



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

Public Disclosure

May 4, 1998

Community Reinvestment Act Performance Evaluation

**AmBank Indiana, N.A.
Charter Number 3864**

**302 Main Street
Vincennes, Indiana 47591**

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NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of AmBank Indiana, N.A. (AmBank) prepared by The Office of the Comptroller of the Currency, the institution's supervisory agency, as of May 4, 1998. The institution's prior CRA rating assigned was "Outstanding" as of July 12, 1996. This rating was assigned through the review process used prior to the implementation of the review processes associated with the revision of the CRA as published in the Federal Register on May 4, 1995 and implemented July 1, 1997. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Institution's CRA Rating: This institution is rated "Satisfactory Record of Meeting Community Credit Needs".

Major Factors Supporting the Institution's Rating:

- A good responsiveness to residential credit needs in its assessment areas (1,390 of 1,626 loan originations during the review period were in the assessment area totaling \$65,278,000);
- A good responsiveness to small business/small farm credit needs in its assessment areas with 47.8% originating at amounts less than \$100,000 (1,156 small business loans for \$58,814,000 and 373 small farm loans for \$21,683,000 - see Table 7); and,
- Delivery systems that are reasonably accessible to all portions of the assessment areas.

The following table indicates the performance level of AmBank with respect to the lending, investment, and service tests.

Performance Levels	AmBank Indiana, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory	X		
Low satisfactory		X	X
Needs to improve			
Substantial noncompliance			

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

DESCRIPTION OF INSTITUTION

AmBank Indiana, N.A. is a \$465 million bank owned by AMBANC Corp. which is headquartered in Vincennes, Indiana. AMBANC Corp. is a multi-bank holding company that owns a bank in Indiana and a bank in Illinois. Total assets of the holding company were \$759 million as of December 31, 1997.

AmBank is a full service institution with a primary focus on residential real estate lending, small business, and small farm lending. A secondary emphasis is placed on consumer lending.

There are no impediments which would hamper the bank's ability to help meet the needs of its assessment area. AmBank's capacity to serve the community's credit needs is strong. Table 1 depicts several key balance sheet figures:

Table 1			
Balance Sheet as of March 31, 1998			
Net Loans	\$ 356,000,000	Total Deposits	\$ 392,000,000
Investments	76,000,000	Other Liabilities	27,000,000
Other Assets	33,000,000	Total Liabilities	419,000,000
		Total Equity Capital	46,000,000
Total Assets	\$ 465,000,000	Total Liabilities and Capital	\$ 465,000,000

Source: FFIEC Report of Condition

The loan portfolio contains: 58.2% commercial and commercial real estate loans; 22.9% residential real estate loans; 11.8% loans to individuals; and 7.1% agricultural loans. Return on average assets through March 31, 1998, was 1.18% or net income of \$1,372,000.

ASSESSMENT AREAS DESCRIPTION

AmBank has three assessment areas. The largest of the three is the Non-MSA area comprised of Daviess, Gibson, Greene, Knox, Martin, and Sullivan Counties in Indiana (hereafter referred to as Vincennes). AmBank's performance rating is focused on this assessment area due to the recent entry into MSA's 2440 and 8320 in Vanderburgh and Vigo Counties respectively.

Data analyzed for this area for Home Mortgage Disclosure Act (HMDA) reportable loans and the Small business/Small farm loan data collection register includes 1996 and 1997 originations. Large employers in Vincennes consist of: Good Samaritan Hospital and Vincennes University in Knox County. The primary source of employment in Sullivan County is agricultural related with 63% of the county's total land in farms. The Crane Naval Weapons Center and Swift and Company are large employers in Greene County and Martin County. Perdue Food, Inc. is the

largest employer in Daviess County. PSI Energy and Orion Electric America are large employers in Gibson County. Gibson County will benefit from the construction and jobs of a new Toyota automobile manufacturing facility that will begin operations in 1998 and employ approximately 1,300 individuals. Table 2 reflects current county unemployment rates compared to the State of Indiana average.

