

# LARGE BANK

Comptroller of the Currency  
Administrator of National Banks

Washington, DC 20219

## Public Disclosure

June 3, 2002

## Community Reinvestment Act Performance Evaluation

Terre Haute First National Bank  
Charter Number 47

One First Financial Plaza  
6<sup>th</sup> Street and Wabash Avenue  
Terre Haute, Indiana 47808

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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 Terre Haute First National Bank (THFNB) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Terre Haute First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			<b>X</b>
High Satisfactory	<b>X</b>	<b>X</b>	
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:

- Lending levels, as shown by the volume of all loans generated, reflect an excellent responsiveness to the credit needs of its assessment area (AA).
- The distribution of loans among borrowers of different income levels for home mortgage loans and to businesses of different revenue sizes throughout its AA is good.
- The bank's level of community development (CD) loans is responsive to community credit needs and positively influenced the lending test rating.
- The distribution of loans among different income level geographies is good.
- Community development investments reflect good responsiveness in relation to a limited level of opportunities in the AA.
- THFNB's delivery systems are readily accessible to geographies and individuals of different income levels throughout the full-scope AA. The bank is a leader in providing community development services responsive to the needs of its AA.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation. 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.

**Block Numbering Area (BNA)** - Statistical subdivisions of counties in which census tracts have not been established. The U.S. Census Bureau has established BNAs in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the U.S. Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

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

**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.

**Full-Scope Review** - Performance under the lending, investment, and service tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five

or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Limited-Scope Review** - Performance under the lending, investment, and service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution).

**Low-Income** - Income levels that are less than 50 percent of the median family income.

**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 Statistical Area (MSA)** - Area defined by the director of the U.S. Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80 percent and less than 120 percent of the MFI.

**Moderate-Income** - Income levels that are at least 50 percent and less than 80 percent of the MFI.

**Small Loans to Businesses** - Loans with original amounts of \$1 million or less that are: (1) secured by non-farm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Loans to Farms** - Loans with original amounts of \$500,000 or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

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

**Upper-Income** - Income levels that are 120 percent or more of the MFI.

## Description of Institution

Terre Haute First National Bank (THFNB) is a \$1.3 billion intrastate institution headquartered in Terre Haute, Indiana. THFNB serves all of Vigo County including the City of Terre Haute and the larger communities of West Terre Haute and Farmersburg.

THFNB operates eleven traditional full service branches in Vigo County. THFNB also has 50 automatic teller machines (ATMs), with 29 being deposit-taking ATMs. Branches and ATMs are located throughout the area, including low- and moderate-income geographies.

THFNB is a wholly owned subsidiary of First Financial Corporation (FFC), which is headquartered in Terre Haute, Indiana. As of December 31, 2001, First Financial Corporation had total assets of \$2 billion. FFC owns eight other banks, five of which are located in Indiana and three of which are located in Illinois. FFC also owns a reinsurance company incorporated in the country of Turks and the Caicos Islands. In 2001, FFC acquired a full-line insurance agency headquartered in Terre Haute, Indiana. THFNB has an investment subsidiary (Global Portfolio Limited Partners). This subsidiary was not considered in this CRA evaluation and has no impact on THFNB's capacity to meet community credit needs. Additionally, affiliate lending was not considered in the evaluation.

THFNB is a full-service lender offering various loan and deposit products. THFNB offers a full range of business loans, conventional mortgages, home improvement loans and consumer loans. As of March 31, 2002, net loans represented 63 percent of total assets and consisted of commercial and commercial real estate loans (41 percent), residential real estate loans (36 percent) and consumer loans (22 percent). The bank is not active in agricultural lending with only one percent of its loan portfolio comprised of agricultural loans. Therefore, the bank's performance in agricultural lending is not being considered as part of this evaluation.

THFNB's business strategy is to maintain their existing customer base in Vigo County and to provide services to those customers based on their needs and expectations. The bank currently leads the market in both loan and deposit products.

There are no financial, legal or other factors, which would impede the bank's ability to meet the credit needs of the community it serves. As of March 31, 2002, THFNB reported Tier 1 capital of \$131 million.

THFNB's previous CRA rating as of April 12, 1999 was Outstanding.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, excluding Community Development (CD) Loans, is January 1, 1999 through December 31, 2001. Loan data from January 1, 1999 to April 12, 1999 was not included in the previous CRA evaluation and therefore, is included in this current evaluation. The evaluation period for the Investment Test, the Service Test, and CD loans is April 13, 1999 through June 3, 2002.

Products included in THFNB's Lending Test analysis are home mortgage loans, small loans to businesses and CD loans. Small loans to farms, small business loans secured by real estate and multi-family loans are not significant products of THFNB and an analysis of these products would not be meaningful.

### Data Integrity

The Community Reinvestment Act requires that banks, other than small banks, collect and maintain certain data regarding originations and purchases of small business, small farm, and Home Mortgage Disclosure Act (HMDA) loans.

