



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

FEBRUARY 22, 2000

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NATIONAL CITY BANK OF INDIANA  
CHARTER NUMBER: 869

101 West Washington Street  
Indianapolis, IN 46255

OFFICE OF THE COMPTROLLER OF THE CURRENCY  
LARGE BANK DIVISION  
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**NOTE:** 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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## 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 **National City Bank of Indiana (NCB-IN)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **February 22, 2000**. 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.*

## 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. 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. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States 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 United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan 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% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 United States 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% and less than 120% of the MFI.

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

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

**Small Farm Loans** - Loans with original amounts of \$500 thousand 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 noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries. Pro-rated Tier I Capital is obtained by distributing portions of Total Tier I capital among the bank's assessment areas. This distribution is based on the level of deposits in each area.

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

## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated "**Satisfactory.**"

The following table indicates the performance level of **National City Bank of Indiana (NCB-IN)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	National City Bank of Indiana (NCB-IN) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank's lending activity is good. The geographic distribution of loans is adequate. Loan distribution based on borrower income is excellent. The level of CD lending is excellent.
- The bank's volume of qualified investments is adequate. The investments have been responsive to an identified need for affordable housing. Many of the bank's qualified investments are considered innovative and complex.
- The distribution of branch offices is considered excellent, as delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area. The provision of community development services is good and considered responsive to the needs of the community; however, it is not innovative.

## Description of Institution

National City Bank of Indiana (NCB-IN), headquartered in Indianapolis, Indiana is a wholly owned subsidiary of National City Corporation (NCC), which is headquartered in Cleveland, Ohio. As of September 30, 1999, NCC had total assets of \$85 billion, making it the twelfth largest bank holding company in the United States. NCC provides a full range of consumer and commercial financial products and services and operates banking offices in six states: Illinois, Indiana, Kentucky, Michigan, Ohio, and Pennsylvania. The corporation operates more than 1,200 branch offices and 1,800 ATM's. NCC is one of the five top originators of federally guaranteed student loans in the country, and is the fifth largest originator of small business loans.

As of September 30, 1999, NCB-IN reported total assets of \$11.8 billion, total loans of \$7.6 billion, and a loan-to-deposit ratio of 108%. Tier 1 capital totals \$925 million. NCB-IN operates 183 branch offices and 239 deposit-taking automatic teller machines (ATM's) throughout the state of Indiana. As of September 30, 1999, NCB-IN's loan portfolio consisted of 62% real estate loans, 18% commercial loans, 15.5% consumer loans, 3.5% other loans, and 1% agricultural loans.

The bank's operating subsidiary, National City Mortgage Company, contributes to the CRA performance of the bank. In addition, there were four non-bank affiliates and five banking entities that contributed to the bank's CRA performance. Refer to Appendix A for identification of the entities and the activities they contributed.

It is important to note that during 1998, NCC acquired First of America Corporation and Fort Wayne National Corporation. The Indiana branches of both holding companies were subsequently merged into the existing NCB-IN bank charter. This merger significantly increased the bank's presence in Ft. Wayne, Indiana.

Throughout the review period, there were no significant financial barriers limiting NCB-IN's ability to meet identified credit needs within its assessment areas.

The bank operates in a number of low-income communities that are dominated by very aggressive national subprime mortgage lenders. Some of these subprime lenders routinely accept high levels of risk by extending loans to borrowers with severe historical and/or current credit problems. Many national banks, including NCB-IN have chosen to implement controls that limit risk within their loan portfolios. This is consistent with safe and sound banking practices, but restricts

the bank's ability to favorably compete with aggressive subprime lenders.

NCB-IN's market area consists of eight Metropolitan Statistical Areas (MSAs) and five assessment areas in non-metropolitan parts of the state. All of the assessment areas are located in the state of Indiana. Accordingly, we evaluated NCB-IN as an intrastate bank. Specifically, the bank's assessment areas include:

- 1) The entire Indianapolis MSA with the exception of Morgan county, where the bank has no branches,
- 2) Lake County in the Gary MSA,
- 3) The entire Ft. Wayne MSA with the exception of Adams county, where the bank has no branches
- 4) Tippecanoe County in the Lafayette MSA,
- 5) The entire Muncie MSA,
- 6) The entire Elkhart MSA,
- 7) The entire Kokomo MSA,
- 8) The entire South Bend MSA,
- 9) Cass and Miami counties,
- 10) Montgomery and Putnam counties,
- 11) Bartholomew, Brown, Jackson, Jennings, and Ripley counties located in the South Central portion of the State,
- 12) Jasper and LaPorte counties,
- 13) Kosciusko and Marshall counties.

