geography	4,372	5.10	22.46	54.92	17.52	0.00
Farms by Geography	514	0.00	1.95	75.10	22.96	0.00
Family Distribution by Income Level	27,327	20.05	16.90	24.75	38.30	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,097	0.47	31.72	53.96	13.86	0.00
Median Family Income		36,770	Median Housing Value		51,911	
HUD Adjusted Median Family Income for 2002		61,900	Unemployment Rate		3.17%	
Households Below Poverty Level		10.69%	(1990 US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 US Census and 2002 HUD updated MFI

Kokomo Indiana MSA

FNBT's Kokomo Indiana MSA assessment area consists of all of Howard and Tipton Counties.

The bank, which is headquartered in Kokomo, Indiana, operates 32 full-service retail-banking offices, eight of which are located in the Kokomo Indiana MSA assessment area. Of the 12 ATMs in this assessment area, eight are located at branches and four are stand-alone machines. Three of the 12 ATMs are cash dispensing only. The remaining nine ATMs are deposit-taking ATMs.

There are 25 census tracts in the bank's assessment area. One (4 percent) is a low-income tract, five (20 percent) are moderate-income tracts, 14 (56 percent) are middle-income tracts, and five (20 percent) are upper-income census tracts. The Kokomo Indiana MSA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

The total population of the Kokomo Indiana MSA is 96,946. Based on the 2002 HUD adjusted median family income of \$61,900, there are 20 percent low-income, 17 percent moderate-income, 25 percent middle-income, and 38 percent upper-income families in the Kokomo Indiana MSA. Approximately 11 percent of the households in this AA are living below the poverty level.

There are a total of 40,247 housing units in the assessment area. Sixty-eight percent or 27,348 of the homes are owner-occupied. Twenty-five percent or 10,201 of the housing units are rental occupied, while the remaining 2,698 or seven percent are vacant. Only one-tenth of one percent of the owner-occupied units is in the low-income census tracts. Nineteen percent of the owner-occupied units are in the moderate-income census tracts, 59 percent are located in middle-income census tracts, and the remaining 22 percent are

located in upper-income census tracts. The median housing price for the Kokomo Indiana MSA is \$51,911 and the average age of homes is approximately 47 years old.

Business demographic data for 2002 from Dun and Bradstreet indicates that there are 4,372 businesses in the assessment area. Seventy-seven percent or 3,369 of these businesses have gross revenues of less than \$1 million. Six percent have gross revenues over \$1 million and another 17 percent are unknown. Of the total businesses, 223 or five percent are located in low-income census tracts and 982 or 22 percent are located in moderate-income census tracts. The remainder is located in middle- and upper-income census tracts.

Business demographic data for 2002 from Dun and Bradstreet indicates that there are 514 farms in the assessment area. Ninety-eight percent or 503 of these farms have gross revenues of less than \$1 million. One percent have gross revenues over \$1 million and another one percent are unknown. Of the total farms, ten or two percent are located in moderate-income census tracts. The remainder is located in middle- and upper-income census tracts. None of the farms are located in the low-income census tract.

The local economy is stable. The major industries in the assessment area are services, retail trade, agriculture, forestry and fishing, and finance. The largest employers include Daimler/Chrysler, Delphi/Delco Electronics, and the Kokomo Center Schools. The average annual unemployment rate for 2003 in the Kokomo Indiana MSA is 6.5 percent, compared to a state average of 5.1 percent and a national average of 6.0 percent.

There is a high level of competition in the financial services market in the Kokomo Indiana MSA. Based on FDIC branch information as of June 30, 2003, there are ten commercial banks and three savings institutions with a total of 37 offices in this assessment area. This includes a large number of both independent local financial institutions and branches of larger regional financial organizations. The bank's major competitors are Keybank National Association and National City Bank of Indiana.

We performed one community contact within the assessment area during this evaluation period. This contact was with a housing organization. According to the contact, the community needs include affordable housing.