As part of our evaluation, we performed a data integrity review on the bank's 1999, 2000, and 2001 HMDA and CRA data by comparing information from the bank's loan application registers to actual loan files. We noted significant errors in key fields of HMDA and small business data during our review. THFNB management performed a file search for all small business and HMDA loans reported during 1999, 2000 and 2001 to correct the errors noted. Our follow-up review of HMDA and small business loans again noted significant errors in key fields for 1999 small business data. Management was unable to satisfactorily correct the 1999 small business data; therefore this data will not be included in the evaluation.

This performance evaluation is based on accurate HMDA data from 1999, 2000, 2001 and small business data from 2000 and 2001. In addition, we reviewed CD loans, investments and services, submitted by THFNB's management, to determine that they met the regulatory definitions for CD. The review indicated that some of the items submitted by THFNB 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**

THFNB has only one assessment area (AA). The AA consists of twenty-nine geographies all located in Vigo County, Indiana within the Terre Haute MSA, 8320. The AA was selected for a full-scope review because it represents THFNB's major markets and accounts for 100 percent of THFNB's deposit activity and 85 percent of their lending activity during this evaluation period.

Refer to Appendix A for additional information regarding the area receiving a full-scope review.

### **Ratings**

The bank's overall rating is based on the conclusions reached in the evaluation of THFNB's performance in its only AA, which received a full-scope review.

When determining conclusions for the Lending Test, home mortgage lending is weighted more heavily than small business lending. This weighting is reflective of the bank's higher home mortgage lending volume.

### **Other**

A community contact from the bank's AA was made during the evaluation. Our contact is an urban enterprise organization whose efforts are targeted at revitalizing and stabilizing the City of Terre Haute, Indiana. Our contact identified programs to attract and retain businesses in the local community along with affordable housing as the primary needs in the AA. Our contact stated that local financial institutions have a high level of participation in the programs that are available such as the affordable housing tax credits.



## **Fair Lending Review**

An analysis of recent HMDA, small business, and small farm lending data, public comments, and consumer complaint information was performed according to the OCC's risk-based fair lending approach. Based on its analysis of information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed as of April 12, 1999.

## **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 a full-scope review, THFNB's performance in the Vigo County AA is good. Since agricultural, multi-family lending and small business loans secured by real estate are not significant products of THFNB they are not included in this analysis.

### Lending Activity

Lending levels, as shown by the volume of all loans generated, reflect an excellent responsiveness to the credit needs of its AA. Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

During the evaluation period, THFNB extended 3,922 home mortgage, small business and small farm loans totaling \$262 million in the Vigo County AA. Approximately 69 percent of THFNB's originated/purchased loans in the AA are home mortgage loans, 27 percent are small loans to businesses, and the remaining 4 percent are small loans to farms. Of the total home mortgage loans, home purchase loans accounted for 39 percent, home improvement loans accounted for 35 percent and home refinance loans accounted for 26 percent.

THFNB's lending activity in the AA is excellent. Information on deposit market share compiled by the FDIC for the year 2001 shows that the bank ranks 1<sup>st</sup> out of seven institutions with a deposit market share of 53.57 percent in Vigo County, which comprises all of the bank's AA. The bank's deposit market share and rank compares very favorably with its market share and rank from the various loan products. The bank is a very strong performer and dominates the market in both home mortgage and small business lending.

Based on 2000 HMDA aggregate data, THFNB ranks 1<sup>st</sup> for all HMDA reportable loans and for each of the different loan products (home purchase, home improvement and refinance). THFNB has a 27.91 percent market share (164 lenders) in the bank's AA for all HMDA reportable loans. THFNB has a 25.71 percent market share with 108 lenders originating/purchasing home purchase loans in the AA. THFNB's market share is 52.96 percent with 36 lenders originating/purchasing home improvement loans in the AA. THFNB has a 17.32 percent market share with 119 lenders originating/purchasing home refinance loans in the bank's AA.

Based on 2000 CRA aggregate data, THFNB ranks 1<sup>st</sup> of 36 lenders originating/purchasing small loans to businesses in the AA, with a 34.37 percent market share.

### Distribution of Loans by Income Level of the Geography

THFNB's lending reflects a good dispersion among geographies of different income levels.

#### *Home Mortgage Loans*

The overall geographic distribution of home mortgage loans is “good” in the full-scope AA. We placed more emphasis on home purchase loans because the volume of these loans exceeds the volume of home improvement and refinance loans. A geographical analysis of multifamily loans would not be meaningful because of the low volume and therefore were not considered in the evaluation. Refer to Tables 2, 3 and 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.

Home purchase loan geographic distribution is good. The percentage of the bank’s home purchase loans made in the low-income geography (0.19 percent) exceeds the percentage of owner-occupied housing units (0.02 percent) that are in that geography. The percentage of the bank’s home purchase loans made in the moderate-income geographies (21.82 percent) is near the percentage of owner-occupied housing units (26.87 percent) that are in those geographies. The bank’s market share for loans made in the low-income geography (71.43 percent) exceeds its overall market share (25.71 percent) for home purchase loans. The bank’s market share for loans made in the moderate-income geographies (21.24 percent) substantially meets its overall market share (25.71 percent) for home purchase loans.