Since the previous CRA examination in December 1996, 13 counties were added to the bank's lending area. All 13 counties were added as a result of the FOA, and Ft. Wayne mergers described earlier. Specific counties included: Jasper, La Porte, Delaware, Tippecanoe, Brown, Bartholomew, St. Joseph, Elkhart, Marshall, Kosciusko, Huntington, Wells, and Berrien. Berrien County was subsequently eliminated from the bank's assessment area when the NCB-IN branch in the county was closed. The branch was obtained during the merger and sold shortly thereafter. As a result, Berrien County was not included in our analysis. The bank had no other presence in the area.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The last evaluation of the bank is dated December 31, 1996. The bank's CRA performance was rated Outstanding at that time. This evaluation assesses the bank's performance from January 1, 1997 to September 30, 1999. The Lending Test included a review of home purchase loans, home-improvement loans, refinanced loans, community development loans, and small business/small farm loans. HMDA data and community development loans were considered for the entire evaluation period. Small business/small farm data was considered from January 1, 1999 through September 30, 1999. Small business/small farm data for 1997 and 1998 was deemed unreliable, and was not included in this evaluation. See the Data Integrity section of this Performance Evaluation for further details.

It is important to note that although the CRA regulation allows banks to receive credit for loans or pools of loans purchased from other financial institutions, NCB-IN's lending efforts center on loans originated directly by the bank and its affiliates. The bank has negligible external purchased loan activity. NCC affiliates do, however, purchase and sell loans between each other to expedite their ability to sell packages of loans to the secondary market. As required by HMDA reporting requirements, NCB-IN and its affiliates report loans purchased from other NCC affiliates as 'purchased loans'. The purchased loans represent a material portion of the reported home mortgage loan data. For the review period, approximately 16% of Home Purchase and 19% of Home Refinance activity is represented by purchased loans. While the standard Performance Data tables in Appendix C include loans originated and purchased, we determined that NCB-IN's home mortgage performance is more accurately reflected only by originated loan activity. Therefore, our primary geographic distribution and borrower distribution analyses of the full-scope assessment area are based on adjusted loan data that excludes purchased loan activity. In general, NCB-IN performance is stronger using this approach, with the impact more prominent under the Borrower Distribution criteria.

The evaluation period for the Investment Test is January 1, 1997 through February 22, 2000. The evaluation period for the Service Test is January 1, 1997 through September 30, 1999. Community development investments, community development services, retail banking locations, and retail banking services were reviewed in connection with these tests.

### Data Integrity

The scope of this examination included a review of the accuracy of the bank data analyzed to develop our conclusions and ratings. The data tested for accuracy includes data made available to the public in accordance with the Home Mortgage

Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending and small loans to businesses/farms. We also reviewed the accuracy of non-public data for qualified investments, community development services, and community development loans. The tests were performed at the corporate level and included all National City affiliated banks, subsidiaries and non-bank affiliates contributing to the bank's CRA performance. As a result, the percentages quoted here would be for the entire corporation, and may vary for a particular National City subsidiary bank.

The bank's HMDA data was found to be accurate. No material errors were identified with the home purchase, home improvement, or refinance loans reported by the bank.

Several errors were found in the bank's small loans to business/ farm data submissions for the review period. Material errors noted were:

- Renewals were incorrectly reported as loans. Renewals represented 20% of the loans in our sample.
- Revenue data was in error in 5% of our sample.
- Loans secured by residential real estate were incorrectly reported as small business/farm loans. These types of loans represented 5% of our sample.

Bank management corrected data with respect to the small loans to businesses for the period covering January 1, 1999 through September 30, 1999, but was unable to correct 1997 and 1998 data. As a result, our small business/small farm analysis was limited to the bank's performance during the first three-quarters of 1999. Market share data for 1999 was not available, and because of errors in the bank's data, 1998 market share data was not used.

Material errors were noted with the non-public information provided to examiners regarding community development loans. A number of loans to small businesses were incorrectly included in the community development loan totals. Management was unable to identify or remove these loans from the data provided to examiners because of time and financial constraints. Loans to small businesses accounted for 15% of our sample. Many of these loans have community development as their primary purpose. We excluded these small business loans from our Community Development loan totals.