Indianapolis Indiana Assessment Area

Demographic Information for Full Scope Area: Part of Indianapolis Indiana MSA 02						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	248	9.68	25.00	39.52	25.40	0.40
Population by Geography	1,037,732	6.62	22.67	40.69	30.02	0.00
Owner-Occupied Housing by Geography	248,866	4.06	18.68	41.49	35.77	0.00
Business by Geography	61,425	8.24	15.65	35.09	40.88	0.14
Farms by Geography	1,592	0.88	5.84	53.89	39.38	0.00
Family Distribution by Income Level	276,010	18.85	18.45	23.79	38.92	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	102,931	11.66	34.65	39.66	14.04	0.00
Median Family Income		37,198	Median Housing Value	67,990		
HUD Adjusted Median Family Income for 2002		64,100	Unemployment Rate	2.63%		
Households Below Poverty Level		9.89%	(1990 US Census)			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 US Census and 2002 HUD updated MFI

Indianapolis Indiana MSA

FNBT’s Indianapolis Indiana MSA assessment area consists of all of Hamilton, Hendricks, Marion, and Morgan Counties.

The bank, which is headquartered in Kokomo, Indiana, operates 32 full-service retail-banking offices, eleven of which are located in the Indianapolis Indiana MSA assessment area. Of the 12 ATMs in this assessment area, nine are located at branches and three are stand-alone machines. Three of the 12 ATMs are cash dispensing only. The remaining nine ATMs are deposit-taking ATMs.

There are 248 census tracts in the bank’s assessment area. Twenty-four (10 percent) are low-income tracts, 62 (25 percent) are moderate-income tracts, 98 (40 percent) are middle-income tracts, and 63 (25 percent) are upper-income census tracts. The Indianapolis Indiana MSA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

The total population of the Indianapolis Indiana MSA is 1,037,732. Based on the 2002 HUD adjusted median family income of \$64,100, there are 18 percent low-income, 24 percent moderate-income, 24 percent middle-income, and 39 percent upper-income families in the Indianapolis Indiana MSA. Approximately ten percent of the population is living below the poverty level.

There are a total of 437,939 housing units in the assessment area. Fifty-six percent or 248,866 of the housing units are owner-occupied. Thirty-five percent or 155,148 of the housing units are rental occupied, and 33,925 or seven percent of the total housing units are vacant. Four percent of the owner-occupied units are in the low-income census tracts.

Nineteen percent of the owner-occupied units are in the moderate-income census tracts, 41 percent are located in middle-income census tracts, and the remaining 36 percent are located in upper-income census tracts. The median housing price for the Indianapolis Indiana MSA is \$67,990 and the average age of homes is approximately 42 years old.

Business demographic data for 2002 from Dun and Bradstreet indicates that there are 61,425 businesses in the assessment area. Seventy percent or 43,214 of these businesses have gross revenues of less than \$1 million. Nine percent have gross revenues over \$1 million and another 21 percent are unknown. Of the total businesses, 5,061 (8 percent) are located in low-income census tracts and 9,612 (16 percent) are located in moderate-income census tracts. The remainder is located in middle- and upper-income census tracts.

The local economy is stable. The major industries in the assessment area are services, retail trade, finance, and construction. The largest employers include Local Government Offices, Clarion Health, Eli Lilly, Conesco, and USA Group. The average annual unemployment rate for 2003 in the Indianapolis Indiana MSA of 4.7 percent, compares favorably to the state average of 5.1 percent and a national average of 6.0 percent.

There is a high level of competition in the financial services market in the Indianapolis Indiana MSA. Based on FDIC branch information as of June 30, 2003, there are 44 commercial banks and four savings institutions with a total of 531 offices in this assessment area. This includes a large number of both independent local financial institutions and branches of larger regional financial organizations. The bank's major competitors are National City Bank of Indiana, National Bank of Indianapolis, First Indiana Bank, Union Federal Savings Bank, Dow Employees Credit Union, Metro Bank, American Bank of Indiana, Fifth Third Bank, and Keybank.

No community contacts were made in this assessment area during this evaluation period; however, we reviewed a community contact that was at a previous examination that was made in November 2003. The major credit needs of the community include affordable housing and business start-up capital.