Table 2 Unemployment Percentages by County February 1998						
Knox	Sullivan	Greene	Martin	Daviess	Gibson	State of Indiana
4.5%	6.8%	8.2%	4.3%	3.4%	4.7%	3.2%

Source: Indiana Department of Workforce Development

One MSA assessment area in Indiana includes Vanderburgh County, which is part of MSA 2440-Evansville, IN/Henderson, KY multistate MSA (hereafter referred to as MSA 2440).

Vanderburgh County became an AmBank assessment area in January 1997. As a result, loans reported for HMDA and the Small business/Small farm loan data collection register are for 1997 only. Performance in this assessment area had little impact on the overall rating assigned to the institution due to the short period of operations.

Large employers in Vanderburgh County consist of Whirlpool, Bristol-Myers Squibb, Old National Bancorp and PPG Industries. Vanderburgh County will also receive economic and employment benefits from the Toyota auto manufacturing facility opening in nearby Princeton, Indiana. Unemployment in Vanderburgh County is 4%.

Primary competition in MSA 2440 includes Old National Bank in Evansville, Citizens National Bank of Evansville, and National City Bank of Evansville. Each of these bank's has a significant presence in the Evansville market. Primary competition in Vincennes consists of smaller affiliate banks of the three large institutions listed above, which are headquartered in Evansville, Indiana and have a market presence throughout southern and central Indiana.

The remaining Indiana assessment area includes Vigo County, which is part of MSA 8320 in Terre Haute. AmBank's office in Vigo County was opened in April 1998. Due to the recent opening of this office and the lack of data for comparative analysis, this assessment area will not be considered in this review.

Tables 3-5 detail pertinent information concerning the bank and various demographic data that was used in connection with our review of the bank's CRA performance. Information in the tables is broken out for each of the bank's two assessment areas.

Table 3 reflects the number of low-, moderate-, middle-, and upper- income geographies by income level. The assessment areas reviewed comprise 91 geographies, with 3 or 3%, designated as low-income and 25 or 27% designated as moderate-income. It was noted that one tract had no reported income, consisted largely of farm land, and is not included in the table. Table 3 also

provides information on the distribution of the bank's branches, deposits, and the population of the assessment areas.

Table 3 Distribution of Geographies, Branches, Deposits and Population								
Assessment Area	Number of Geographies					Total Branches	Distribution of Deposits	Population
	Low-Income	Moderate-Income	Middle-Income	Upper-Income	Total			
MSA 2440	3	19	17	13	52	2	14,000	165,058
Vincennes	0	6	32	1	39	13	341,000	159,102
Total	3	25	49	14	91	15	355,000	324,160

Source: Local Demographic Data
Call Report Data
Deposits are in (000)

Table 4 depicts the number and percentage of families within the bank's assessment areas based upon income level. The table reveals that 20.5% of the families have low-incomes and 19.8% have moderate incomes. The highest concentration of families is in the upper-income level which constitutes 35.5% of all families. This information is used to compare the bank's lending patterns to HMDA borrowers of different income levels.

Table 4 Number and Percentage of Families Based Upon Income Level				
Assessment Area	Low	Moderate	Middle	Upper
MSA 2440	8,957 19.9%	8,615 19.3%	10,587 23.6%	16,700 37.2%
Vincennes	9,220 21.1%	8,980 20.5%	10,866 24.7%	14,811 33.7%
Total	18,177 20.5%	17,595 19.8%	21,453 24.2%	31,511 35.5%

Source: Local Demographic Data

Table 5 details the number and percentage of owner occupied units that are located in the various geographic categories. The table reveals that less than 1% of the owner occupied units are located in low-income geographies and 19.4% are located in moderate-income geographies. This information is used to determine the bank's lending opportunities for loans reported under the Home Mortgage Disclosure Act (HMDA), throughout the various geographic categories.