### **Selection of Areas for Full-Scope Review**

We selected a sample of bank assessment areas for full-scope reviews and the remaining assessment areas were reviewed in a more limited manner. The data contained in the tables in Appendix C was evaluated for each bank assessment

area and this data was factored into our conclusions. However, for full-scope assessment areas, additional information was developed concerning credit and community development needs, and opportunities for community development activities. The analysis of the bank's performance in full-scope areas was expanded to include a detailed analysis of the geographic distribution of lending. Also, individual community development loans, services, and qualified investments were reviewed to assess qualitative factors such as complexity, innovation, leadership, and responsiveness to identified needs. The Service Test included an analysis of the location of bank branches to gauge accessibility.

The Indianapolis and Ft. Wayne MSAs received full scope reviews. The areas contain 59% and 16% of the bank's deposits, respectively.

The following assessment areas received limited-scope reviews: Elkhart (1% of deposits), Gary (3% of deposits), Kokomo (2% of deposits), Lafayette (< 1% of deposits), Muncie (< 1% of deposits), South Bend (6% of deposits), Cass and Miami Counties (2% of deposits), Montgomery and Putnam Counties (2% of deposits), South Central Indiana (3% of deposits), Jasper and LaPorte Counties (3% of deposits), and Kosciusko and Marshall Counties (3% of deposits). Elkhart, Gary, Kokomo, Lafayette, Muncie and South Bend are MSAs. All other areas are non-metropolitan. Conclusions for non-metropolitan areas were combined for purposes of this review.

## **Ratings**

The bank's overall rating is primarily based on the MSAs that received full-scope reviews. After analyzing available data, we determined that some full scope areas would be more heavily weighted than others. This determination was based on a review of the volume and concentration of branches, HMDA loans, low- and moderate-income tracts and families, population, owner occupied housing units, and small businesses and small farms. The volume and concentration of bank deposits was also considered during our analysis. We used data from the Federal Deposit Insurance Corporation, which included both retail and commercial deposits. In addition, we used retail deposit data that was obtained from NCB-IN management reports.

As a result of our analysis we determined that the Indianapolis MSA would be more heavily weighted than the Ft. Wayne MSA.

## **Other**

We contacted three community groups in the Indianapolis area, and two groups in the Ft. Wayne area in order to ascertain community credit needs. In addition, we reviewed community contact data compiled by other OCC examiners during the last 24 months. Specific needs within the full scope assessment areas are addressed in

Appendix B of this report.

## **Fair Lending Review**

As part of our fair lending analysis we performed a comparative file review of 226 home purchase applications that were received by National City Mortgage Company (NCMC) during 1998. The Mortgage Company receives applications from all six states where NCC has branch offices, including Indiana. The approval/denial process utilized is identical for all applications. We compared 53 denied applications made by Blacks to 173 marginally approved applications made by Whites.

Our analysis did not identify any substantive violations of the anti-discrimination laws and regulations. NCMC continues to implement an ongoing fair lending monitoring system. The system consists of adequate policies and procedures, periodic training, and internal assessments.

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

The bank's performance under the Lending Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance is good in both the Indianapolis and Ft. Wayne MSAs.

#### Lending Activity

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

During the review period, home mortgage loans accounted for approximately 88% of NCB-IN's loans in the Indianapolis MSA, and 81% in the Ft. Wayne MSA. Small loans to businesses comprise the substantial majority of the remaining loans. Based on this data, throughout our analysis, we gave the greatest consideration to home mortgage loans. Small farm lending is not a major component of the bank's activities. It represents less than 1% of total reported loans in the Indianapolis MSA and less than 5% in the Ft. Wayne MSA.

Of the total home mortgage loans made by the bank in the Indianapolis MSA, approximately 45% were Home Purchase, 46% Home Refinance, and 9% Home Improvement. Of the total home mortgage loans made in the Ft. Wayne MSA, 33% were Home Purchase, 57% Home Refinance, and 10% Home Improvement. Based on these percentages, and identified credit needs for affordable housing, particularly homeownership, we gave the greatest consideration to home purchase loans, followed by refinances, and home improvement loans.

Throughout our analysis, NCB-IN's percentage distribution of lending compared to demographics was given more weight than the market share information. The reason for this emphasis is that the distribution of lending information covers the bank's activity in 1997, 1998 and the first three quarters of 1999, compared to market share information, which only reflects 1998 activity.