Appendix C: Tables of Performance Data

Content of Standardized 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: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business 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 7. Geographic Distribution of Small Loans to Farms** - 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 market share information based on the most recent aggregate market data available. Because 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 8. Borrower Distribution of Home Purchase Loans** - 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table 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 within each geography. For borrower distribution, the table 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 of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

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Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF INDIANA				Evaluation Period: JANUARY 1, 2001 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 MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Kokomo Indiana MSA 2002	41.24	1,036	87,872	493	64,433	232	16,915	1	3,600	1762	172,820	36.35
Part of Indianapolis Indiana MSA 0	29.35	631	70,242	575	112,525	48	2,732	0	0	1,254	185,499	33.16
Limited Review:												
FNB&T Non- MA Counties	16.05	494	33,995	134	13,492	58	4,177	0	0	686	51,664	20.00
Vigo & Clay Counties - TH Indiana	13.36	476	32,805	57	4,138	38	3,431	0	0	571	40,374	10.49

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

** The evaluation period for Community Development Loans is From July 28, 1999 to April 26, 2004.

*** Deposit Data as of June 30, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner OCC Units ^{***}	% BANK Loans	% Owner OCC Units ^{***}	% BANK Loans	% Owner OCC Units ^{***}	% BANK Loans						
Full Review:																
Kokomo Indiana MSA 2002	273	30.33	0.10	0.00	18.75	17.95	58.57	59.34	22.57	22.71	6.69	0.00	8.95	6.11	6.79	
Part of Indianapolis Indiana MSA 02	123	13.67	4.06	0.81	18.68	14.63	41.49	65.04	35.77	19.51	0.21	0.09	0.16	0.40	0.09	
Limited Review:																
FNB&T Non- MA Counties	145	16.11	0.38	0.69	16.11	15.17	68.85	67.59	14.65	16.55	4.04	8.33	4.20	4.32	2.71	
Vigo & Clay Counties - TH Indiana M	359	39.89	0.02	0.00	24.81	28.97	49.01	47.91	26.17	23.12	9.54	0.00	10.47	9.04	9.56	

^{*} Based on 2002 Peer Mortgage Data: Central Region.

^{**} Home purchase loans originated and purchased in the MA/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 1990 Census information.

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Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: STATE OF INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Kokomo Indiana MSA 2002	2	33.33	0.10	0.00	18.75	0.00	58.57	100.00	22.57	0.00	0.00	0.00	0.00	0.00	0.00	
Part of Indianapolis Indiana MSA 02	1	16.67	4.06	0.00	18.68	0.00	41.49	0.00	35.77	100.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
FNB&T Non- MA Counties	3	50.00	0.38	0.00	16.11	0.00	68.85	100.00	14.65	0.00	0.16	0.00	0.00	0.22	0.00	
Vigo & Clay Counties - TH Indiana M	0	0.00	0.02	0.00	24.81	0.00	49.01	0.00	26.17	0.00	0.13	0.00	0.00	0.28	0.00	

* Based on 2002 Peer Mortgage Data: Central Region.

** Home improvement loans originated and purchased in the MA/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 number of owner occupied housing units in the area based on 1990 Census information.

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Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Kokomo Indiana MSA 2002	761	43.96	0.10	0.00	18.75	14.59	58.57	55.72	22.57	29.70	8.83	0.00	6.69	8.85	9.90									
Part of Indianapolis Indiana MSA 02	507	29.29	4.06	2.56	18.68	11.05	41.49	53.65	35.77	32.74	0.45	0.49	0.32	0.67	0.33									
Limited Review:																								
FNB&T Non- MA Counties	346	19.99	0.38	0.00	16.11	8.67	68.85	57.80	14.65	33.53	4.01	0.00	2.91	3.58	6.47									
Vigo & Clay Counties - TH Indiana M	117	6.76	0.02	0.00	24.81	8.55	49.01	59.83	26.17	31.62	1.37	0.00	0.47	1.84	1.15									

^{*} Based on 2002 Peer Mortgage Data: Central Region.