Table 5 Number of Owner Occupied Units Based Upon Geographic Type					
Assessment Area	Low	Moderate	Middle	Upper	Total
MSA 2440	534 1.3%	11,899 27.5%	13,410 31.1%	17,444 40.1%	43,287 48.1%
Vincennes	0 NA	5,572 11.9%	39,665 84.8%	1,535 3.3%	46,772 51.9%
Total	534 0.6%	17,471 19.4%	53,075 58.9%	18,979 21.1%	90,059 100%

Source: Local Demographic Data

Table 6 provides information on the number and percentage of businesses and farms with revenues of less than \$1 million. This table reveals that there are 7,371 businesses and 332 farms within the bank's assessment areas that have revenues of less than \$1 million. The table also provides information on the number and percentage of companies that are located in the various income geographies. This information was used in analysis of the bank's lending opportunities and performance in lending to small businesses and small farms.

Table 6 Number and Percentage of Businesses and Farms With Annual Revenues of Less than \$1 Million Based Upon Geographic Type											
Assessment Area	Low		Moderate		Middle		Upper		Total		
	Business	Farm	Business	Farm	Business	Farm	Business	Farm	Business	Farm	
MSA 2440	138	2	1,326	12	1,752	29	999	40	4,215	83	
Vincennes	0	0	556	15	2,488	224	112	10	3,156	249	
Total	#	138	2	1,882	27	4,240	253	1,111	50	7,371	332
	%	1.9%	0.6%	25.5%	8.1%	57.5%	76.2%	15.1%	15.1	100.0%	100.0%

Source: Local Demographic Data

No unmet lending needs were identified through the performance of three community contacts. Groups contacted included the local housing authority, human services office and the local chamber of commerce. The primary lending needs identified through the bank's ascertainment program and through the community contacts include the following: loans for residential real estate and small businesses. AmBank is helping to meet these needs, along with the other local financial institutions. Examples of this performance include the 'in and out of assessment area' lending ratio with 85.5% of the number and 82.4% of the dollar of AmBank's home mortgage loans in the bank's assessment areas. Small business loans originated in amounts less than \$100,000 accounted for 47.8% of the dollar amount of AmBank small business loans originated for this review period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

AmBank's Lending test performance is assigned a rating of High Satisfactory. This conclusion is based primarily on the performance in the Vincennes assessment area. The following facts provide additional support:

- Lending within the bank's assessment areas represents 74.1% and 76.3% respectively of the number and dollar amount of the banks HMDA related loan originations, small business, and small farm loans during this evaluation period.
- AmBank's geographic distribution of loans in Vincennes reflects a satisfactory penetration throughout the assessment area.
- AmBank has made an adequate number of community development loans, consistent with the opportunities in its assessment areas.

Assessment area concentration:

Table 7 indicates that a majority of the bank's loans, by both number and dollar volume (74.1% and 76.3% respectively) are made inside AmBank's assessment areas. This overall volume of lending in the assessment areas is satisfactory, considering the opportunities in the assessment areas.

Table 7				
Ratio of Loans Inside the Assessment Areas (AAs)				
	Home Mortgage	Small Business	Small Farm	Total
# of Loans Inside the AAs	1,390	1,156	373	2,919
Total # of Loans	1,626	1,889	422	3,937
% of Loans Inside by #	85.5%	61.2%	88.2%	74.1%
\$ of Loans Inside the AAs	65,278	58,814	21,683	145,775
Total \$ of Loans	79,195	86,356	25,504	191,055
% of Loans Inside by \$	82.4%	68.1%	85.0%	76.3%

Source: 1996 and 1997 HMDA LAR Vincennes, 1997 only MSA 2440
1996 and 1997 Small Business/Small Farm Data Collection Register Vincennes, 1997 only MSA 2440
Dollar amounts are in \$000's

Geographic Distribution of Loans:

The overall geographic distribution reflects a reasonable penetration in the bank's assessment areas. This is based on the location of the bank's HMDA, small business, and small farm loans compared with the opportunities within the bank's assessment areas.