Home improvement loan geographic distribution is good. The percentage of the bank’s home improvement loans made in the low-income geography (0.21 percent) exceeds the percentage of owner-occupied housing units (0.02 percent) that are in that geography. The percentage of the bank’s home improvement loans made in the moderate-income geographies (25.71 percent) is near the percentage of owner-occupied housing units (26.87 percent) that are in those geographies. The bank’s market share for loans made in the low-income geography (66.67 percent) exceeds its overall market share (52.96 percent) for home improvement loans. The bank’s market share for loans made in the moderate-income geographies (50.68) is near its overall market share (52.96 percent) for home improvement loans.

Home refinance loan geographic distribution is adequate. The percentage of the bank’s refinance loans made in the low-income geography (0.29 percent) exceeds the percentage of owner-occupied housing units (0.02 percent) that are in that geography. The percentage of the bank’s refinance loans made in the moderate-income geographies (18.18 percent) is below the percentage of owner-occupied housing units (26.87 percent) in those geographies. The bank’s market share for refinance loans made in the low-income geography (100 percent) exceeds its overall market share (17.32 percent) for refinance loans. The bank’s market share for refinance loans made in the moderate-income geographies (11.53 percent) is below the percentage of its overall market share (17.32 percent) for home refinance loans.

### ***Small Loans to Businesses***

The bank’s geographic distribution of small loans to businesses in the AA is good. 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.

The percentage of THFNB’s small loans to businesses made in the low-income geography (3.87 percent) is below the percentage of businesses (8.64 percent) in that geography. The percentage of THFNB’s small loans to businesses made in the moderate-income geographies (30.69 percent) exceeds the percentage of businesses (28.50 percent) in those geographies. The bank’s market share for small loans to businesses (31.82 percent) in the low-income

geography substantially meets its overall market share (34.37 percent) for small loans to businesses. The bank's market share for small loans to businesses in the moderate-income geographies (35.21 percent) exceeds its overall market share (34.37 percent) for small loans to businesses.

When forming our conclusions for geographic distribution of small business lending in the low-income geography, we considered the stagnant economy and little to no growth within that geography. Opportunities that do exist are met with high competition from the City of Terre Haute small business loan programs and large credit card companies.

### ***Lending Gap Analysis***

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

### ***Inside/Outside Ratio***

A substantial majority of home mortgage loans and small loans to businesses originated or purchased by THFNB over the evaluation period are within the AA. Seventy-seven percent of the bank's home mortgage loans and 85 percent of its small loans to businesses are within its AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geographies.

### **Distribution of Loans by Income Level of the Borrower**

THFNB's lending reflects a good dispersion among borrowers of different income levels and businesses of different sizes.

### ***Home Mortgage Loans***

The overall borrower distribution of home mortgage loans is good in the bank's AA. We placed more emphasis on home purchase loans because the volume of these loans exceeds the volume of home improvement and refinance loans. In evaluating the borrower distribution of home mortgage loans, we considered the large number of households that live below the poverty level (15.6 percent of households) 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.

The borrower distribution for home purchase loans is good. Home purchase loans made to low-income borrowers (10.21 percent) are below the percentage of low-income families (19.37 percent) in the AA. Opportunities to make loans to low-income borrowers are limited by the high percentage of people living below the poverty level as mentioned above. Home purchase loans (21.09 percent) made to moderate-income borrowers significantly exceed the percentage of moderate-income families (18.92 percent) in the AA. Market share for loans made to low-income borrowers (27.03 percent) exceeds the overall market share (26.95).

However, market share for loans made to moderate-income borrowers (22.94 percent) is slightly below the overall market share (26.95) for home purchase loans in the AA.

The borrower distribution for home improvement loans is excellent. Home improvement loans, made to low-income borrowers (14.50 percent) are below the percentage of low-income families (19.37 percent) in the AA. Again, opportunities to make loans to low-income borrowers are limited by the high percentage of people living below the poverty level (15.6 percent). The percentage of home improvement loans made to moderate-income borrowers (23.45 percent) significantly exceeds the percentage of moderate-income families (18.92 percent) in the AA. Market share for home improvement loans made to low-income borrowers (61.82 percent) significantly exceeds the overall market share (52.74 percent) in the AA for home improvement loans. Market share for home improvement loans made to moderate-income borrowers (55.43 percent) exceeds the overall market share (52.74 percent) in the AA for home improvement loans.

The borrower distribution for home mortgage refinance loans is good. Refinance loans (10.78 percent) made to low-income borrowers is below the percentage of low-income families (19.37 percent) in the AA. Again, opportunities to make loans to low-income borrowers are limited by the high percentage of people living below the poverty level (15.6 percent). Refinance loans made to moderate-income borrowers (21.27 percent) exceeds the percentage (18.92 percent) of moderate-income families in the AA. Market share for refinance loans made to low-income borrowers (19.57 percent) meets the overall market share (19.65 percent) in the AA for refinance loans. Market share for refinance loans made to moderate-income borrowers (16.67 percent) is slightly below the overall market share (19.65 percent) in the AA for refinance loans.

### ***Small Loans to Businesses***

Borrower distribution of small loans to businesses is adequate. 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.