^{**} Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgages refinance 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 number of owner occupied housing units in the area based on 1990 Census information.

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Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Part of Indianapolis Indiana MSA 02	0	0.00	8.40	0.00	24.12	0.00	46.13	0.00	21.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00								
Kokomo Indiana MSA 2002	0	0.00	3.91	0.00	19.82	0.00	59.78	0.00	16.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00								
Limited Review:																								
Vigo & Clay Counties - TH Indiana M	0	0.00	4.02	0.00	46.11	0.00	35.07	0.00	14.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00								
FNB&T Non- MA Counties	0	0.00	0.14	0.00	23.97	0.00	54.93	0.00	20.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00								

* Based on 2002 Peer Mortgage Data: Central Region.

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

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

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Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: STATE OF INDIANA															
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Kokomo Indiana MSA 2002	493	39.16	5.10	3.25	22.46	22.52	54.92	63.69	17.52	10.55	17.18	31.68	19.70	18.02	13.60
Part of Indianapolis Indiana MSA 02	575	45.67	8.24	3.83	15.65	11.13	35.09	37.39	40.88	47.65	1.14	0.45	1.07	1.29	1.26
Limited Review:															
FNB&T Non- MA Counties	134	10.64	0.92	0.00	22.06	22.39	61.87	64.18	15.15	13.43	2.24	2.33	1.89	2.61	2.30
Vigo & Clay Counties - TH Indiana M	57	4.53	8.96	1.75	28.23	22.81	40.67	50.88	22.14	24.56	1.22	0.00	1.13	1.81	0.93

* Based on 2002 Peer Small Business Data: US and PR.

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

*** Source Data - Dun and Bradstreet (2003).

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Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: STATE OF INDIANA															
Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Kokomo Indiana MSA 2002	232	61.70	0.00	0.00	1.95	0.00	75.10	90.95	22.96	9.05	32.63	0.00	0.00	40.17	12.82
Part of Indianapolis Indiana MSA 02	48	12.77	0.88	0.00	5.84	0.00	53.89	95.83	39.38	4.17	16.48	0.00	33.33	17.36	13.73
Limited Review:															
FNB&T Non- MA Counties	58	15.43	0.09	0.00	3.51	0.00	75.44	100.00	20.96	0.00	6.95	0.00	8.33	8.14	0.00
Vigo & Clay Counties - TH Indiana M	38	10.11	0.87	0.00	5.86	2.63	57.05	81.58	36.23	15.79	16.15	0.00	12.50	21.78	6.00

* Based on 2002 Peer Small Business Data: US and PR.

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

*** Source Data - Dun and Bradstreet (2003).

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Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Kokomo Indiana MSA 2002	273	30.33	20.05	15.07	16.90	25.74	24.75	29.41	38.30	29.78	7.61	7.27	6.00	7.08	10.56	
Part of Indianapolis Indiana MSA 02	123	13.67	18.85	13.11	18.45	27.87	23.79	35.25	38.92	23.77	0.25	0.33	0.18	0.31	0.22	
Limited Review:																
FNB&T Non- MA Counties	145	16.11	19.50	27.59	20.04	23.45	23.75	26.90	36.71	22.07	4.72	8.26	5.19	4.24	2.16	
Vigo & Clay Counties - TH Indiana M	359	39.89	19.31	20.67	19.13	35.47	23.19	29.33	38.36	14.53	11.35	20.66	17.17	10.64	4.13	

* Based on 2002 Peer Mortgage Data: Central Region.