We reviewed origination data related to the percentage of geographies in which at least one HMDA reportable loan was originated during 1996 and 1997 in Vincennes and in 1997 only in MSA 2440. The bank has made HMDA loans in the majority of the individual geographies within its Vincennes assessment area. Loans were originated in all geographies except one middle-income Block Numbering Area (BNA).

The bank's penetration in the MSA 2440 assessment area is low. The bank has made loans in one of three (33%) low-income geographies, five of nineteen (26%) moderate-income geographies, six of seventeen (35%) middle-income geographies, and twelve of thirteen (92%) upper-income geographies. Only two of the three low-income geographies have potential for loan originations, as one is predominantly farm land with only nine owner occupied units. This penetration is reflective of AmBank's recent entry and small presence in this market.

The distribution of small business loans in Vincennes is good. AmBank has originated loans in each of the 6 (100%) moderate-income BNAs, 29 of 32 (91)% of middle- and in the 1 (100%) upper-income BNA. There are no low-income BNAs in Vincennes.

In MSA 2440 the distribution is lower in the moderate-income geographies than in the middle- and upper-income geographies. AmBank has originated a loan in 9 of 19 (47%) of the moderate-income tracts, 10 of 17 (59%) of middle-income tracts, and 12 of 13 (92)% of upper-income tracts. No small business loans were originated in the three low-income tracts. This penetration is reflective of AmBank's recent entry and small presence in this market.

The geographic distribution of small farm loans is concentrated in moderate-income BNAs in Vincennes. Loans were originated in Vincennes in 2 of 6 (33%) of moderate-income BNAs, 18 of 32 (56%) of middle-income BNAs, and in the one upper-income BNA. There are no low-income BNAs in Vincennes. Only one small farm loan was made in MSA 2440 in an upper-income geography during the evaluation period.

Home Mortgage Loans:

Table 8 reflects that the bank had a low level of originations in low-income geographies in MSA 2440. This level of originations was consistent with the lending opportunities as evidenced by the small percentage of owner occupied housing in the low-income geographies in MSA 2440. The level of originations in the moderate-income geographies in MSA 2440 is also low and is not yet consistent with the lending opportunities. Performance in the middle-income geographies is also low. The bank had good performance in the upper-income geographies. AmBank will continue to develop its presence in this market. The short time of operations in MSA 2440 explains the low level of originations in the low- and moderate-income geographies. The bank evaluates marketing strategies and performance on an ongoing basis in order to develop an adequate dispersion throughout this newly designated assessment area.

AmBank's level of originations in moderate-income BNAs in Vincennes is consistent with the lending opportunities and is satisfactory. The bank's level of originations in middle-income BNAs is also consistent with the lending opportunities. Originations in the upper-income BNAs are

satisfactory. AmBank has done a good job in lending in moderate-income BNAs and the overall dispersion of originations for HMDA loans in this assessment area is satisfactory.

Table 8 Geographic Distribution of HMDA Loans						
Geographic Type		# of Loans in the AA	% of Total	\$ of Loans in the AA	% of Total	% of Total OO Units*
Low-	MSA 2440	1	1.5	31	0.7	1.2
	Vincennes	NA	NA	NA	NA	NA
Moderate-	MSA 2440	6	8.7	167	3.6	27.5
	Vincennes	205	15.5	6,977	11.5	11.9
Middle-	MSA 2440	9	13.1	436	9.5	31.0
	Vincennes	1,016	76.9	48,085	79.2	84.8
Upper-	MSA 2440	53	76.7	3,962	86.2	40.3
	Vincennes	100	7.6	5,620	9.3	3.3
Total	MSA 2440	69	100%	4,596	100%	100%
	Vincennes	1,321	100%	60,682	100%	100%