THFNB's small loans to businesses with revenues of a \$1 million or less (63.36 percent) is below the percentage of small businesses (87.64 percent) in the AA. This is due to a sluggish economy within the AA coupled with high competition for small business loans. THFNB has a market share of 48.0 percent for small loans made to businesses with revenues of a \$1 million or less. This market share significantly exceeds the bank's overall market share of 34.37 percent for loans to all businesses.

### **Community Development Lending**

Community development lending had a positive effect on the Lending Test conclusions. The bank's volume of CD lending is responsive to the minimal opportunities in the AA. Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

During the evaluation period, THFNB extended four community development loans totaling approximately \$3 million. Examples of some of these loans are listed below.

- A \$136,000 loan was made to a not-for-profit organization to fund the construction of multi-family affordable housing. The project targeted low- and moderate-income individuals. This organization also provides rental payment assistance and medical assistance to low- and moderate-income seniors.
- The bank originated a \$750,000 loan to a not-for-profit organization to rehab a building to be used as a homeless shelter. This project included 36 efficiency apartments to be used by the homeless until they obtain jobs and become self-sufficient. This facility will provide food, shelter, clothing and medical attention to low- and moderate-income individuals. This building had to be brought up to building code in order for the organization to receive government-operating funds.
- THFNB also originated a \$1.9 million loan to the local redevelopment commission for the revitalization of the Terre Haute downtown area. The project included the construction and rehabilitation of a multi-use building that included 33 apartments for low- and moderate-income housing.
- THFNB originated a short-term loan for \$300,000 to a local company to construct modular homes on lots in a depressed area. The lots were deeded by the city and sales are targeted to low- and moderate-income individuals. Five low-income families have benefited from this project.

## **Product Innovation and Flexibility**

Product flexibility had a positive effect on the Lending Test conclusions. THFNB offers several flexible-lending products in order to serve its AA's credit needs, including below-market interest rates, extended terms, and closing cost assistance. Below is a description of some of the flexible loan programs offered in the AA. The number and dollar totals of loans made during this evaluation period are also shown.

Proprietary programs:

**First Time Home Buyer Program:** This loan program offers no- or low-down payment features. The bank has generated 56 of these loans for a total of \$3,228,678.

**Alternate Home Buyer Delivery Product:** Homes acquired by the bank due to foreclosure are sold to predominately low- and moderate-income buyers on contract for a period of 12 months. This allows the buyer to repair credit and apply for long term financing. The bank has originated 7 of these loans for a total of \$242,048.

Non-proprietary programs:

ALT 97: This program is targeted to low- and moderate-income, first time or move up homebuyers. Features include loan to value of 97 percent; 3 percent can be gift, buyer is not required to have funds; counseling is not required; no income limits; and private mortgage insurance is reduced. The bank originated 25 loans of these loans for a total of \$1,278,570.

Indiana Housing Financing Authority (IHFA): This program is targeted to low- and moderate-income individuals; require 95 percent loan to value; down payment gift allowed; 3 percent of funds from borrowers own money and debt ratio of 28-36 percent. The bank originated 4 loans for a total of \$209,160.

IHFA 2: This loan program is targeted to low-income first time buyer. Features are 95 percent loan to value; 2 percent of down payment can be gift; no reserves required; second mortgage is forgivable after 5 years; debt ratio 29-41 percent; and \$2,500 maximum forgivable on 2nd mortgage.

Supersaver: This program is targeted to low- and moderate-income, first time homebuyers. Requirements include a loan to value of 97 percent and a debt ratio of 28-36 percent; second mortgage is forgivable after 5 years up to \$5,000. The bank originated 4 of these loans for a total of \$166,935.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full Scope Reviews**

The bank's performance under the Investment Test is rated "**High Satisfactory.**" Based on a full-scope review, the bank's performance in the Vigo County AA is good. Information obtained from the District Community Affairs Officer at the OCC and information gathered from the bank indicates that qualified investment opportunities in the AA, for this evaluation period, are limited. Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Vigo County's primary need is affordable housing for low- and moderate-income individuals. Additional needs include economic development activities that create job opportunities for low- and moderate-income individuals. THFNB has not made a significant amount of qualified investments during this evaluation period due to limited opportunities. However, THFNB has historically exhibited excellent responsiveness and leadership in support of community development initiatives by its use of complex qualified investments consisting of low-income housing tax credits to meet affordable housing needs. These investments continue to address this identified need for affordable housing. Current period investments amount to \$45,713 with an additional \$1,749,240 in prior investments still outstanding and benefiting the community.

#### **Current Period Investments**

Current period qualified investments made by THFNB total approximately \$45,713 to various organizations that provide social services and housing primarily for low- and moderate-income individuals. Examples of the more prominent investments and contributions made by THFNB are indicated below.

The Terre Haute Boys and Girls Club received donations totaling \$12,420 from THFNB. The boys and girls club is located in a low-income area and provides children from low- and moderate-income families with a variety of recreational and educational programs, free of charge.

A donation of \$10,000 was made by THFNB to the Ivy Tech Scholarship Fund. This fund provides scholarships to aid low- and moderate-income individuals who are learning specific trades.