** As a percentage of loans with borrower income information available. No information was available for 0.33% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Kokomo Indiana MSA 2002	2	33.33	20.05	0.00	16.90	0.00	24.75	0.00	38.30	100.00	0.00	0.00	0.00	0.00	0.00	
Part of Indianapolis Indiana MSA 02	1	16.67	18.85	0.00	18.45	100.00	23.79	0.00	38.92	0.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
FNB&T Non- MA Counties	3	50.00	19.50	0.00	20.04	33.33	23.75	66.67	36.71	0.00	0.18	0.00	0.00	0.60	0.00	
Vigo & Clay Counties - TH Indiana M	0	0.00	19.31	0.00	19.13	0.00	23.19	0.00	38.36	0.00	0.13	0.00	0.00	0.47	0.00	

* Based on 2002 Peer Mortgage Data: Central Region.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*													
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Kokomo Indiana MSA 2002	761	43.96	20.05	10.53	16.90	21.73	24.75	30.80	38.30	36.93	10.54	7.47	9.66	11.13	11.78									
Part of Indianapolis Indiana MSA Q2	507	29.29	18.85	11.22	18.45	22.44	23.79	29.26	38.92	37.07	0.56	0.61	0.60	0.59	0.51									
Limited Review:																								
FNB&T Non- MA Counties	346	19.99	19.50	5.83	20.04	19.53	23.75	30.03	36.71	44.61	4.61	2.74	3.83	4.35	6.21									
Vigo & Clay Counties - TH Indiana M	117	6.76	19.31	9.40	19.13	17.95	23.19	32.48	38.36	40.17	1.54	1.40	1.64	1.84	1.34									

* Based on 2002 Peer Mortgage Data: Central Region.

** As a percentage of loans with borrower income information available. No information was available for 1.27% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information.

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

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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF INDIANA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Kokomo Indiana MSA 2002	493	39.16	77.06	70.59	67.55	17.44	15.01	17.18	27.40
Part of Indianapolis Indiana MSA 02	575	45.67	70.35	44.70	53.39	21.22	25.39	1.14	1.78
Limited Review:									
FNB&T Non- MA Counties	134	10.64	78.64	65.67	72.39	17.91	9.70	2.24	4.74
Vigo & Clay Counties - TH Indiana M	57	4.53	77.43	73.68	82.46	12.28	5.26	1.22	2.17

* Based on 2002 Peer Small Business Data: US and PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 10.72% of small loans to businesses originated and purchased by the bank.

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Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: STATE OF INDIANA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Kokomo Indiana MSA 2002	232	61.70	97.86	88.79	78.45	16.38	5.17	32.63	33.26
Part of Indianapolis Indiana MSA Q2	48	12.77	93.97	85.42	85.42	12.50	2.08	16.48	17.24
Limited Review:									
FNB&T Non- MA Counties	58	15.43	97.81	77.59	81.03	12.07	6.90	6.95	6.93
Vigo & Clay Counties - TH Indiana M	38	10.11	98.05	89.47	65.79	28.95	5.26	16.15	15.79

* Based on 2002 Peer Small Business Data: US and PR.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2003).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 10.11% of small loans to farms originated and purchased by the bank.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: STATE OF INDIANA									
Evaluation Period: JULY 28, 1999 TO APRIL 26, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Kokomo Indiana MSA 2002	0	0	6	2,813	6	2,813	31%	0	0
Part of Indianapolis Indiana MSA 02	0	0	6	3,301	6	3,301	36%	0	0
Limited Review:									
FNB&T Non- MA Counties	0	0	0	0	0	0	0.00	0	0
Vigo & Clay Counties - TH Indiana MSA 2002	0	0	0	0	0	0	0.00	0	0
Regional or Statewide:			2	3,000	2	3,000	33%		

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF INDIANA																	
Evaluation Period: JULY 28, 1999 TO APRIL 26, 2004																	
MA/Assessment Area:	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
Full Review:																	
Kokomo Indiana MSA 2002	36.35	8	25	0.00	62.50	37.50	0.00	3	2	0	0	1	0	0.32	21.48	57.33	20.87
Part of Indianapolis Indiana MSA 02	33.16	11	34	0.00	18.18	27.27	54.55	1	0	0	0	1	0	6.62	22.67	40.69	30.02
Limited Review:																	
FNB&T Non- MA Counties	20.00	9	28	22.22	0.00	66.67	11.11	1	0	0	0	1	0	0.51	19.88	66.19	13.43
Vigo & Clay Counties - TH Indiana MSA 2002	10.49	4	13	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.28	28.14	43.85	27.74