Source: 1996 and 1997 HMDA LAR Vincennes, 1997 MSA 2440

Dollar amounts are in \$000's

* OO = Owner Occupied

Table 9 analyzes Table 8 HMDA data by loan type. The table reveals that 10.2% of the bank's HMDA loan originations were in geographies designated as low- or moderate-income in MSA 2440. This distribution is reflective of the bank's small presence in the market and short period of time to develop a customer base. AmBank's product type distribution by geography in Vincennes is good. Lending opportunities reflect 11.9% of owner occupied units in moderate-income BNAs, while the bank originated 15.5% of all its 1997 HMDA loans in moderate-income BNAs. A comparison to other lenders would not be meaningful in MSA 2440 due to AmBank's short period of operations in the market. A comparison in Vincennes was not available, as all lenders in Vincennes are not required to report under the HMDA.

Table 9 Geographic Distribution by Product Type HMDA Loans							
Geographic Type		Home Purchase	Refinance	Home Improve	Multi-family	Total	OO Units* # and%
Low-	MSA 2440	0	1	0	0	1	534
		NA	4.3	NA	NA	1.5	1.2
	Vincennes	NA	NA	NA	NA	NA	NA
		NA	NA	NA	NA	NA	NA
Moderate-	MSA 2440	2	4	0	0	6	11,899
		4.6	17.4	NA	NA	8.7	27.5
	Vincennes	109	82	14	0	205	5,573
		15.0	17.3	11.9	NA	15.5	11.9
Middle-	MSA 2440	5	4	0	NA	9	13,410
		11.6	17.4	NA	NA	13.0	30.0
	Vincennes	568	358	89	1	1,016	39,664
		78.2	75.3	76.2	34.0	76.9	84.8
Upper-	MSA 2440	36	14	3	NA	53	17,444
		83.8	60.9	100.0	NA	76.8	40.3
	Vincennes	49	35	14	2	100	1,535
		6.8	7.4	11.9	66.0	7.6	3.3
Total	MSA 2440	43	23	3	0	69	43,287
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Vincennes	726	475	117	3	1,321	46,772
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 1996 and 1997 HMDA LAR Vincennes, 1997 MSA 2440

Small Business and Small Farm Loans:

The bank's geographic distribution of small business and small farm lending is adequate, based on the lending opportunities in the assessment areas. Table 10 depicts the percentage of small business and small farm loans by geographic type. This information is also broken out by the bank's two assessment areas. This table reflects that 12.3% of the bank's small business loans were made to borrowers in moderate income geographies, whereas 25.5% of the assessment

areas' small businesses are located in moderate geographies. The lack of small business loans in the low-income geographies is consistent with the available lending opportunities.

The table indicates that 3.2% of farm loans were made to borrowers located in moderate income geographies. Demographic data reveals that only 8.1% of all farms in the assessment areas are located in moderate geographies. The lack of small farm loans in the low-income geographies is consistent with the available lending opportunities.

Table 10 Geographic Distribution of Small Business and Small Farm Loans								
Geographic Income Type	Small Business				Small Farm			
	MSA 2440	Vincennes	Total	Distribution of Businesses in Tracts	MSA 2440	Vincennes	Total	Distribution of Farms in Tracts
Low-	0	NA	0	1.9%	0	NA	0	0.6%
Moderate-	7.6%	13.0%	12.3%	25.5%	0	3.2%	3.2%	8.1%
Middle-	21.4%	79.5%	72.2%	57.5%	0	88.1%	87.9%	76.2%
Upper-	71.0%	7.5%	15.5%	15.1%	100%	8.7%	8.9%	15.1%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: Small Business/Small Farm Data Collection Register 1996 and 1997 Vincennes, 1997 MSA 2440

Borrowers' Profile:

The overall distribution of the bank's home mortgage, small business, and small farm loans based on borrower characteristics is satisfactory. This is due to the availability of product lines offered by the bank and efforts to market products to low- and moderate-income borrowers.