THFNB donated \$4,416 to the Charles T. Hyte Community. This organization is located in a moderate-income area and provides inner-city programs such as low-cost childcare, education, recreation, and health care to low- and moderate-income individuals and families.

THFNB donated \$3,000 to “Christmas in April”. This program provides funds to rehabilitate low- and moderate-income housing, which aids in maintaining the livability of the existing homes.

A donation of \$2,382 was made to the Light House Mission. The Mission provides housing to low- and moderate-income individuals and their families.

First Free Fair Friday (FFFF) – THFNB sponsors FFFF whereby passengers can ride the city bus free the first Friday of every month. Currently, the city bus system transports about 700 riders on Fridays to various city locations. The bank does not record the dollar amount of this investment. Most of the individuals utilizing FFFF are low- and moderate-income residents who rely on Social Security as their only form of income.

#### **Prior Period Investments**

During the prior evaluation period, the bank’s qualified investments were comprised of \$2.5 million in low-income housing tax credits and \$2.5 million in redevelopment municipal bonds. The outstanding balance of these prior period investments is \$1,749,240 and has a continuing positive impact on the community.

## **SERVICE TEST**

The bank’s performance under the Service Test is rated “**Outstanding.**” Based on a full-scope review, the bank’s performance in Vigo County is excellent.

#### **Retail Banking Services**

THFNB’s delivery systems are readily accessible to geographies and individuals of different income levels throughout the full-scope AA. Accessibility is excellent in the Vigo County AA. 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.

THFNB has eleven branch locations in its AA, all of which are stand-alone branches. All of the branches have drive-up facilities and/or walk-up areas. THFNB’s distribution of offices in the AA is excellent. The main office (9.09 percent) is located in the only low-income geography. This geography is the downtown area, where less than one percent of the AA’s population



resides. One branch (9.09 percent) is located in a moderate-income geography. This is significantly lower than the percentage of the population (30.24 percent) that resides in the AA's moderate-income geographies. However, the bank has several locations in middle- and upper-income geographies, which are readily accessible to the low- and moderate-income geographies. Four branches are located in middle- and upper-income geographies that border seven moderate-income geographies and the low-income geography. These branches are either across the street or a very short walk from the low- and moderate-income geographies. Therefore, in addition to the branches in the low- and moderate-income geographies, these branches are readily accessible to the individuals who reside in the low- and moderate-income geographies.

THFNB's hours and services offered throughout the full-scope AA are excellent. Office hours and services are comparable among locations regardless of the income level of the geography. All branches offer the same deposit and loan products, with the exception of government guaranteed student loans. Student loan application forms are available at all branch locations, but loans are coordinated at the Indiana State University Branch, which is located in an upper-income geography. Personal loan officers are located at all eleven branches and are able to open any personal loan product. Commercial loans are referred to and approved at the main banking office.

THFNB's core banking hours are 9 a.m. to 5 p.m. Monday through Friday. Branch hours vary, opening at 9 a.m. and closing at 3 p.m. Monday through Wednesday, 5 p.m. on Thursdays and 6 p.m. on Fridays. Five of the eleven branches are open on Saturdays. One branch located in a moderate-income geography in the bank's AA is open from 9 a.m. until noon on Saturdays. The main office, located in the only low-income geography in the bank's AA is closed on Saturday; however, this office does have Saturday drive through hours. Because less than one percent of the population in the AA live in this low-income geography, the limited Saturday hours do not pose an inconvenience.

Since the last exam, THFNB opened one branch in an upper-income geography. This geography includes an industrial park, which is home to various "blue collar" industries. By opening a branch in this location, the bank is able to serve low- to moderate-income wage earners. The bank did not close any branches during this evaluation period.

#### **Alternative Delivery Systems**

The bank's distribution of ATMs is good. THFNB's ATM network provides an effective delivery system for conducting deposit and withdrawal transactions for individuals residing in low- and moderate-income geographies. Fifty ATMs are located throughout the bank's AA. Twenty-nine of the fifty are full-service, deposit taking as well as cash dispensing ATMs. There are two ATMs in the AA's one low-income geography where less than one percent of the AA's population lives. The overall distribution of ATMs in moderate-income geographies (26 percent) is near the percentage of individuals living in the moderate-income geographies (30.24 percent). ATMs in one of the middle-income geographies that border three moderate-income geographies are easily accessible to individuals living in those moderate-income geographies.

The bank offers various types of alternative delivery systems such as "Loan Line" which is used for originating consumer loans by phone telephone banking; internet banking and bank

by mail. None of these alternative delivery systems are analyzed by the bank for use by low- and moderate-income individuals. Therefore, little weight was placed on these systems in reaching the overall service test rating.