Home Mortgage Loans:

Table 11 details the number of HMDA reported loans to borrowers of different income levels in the assessment areas. The table depicts that the level of HMDA loans in the bank's assessment areas to low- and moderate-income borrowers is satisfactory when compared to the lending opportunities and the bank's abilities within the performance context. The low volume of loans to low- income borrowers in MSA 2440 is due to the short period of time and limited presence in the market.

Demographic data reveals that 46% of the low- income families in MSA 2440 and 50% of the low-income families in Vincennes have incomes below the poverty level. This indicates that a large percentage of the low-income borrowers may not be in a position to support home ownership.

Table 11 Borrower Distribution of HMDA Loans						
Income Level of Borrower		Number of loans in the AA		Dollar Volume of loans in the AA		Total Families in the AA
		#	%	\$	%	%
Low-	MSA 2440	1	1.1%	5	0.1%	19.9%
	Vincennes	137	10.4%	3,670	6.1%	21.1%
Moderate-	MSA 2440	17	18.1%	793	12.4%	19.3%
	Vincennes	231	17.4%	7,784	12.8%	20.5%
Middle-	MSA 2440	18	19.1%	1,257	19.7%	23.6%
	Vincennes	326	24.7%	13,896	22.9%	24.7%
Upper-	MSA 2440	33	35.1%	2,758	43.1%	37.2%
	Vincennes	444	33.6%	28,203	46.5%	33.7%
Income NA	MSA 2440	25	26.6%	1,582	24.7%	NA
	Vincennes	183	13.9%	7,129	11.7%	NA
Total	MSA 2440	94	100.0%	\$6,395	100.0%	100.0%
	Vincennes	1,321	100.0%	\$60,682	100.0%	100.0%

Source: 1996 and 1997 HMDA LAR Vincennes, 1997 MSA 2440
Dollar Amounts are in \$000's

Small Business and Small Farm Lending:

The bank's overall volume of loans to small businesses is adequate. Table 12 reveals that in 1996 and 1997, the bank originated approximately \$58,814,000 in small business loans within its assessment areas. All small business and small farm loans were made to small businesses and farms that had annual revenues of less than \$1 million. Demographic data reveals that there are 7,371 businesses with revenues of less than \$1 million.

Table 12 Loans to Small Businesses and Small Farms With Annual Revenues Less than \$1 Million				
Type of Loan	Number		Dollar Amount	
	Small Business	Small Farms	Small Business	Small Farm
MSA 2440	145	1	\$10,205	\$50
Vincennes	1,011	372	\$48,609	\$21,633
Total	1,156	373	\$58,814	\$21,683

Source: Small Business/Small Farm Data Collection Register 1996 and 1997 Vincennes, 1997 MSA 2440
Dollar amounts are in \$000's.

Table 13 illustrates the bank's small business and small farm lending by differing loan amounts. The bank's record of making small loans to small businesses is satisfactory. This is evidenced by the fact that 47.7% of the small business loans originated at amounts less than \$100,000. This supports the conclusion that the bank's penetration of loans to small businesses and small farms is good. This conclusion is provided additional support by the fact that 97.4% of the farms and 93.2% of the businesses in Vincennes are small and 98.9% of the farms and 88.3% of the businesses in MSA 2440 are small. Please refer to Table 6 for additional information on small business and small farm demographics.

Table 13 Dollar Volume of Small Business and Small Farm Loans By Loan Amount at Origination						
Loan Amount at Origination	Small Business			Small Farm		
	MSA 2440	Vincennes	Total	MSA 2440	Vincennes	Total
Less than \$100,000	\$3,658	\$24,427	\$28,085	\$50	\$10,372	\$10,422
Between \$100,000 - \$250,000	\$2,572	\$8,528	\$11,100	\$0	\$6,576	\$6,576
Between \$250,000 - \$1,000,000	\$3,975	\$15,654	\$19,629	\$0	\$4,685	\$4,685
Total	\$10,205	\$48,609	\$58,814	\$50	\$21,633	\$21,683

Source: Small Business/Small Farm Data Collection Register 1996 and 1997 Vincennes, 1997 MSA 2440
Dollar amounts are in \$000's.

Community Development Lending:

AmBank participates in community development loans when opportunities are available. Community development loans are those that do not meet the definition of home mortgage (except for multi-family dwellings), small business or small farm loans.

The bank originated five loans totaling \$1,247,900 for community development projects since the prior CRA examination. Below is a partial listing of these projects:

A \$200,000 loan was made during 1997 for the completion of demolition and preparation of a former battery factory site. The property is located in a moderate-income BNA in the Vincennes assessment area. Completion of the project will help revitalize this moderate-income geography by developing a site that was previously an environmental hazard and preparing it for new commercial establishments.

A \$400,000 loan was made during 1997 for the rehabilitation of a multi-family rental housing complex. The 39-unit apartment complex is in a moderate-income tract of the MSA-2440 assessment area. The apartments provide affordable housing to low- and moderate-income individuals.

Innovative or Flexible Lending Practices:

AmBank makes use of various flexible lending programs to address the credit needs of low- and moderate-income individuals and geographies. Below is a listing of the programs that are available. The extent of lending volume where available is also provided. The number and dollar amount of loans in these respective programs is included in the various mortgage tables previously detailed.

Farmers Home Administration - This rural housing loan program has been designed to help low- to moderate-income families to purchase a home. Financing up to 100% is available for those persons living outside cities or towns with a population in excess of 10,000 people. This special program features a fixed rate, thirty-year loan which is guaranteed by the Farmers Home Administration. AmBank originated 82 loans totaling \$2,722,739 in 1996; 72 loans for \$3,272,484 in 1997; and, 16 loans for \$576,191 through April 30, 1998.

Community Home Buyer Loan Program - This program provided non-traditional underwriting standards to assist low- and moderate-income individuals in purchasing a home. The majority of borrowers utilizing this program are low- and moderate-income, although borrowers can qualify with income up to 100% of the area median income. The program guidelines included: no points, down payment minimum of 3%, \$10,000 loan minimum, private mortgage insurance above 80% loan-to-value. Pre-purchase counseling is required for all borrowers. Origination information was not available.

Indiana Housing Finance Authority Bond - This is a low, fixed rate loan backed by bonds issued by the Indiana Housing Authority for low- and moderate-income first-time home borrowers. The guidelines are similar to the Farmers Home Administration and guaranteed by Indiana Housing.

These are offered by AmBank when available through the State of Indiana. Origination information was not available.

Mortgage Credit Certificate - This certificate is issued by the Indiana Housing Financing Authority to encourage the purchase of low- and moderate-income residential single-family dwellings. The eligible borrower receives a Federal tax credit on their income tax. These are offered by AmBank when available through the State of Indiana. Usage information on this program was not available.

INVESTMENT TEST

Ambank's investment test is assigned a rating of Low satisfactory. This rating is primarily based on performance in the Vincennes assessment area due to the bank's short period of operations in MSA 2440 and limited market presence. Additional factors supporting this rating include the following:

- Ambank has an adequate level of qualified community development grants.
- AmBank exhibits adequate responsiveness to credit and community economic development needs, consistent with opportunities in the assessment areas.

Investment and grant activity:

AmBank has a reasonable level of qualified investments. During 1996, the bank made 22 donations/grants to organizations totaling \$21,317. During 1997, the bank made 15 donations/grants to organizations totaling \$25,232.

An example of these qualified donations includes AmBank's \$5,000 annual donation to "Senior Services" which is a community organization in the Vincennes assessment area that assists with needs of low- and moderate-income senior citizens in financial, health, day care, and Medicare matters.