### **Community Development Services**

THFNB's performance in providing Community Development (CD) services in the Vigo County AA is excellent. The bank is a leader in providing CD services. Management invests numerous hours in community development programs targeted to low- and moderate-income individuals, positively impacting the Service Test rating. Approximately twenty employees/directors serve on committees and/or boards of ten different organizations that serve low- and moderate-income individuals. Various other employees volunteer to provide services such as credit counseling and first time homebuyer seminars each year. These services include providing credit counseling, first-time homebuyer seminars, financial planning, technical expertise to nonprofit or government organizations, and financial education and management skills. The following paragraphs describe the CD services THFNB provided during this evaluation period:

#### **Affordable Housing**

- Habitat for Humanity – Habitat for Humanity is a non-profit housing organization that promotes home ownership for low- and moderate-income families. Seven of the bank's employees/directors have served as board members during this evaluation period. As part of their responsibilities as board members, these employees have served on the Family Selection and Finance Committee. As part of THFNB's sponsorship for the program, the bank also monitors and files reports regarding the use of grant money. THFNB's employees also provide bookkeeping services for Habitat for Humanity.
- THFNB employees have conducted monthly credit counseling and homebuyer seminars during this evaluation period targeted to low- and moderate-income individuals. Various affordable housing programs such as "First Time Homebuyers" and IHFA programs are presented.
- Terre Haute Housing Authority (THHA) – THHA owns and operates in excess of 2,500 housing units for low- and moderate-income individuals and families under a variety of programs. The programs provide training, education, job acquisition, family relations assistance, daycare and tutoring. One employee/director of THFNB serves on the board of THHA and is also Chairman of Development. As such this person provides financial expertise by providing guidance in the development of affordable housing.

#### **Other**

- Light House Mission – This non-profit organization operates two facilities, the Light House Mission for males and Conner Center for women and children. The organization provides housing, food and medical assistance for homeless persons for up to eighteen months while they re-establish their lives. One employee/director will be going on the board and currently serves on the Social Services Committee assisting with the organizations budget. Several additional employees are regular volunteers.

- Gibault School for Boys – This is a troubled youth residence program of which the population majority is from low- and moderate-income families. One employee/director served as a board member during this evaluation period and was on the fundraising committee assisting with budgetary matters.
- Vigo County Homes for Youth (VCHY) – A bank employee of THFNB is a board member of the VCHY. VCHY provides temporary shelter, for up to thirty individuals, primarily to low- and moderate-income abused teenagers. As a board member, the bank representative assists in budgetary matters and applying for grants from both the state and federal government.
- Credit Counseling Program – The bank works actively with customers seeking credit counseling. The bank pays the fee for customers to obtain the credit counseling and then modifies the customers loan to conform with planned objectives, offering non-conventional repayment plans and lower interest rates. Credit counseling services include counseling regarding loan restructuring, timing of payments. Predominate users of this program have limited incomes and are within the low- and moderate-income groups.
- Technical Assistance Service Center (TASC) – A representative of THFNB is an advisory board member of the TASC. TASC is a small business incubator that provides technical expertise to prospective entrepreneurs. As part of the advisory board, the bank representative assists prospects in developing business plans, obtaining financing and locating sites for new businesses.
- THFNB has established a young savers program primarily for children of low-income individuals. Information was not readily available with regard to the number of savings accounts that have been opened during this evaluation period.
- THFNB sponsors annual community expositions in low- and moderate-income neighborhoods, providing credit counseling and first-time home ownership information to residents of the low- or moderate-income neighborhoods. Approximately thirty non-profit organizations are invited to inform local residents of available social services within Vigo County.

#### **Economic Development**

- Bank officers assisted in the development of a business plan to revitalize and stabilize downtown Terre Haute (a low-income geography). The plan will help to attract and retain businesses that will benefit the elderly low-income residents who reside in this area. The project was coordinated by the Mayor's office, the State of Indiana, Hyett Palma of Washington, D.C., Terre Haute Redevelopment and Indiana State University.
- Vigo County Redevelopment Commission (VCRC) – An officer/director of THFNB is one of five members of the VCRC. VCRC's strategic objective is to promote economic development by attracting primarily new small businesses and industry to Vigo County, thus creating additional employment opportunities for local residents. As a member of the VCRC, the bank representative mediates between prospective businesses and

various city, county and state agencies, as well as private entities. He is involved in negotiations and discussions pertaining to land sales and development, infrastructure, financing (bond issues and loans), grants, tax abatements, and training of prospective workers. He also assists in assembling local and state incentive packages to attract new businesses. Due to the efforts of the VCRC's five members, several new businesses have located or will locate in the industrial park located in the bank's AA, creating approximately 400 new jobs by year-end 2002. Five new businesses have already opened for business. These businesses are largely "blue collar", and it is anticipated low- and moderate-income individuals will receive the majority of the new jobs.

- West-Central-Indiana Economic-Development District Board (WCIEDDB). One of WCIEDDB's objectives is to promote economic development by attracting primarily new small businesses to central Indiana, thus creating additional job opportunities for local residents. The other two objectives are to improve the transportation infrastructure of local communities (including public transportation) and to provide free meals to low-income residents. In Vigo County, lunches are provided to local residents at four sites during Monday through Friday. As a board member a bank representative assists in budgetary matters and applying for grants from the federal government.

## APPENDIX A: SCOPE OF EVALUATION

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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”).

<b>Time Period Reviewed</b>	Lending Test: Small business loans - January 1, 2000 through December 31, 2001 Mortgage Loans: January 1, 1999 to December 31, 2001  Investment and Service Tests and CD Loans: April 13 1999 to 6-3-02	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Terre Haute First National Bank Terre Haute, Indiana		Home Mortgage Loans, Small Business Loans, and Community Development Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Vigo County in MSA 8320 Terre Haute, Indiana	Full-Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Market Profile for Full-Scope AA Vigo County, Indiana

Demographic Information for Full-Scope Area: Vigo County, Indiana						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	29	3.45	37.93	34.48	24.14	0.00
Population by Geography	106,107	0.34	30.24	38.21	31.21	0.00
Owner-Occupied Housing by Geography	27,566	0.02	26.87	43.19	29.92	0.00
Business by Geography	3,982	8.64	28.50	37.27	25.59	0.00
Farms by Geography	226	2.21	7.52	30.97	59.29	0.00
Family Distribution by Income Level	26,854	19.37	18.92	22.54	39.16	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,283	0.13	45.83	36.63	17.41	0.00
Median Family Income 29,561 HUD Adjusted Median Family Income for 2001 45,000  Households Below Poverty Level 15.60%	Median Housing Value 42,118 Unemployment Rate (1990 US Census) 5.10%					

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2001 HUD updated MFI

### DESCRIPTION OF ASSESSMENT AREA

THFNB's AA is Vigo County, Indiana, which is part of the Terre Haute, Indiana MSA 8320. The bank's assessment area is not the entire MSA, however Vigo County is the largest county in the MSA and consists of a majority of the geographies (seventy percent) within the MSA. Vigo County is also the bank's major market area. The city of Terre Haute, Indiana is located seven miles east of the Indiana-Illinois state line, on the eastern banks of the Wabash River. The city is approximately seventy miles southwest of Indianapolis, and is the county seat of Vigo County. Major industries include higher education, manufacturing, aerospace and high-tech machinery products. Terre Haute is also the home of Indiana State University and Rose-Hulman Institute of Technology.

THFNB is headquartered in Terre Haute, Indiana and operates eleven full-service offices within this AA. Fifty ATMs are located throughout the bank's AA. Twenty-nine of the fifty are full-service, deposit taking as well as cash dispensing ATMs. THFNB's business strategy has been to maintain their existing customer base in Vigo County and to provide services to those customers based on their needs and expectations. The bank currently leads the market in both loan and deposit products.

There are twenty-nine census tracts in Vigo County, Indiana. Of the twenty-nine census tracts, one is low-income, eleven are moderate-income, ten are middle-income and seven are upper-income. THFNB's AA meets the requirements of the CRA regulation and does not arbitrarily exclude low- or moderate-income areas.

THFNB's deposits as of June 30, 2001 in Vigo County are approximately \$761 million. Based on FDIC deposit market share data as of June 30, 2001, this equates to a 53.57 percent deposit market share, ranking THFNB as the largest deposit taking institution in the AA. The second leading deposit taking institution has a 25.79 percent deposit market share.

As of June 30, 2001, 100 percent of THFNB's deposits were derived from this AA. Over the evaluation period, 77 percent of the home mortgage loans and 85 percent of the small loans to businesses were derived from this AA. Competition for both deposits and loans in the Vigo County AA is strong. There are eleven financial institutions with branch offices in THFNB's AA.

The primary industry in the AA is service oriented (39 percent); followed by retail trade (22 percent); construction (9 percent); and agriculture, forestry and fishing (5.37 percent). Vigo County's current economy is weak and growth is negligible. The unemployment level for Vigo County averaged 5.4 percent in 2001, compared to the Indiana State unemployment rate of 4.4 percent and the national unemployment rate of 4.8 percent.

In spite of the weak economy, several new industries have or will be locating in the area's industrial park, which should help stabilize the local economy. These include CSN Steel Corporation, which opened in the third quarter of 2001 and replaced Heartland Steel; Staples Warehouse Distribution Center; Dough Makers (a box factory); a beer distributor; and a manufacturing plant for Toyota brake parts. Additionally, it is anticipated that a new prison expansion, which will double the size of the existing prison, will provide additional jobs. Current major employers in the AA are: Bemis (plastic manufacturer); AE Technologies; Vigo County School Corporation; Federal Bureau of Prisons; CSN Steel; Pfizer Manufacturing; Indiana State University and Rose-Hulman University. Business demographics from 2001 peer data show the distribution of businesses by income-level to be 87.64 percent of businesses with income below \$1 million; 8.76 percent above \$1 million and 3.59 percent with unknown revenue.

Based on the 2001 HUD adjusted Median Family income of \$45,000, the percentage breakdown of families in the AA by income level is 19.37 percent low-income, 18.92 percent moderate-income, 22.54 percent middle-income and 39.16 percent upper-income. A low-income family has a maximum income of only \$22,499. In addition, almost 16 percent of the households in the AA are living below the poverty level. These factors make it difficult for low-income individuals to qualify for a home mortgage loan.