Responsiveness to credit and community development needs:

AmBank displays an adequate responsiveness to credit and community economic development needs. This is accomplished by AmBank even though opportunities are limited. This conclusion was supported by information gained through conducting community contacts in the assessment area. The bank has also helped meet credit needs in the form of lending relationships which are detailed in the Lending Test section of this evaluation.

SERVICE TEST

Ambank's service test is assigned a rating of Low satisfactory. This rating is primarily based on performance in the Vincennes assessment area due to the bank's short period of operations in MSA 2440 and limited market presence. Additional factors supporting the rating include the following:

- Delivery systems are accessible to essentially all portions of the assessment areas.
- Branch opening and closing activities have not adversely affected the accessibility of Ambank's delivery systems.
- Services do not vary in such a way that inconveniences certain portions of the assessment areas.

Accessibility of Delivery Systems:

Table 14 indicates that 31% of AmBank's branches in the Vincennes assessment area are located in moderate-income geographies. The table also reveals that 12% of the families in the Vincennes assessment area reside in low- and moderate-income geographies. Based upon the number of offices and ATM's in or adjacent to geographies designated as low- and moderate-income, these families have good access to the bank's products and services. AmBank's branches in MSA 2440 are in middle-income geographies that are reasonably accessible.

Table 14 Distribution of Offices & ATMs						
Geographic Type		#	% of Total Branches	ATM Distribution	% of Total ATM's	% of Families
Low-Income	MSA 2440	0	0.0%	0	0.0%	1.9%
	Vincennes	0	0.0%	0	0.0%	0.0%
Moderate-Income	MSA 2440	0	0.0%	0	0.0%	30.6%
	Vincennes	4	30.8%	2	25.0%	12.3%
Middle-Income	MSA 2440	2	100%	2	100%	30.4%
	Vincennes	9	69.2%	6	75.0%	84.7%
Upper-Income	MSA 2440	0	0.0%	0	0.0%	37.1%
	Vincennes	0	0.0%	0	0.0%	3.0%
Total	MSA 2440	2	100%	2	100%	100%
	Vincennes	13	100%	8	100%	100%

Source: Bank Internal Records
Local Demographic Data

Alternative Delivery Systems:

AmBank provides adequate alternative delivery systems. Twelve of the branch offices has a 24-hour full-service automated teller machine (ATM). Four of the offices are located in moderate income geographies. The bank is a member of the MAC ATM network, which permits the bank's customers to access their accounts through numerous ATMs at other financial institutions both in and outside of the assessment areas.

Additional AmBank alternative delivery systems are:

- AmeriTouch Banking - This system allows customers to conduct banking transactions through the use of a touchtone telephone.
- Bank-On-It for Businesses - This service allows business customers to conduct banking transactions through the use of a personal computer.

Reasonableness of Services:

Branch services and business hours are similar in all geographies regardless of income level. Business hours have been extended to provide convenient access to all portions of the assessment areas. The primary business hours are 9:00 a.m. - 3:00 p.m., Monday - Thursday; 9:00 a.m. - 6:00 p.m. on Friday; and Saturday banking from 9:00 a.m. - Noon. Extended hours are provided at the Evansville and Vincennes Wal-Mart branch locations. These offices are open from 10:00 a.m. - 6:00 p.m. on Saturday and 1:00 p.m. - 5:00 p.m. on Sunday. All branch locations are full-service and many have drive-up facilities and 24 hour access ATMs.

Changes in Branch Locations:

AmBank opened three new full service branches since the last CRA evaluation. The new locations include two in Evansville, Indiana in middle-income census tracts and one branch in Terre Haute, Indiana, in a low-income census tract. Each of these branch openings were in new market areas for the bank. There were no other branch opening, closing, or relocation activities by the bank since the last evaluation.

Fair Lending Review:

No violations of the substantive provisions of the anti-discrimination laws and regulations (ECOA, FHA, or HMDA) were identified. The institution's fair lending policies, procedures, training programs and internal assessment efforts have been effective in assisting lenders in these issues.