Housing units in the bank's AA total 44,203. Sixty-two percent of these housing units are owner-occupied. Less than 1 percent of the owner-occupied units are located in the AA's low-income geography. The median housing price for THFNB's AA is \$42,118 and the average age of homes is approximately 49 years old. The minimal percentage of

owner-occupied units in the assessment area's one low-income geography can be attributed to the fact that this is a downtown commercial area with limited residential housing. There are only six owner-occupied units in this census tract. Consequently, the opportunity for originating residential real estate loans in the low-income geography is very limited.

Based on the demographics of the AA and the identified needs of affordable housing and small business financing, unmet credit and community development needs exist in the AA. Limited opportunities for partnerships exist; however, to facilitate activities to address the unmet credit and community development needs of the AA. These conclusions are based on discussions with local community officials, our review of CRA performance evaluations of other financial institutions operating in the AA and discussions with bank management.



## Appendix C: Tables of Performance Data

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### 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 MSA/assessment area.

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 MSA/assessment area.
- 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 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.

**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.

**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 MSA/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 distribution 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 MSA/assessment area.

**Table 14 Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 banks financial reporting system.

**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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area (2001):	% 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)	
<b>Full Review:</b>												
Vigo County Indiana	100.00	2,717	161,605	1,059	94,504	146	6,366	4	3,086,000	3,922	262,475	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From April 12, 1999 to June 03, 2002.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001						
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Vigo County Indiana	100.00	9	7,198	9	7,198	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1999 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001							
MA/Assessment Area:	Total Home Purchase 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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	1,068	100.00	0.02	0.19	26.87	21.82	43.19	43.45	29.92	34.55	25.71	71.43	21.24	26.87	27.26

\* Based on 2000 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.

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

Geographic Distribution: HOME IMPROVEMENT 2001		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,							
MA/Assessment Area:	Total Home Improvement 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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	945	100.00	0.02	0.21	26.87	25.71	43.19	42.12	29.92	31.96	52.96	66.67	50.68	51.23	57.02

\* Based on 2000 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.

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

Geographic Distribution: HOME MORTGAGE REFINANCE 2001		Geography: INDIANA								Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,					
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	693	100.0 0	0.02	0.29	26.87	18.18	43.19	41.70	29.92	39.83	17.3 2	100. 00	11.5 3	18.2 5	22.2 2

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* 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.

\*\*\* 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.



**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001							
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	11	100.00	4.37	0.00	43.11	45.45	36.44	0.00	16.08	54.55	44.44	0.00	80.00	0.00	0.00

\* Based on 2000 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.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES 2001		Geography: INDIANA								Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	1,059	100.00	8.64	3.87	28.50	30.69	37.27	35.98	25.59	29.46	34.37	31.82	35.21	36.26	34.22

\* Based on 2000 Peer Small Business Data: US&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 (2001).

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

Geographic Distribution: SMALL LOANS TO FARMS 2001			Geography: INDIANA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,					Market Share (%) by Geography				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Vigo County Indiana	146	100.00	2.21	0.68	7.52	3.42	30.97	37.67	59.29	58.22	80.65	0.00	100.00	80.65	78.95	

\* Based on 2000 Peer Small Business Data: US&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 (2001).

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

Borrower Distribution: HOME PURCHASE			Geography: INDIANA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****						
<b>Full Review:</b>																
Vigo County Indiana	1,068	100.00	19.37	10.21	18.92	21.09	22.54	25.76	39.16	42.94	26.95	27.03	22.94	31.16	26.25	

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.87% 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.

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

Borrower Distribution: HOME IMPROVEMENT		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001							
MA/Assessment Area:	Total Home Improvement 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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	945	100.00	19.37	14.50	18.92	23.45	22.54	22.90	39.16	39.15	52.7 4	61.8 2	55.4 3	48.9 4	49.5 8

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.96% 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.

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

Borrower Distribution: HOME MORTGAGE REFINANCE 2001		Geography: INDIANA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,							
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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Vigo County Indiana	693	100.00	19.37	10.78	18.92	21.27	22.54	23.93	39.16	44.02	19.65	19.57	16.67	17.86	23.58

\* Based on 2000 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.31% 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.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES 2001		Geography: INDIANA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,			
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
<b>Full Review:</b>									
Vigo County Indiana	1,059	100.00	87.64	63.36	79.70	11.90	8.40	34.37	48.58

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 23.51% of small loans to businesses originated and purchased by the bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS 2001		Geography: INDIANA			Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,				
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 \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Vigo County Indiana	146	100.00	96.90	91.78	92.47	4.11	3.42	80.65	81.52

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 7.53% of small loans to farms originated and purchased by the bank.



**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: INDIANA				Evaluation Period: APRIL 13, 1999 TO JUNE 10, 2002			
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Vigo County Indiana	3	1,749,240	5	45,713	8	1,781,458	100.00	0	0

\* '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.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: INDIANA				Evaluation Period: APRIL 13, 1999 TO JUNE 10, 2002					
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
<b>Full Review:</b>																	
Vigo County Indiana	100.00	12	100	9.09	9.09	54.55	27.27	1	0	0	0	0	1	0.34	30.24	38.21	31.21