NCB-IN's lending activity in both the Indianapolis and Ft. Wayne MSAs is good. During 1998, NCB-IN was ranked second in deposit market share in Indianapolis (20.7%) and second in Ft. Wayne (21.54%). In both markets, NCB-IN was among the top four lenders in all mortgage categories. Specifically, in Home Purchase lending NCB-IN ranked third in Indianapolis with a 6.85% market share and fourth in Ft. Wayne with an 8.09% market share. In Home Refinance lending, the bank

ranked second in Indianapolis with a 6.76% market share and first in Ft. Wayne with a 10.37% market share. Finally, in Home Improvement lending, NCB-IN ranked fourth in Indianapolis with a 5.94% market share and second in Ft. Wayne with a 16.08% market share.

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

The overall geographic distribution of NCB-IN's home mortgage loans and small loans to farms is adequate. This conclusion is based on adequate performance in both the Indianapolis and Ft. Wayne MSAs. The overall geographic distribution of small loans to businesses is good.

In both areas, the distribution of Home Purchase loans is adequate, Home Refinance distribution is poor, and Home Improvement distribution is excellent. The distribution of Small Loans to Businesses is good and Small Loans to Farms distribution is adequate. Loan penetration throughout both MSAs was excellent, and a substantial majority of loans were made within the bank's assessment areas (AAs).

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

Refer to Tables 2, 3, and 4 in Appendix C for standardized data regarding the geographic distribution of the bank's home mortgage loan originations and purchases. As previously explained in the Scope of Evaluation, we used adjusted loan data to conduct our geographic distribution analysis. This data focuses only on loan originations. The following narrative contains the specific facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

Note that more weight is placed on performance in moderate-income tracts, since those areas comprise a significantly larger market than low-income areas.

In both the Indianapolis and Ft. Wayne MSAs, the distribution of Home Purchase loans is adequate. In the Indianapolis MSA, the percentage of NCB-IN's Home Purchase loans made in low- (2.15%) and moderate-income geographies (13.42%) is somewhat less than the percentage of owner-occupied housing units in those geographies (3.48% and 17.31%, respectively). NCB-IN's market share in low-income geographies (5.54%) is near the overall Home Purchase market share of 5.97%. The bank's market share in moderate-income geographies (7.24%) exceeds its overall Home Purchase market share.

In the Ft. Wayne MSA, the percentage of NCB-IN's Home Purchase loans made in low- (.73%), and moderate-income (4.65%) geographies is less than the percentage of owner-occupied housing units in those geographies (1.20% and

10.69%, respectively). NCB-IN's market share in low-income geographies (19.57%) exceeds its overall Home Purchase market share (8.51%). The bank's market share in moderate-income geographies (6.50%) is somewhat less than its overall Home Purchase market share.

In both the Indianapolis and Ft. Wayne MSAs, the distribution of Home Refinance loans is poor. In the Indianapolis MSA, the percentage of NCB-IN's Home Refinance loans made during the evaluation period in low- (1.16%) and moderate-income (8.55%) geographies is less than the percentage of owner-occupied housing units that are within those geographies (3.48% and 17.31%, respectively). NCB-IN's market share in low-income geographies (2.23%) and in moderate-income geographies (3.30%) is somewhat less than the overall Home Refinance market share of 5.44%.

In the Ft. Wayne MSA, the percentage of NCB-IN's Home Refinance loans made during the evaluation period in low-income geographies (.35%) is significantly less than the percentage of owner-occupied housing units that are within those geographies (1.20%). The percentage of loans made in moderate-income geographies (5.13%) is less than the percentage of owner-occupied housing units that are within those geographies (10.69%). NCB-IN's market share in low-income geographies (2.38%) is significantly lower than the overall Home Refinance market share of 10.69%. The bank's market share in moderate-income geographies (6.27%) is less than the overall Home Refinance market share

In both the Indianapolis and Ft. Wayne MSAs, the distribution of Home Improvement loans is excellent. In the Indianapolis MSA, the percentage of NCB-IN's Home Improvement loans made during the evaluation period in low-income geographies (3.72%) exceeds the percentage of owner-occupied housing units that are within those geographies (3.48%). The percentage of loans made in moderate-income geographies (16.04%) is near the percentage of owner-occupied housing units that are within those geographies (17.31%). NCB-IN's market share in low-income geographies (5.62%) is near the overall Home Improvement market share of 6.08%. The bank's market share in moderate-income geographies (4.44%) is somewhat less than the overall Home Improvement market share of 6.08%.

In the Ft. Wayne MSA, the percentage of NCB-IN's Home Improvement loans made during the evaluation period in low- (1.78%) and moderate-income (13.24%) geographies exceeds the percentage of owner-occupied housing units that are within those geographies (1.20% and 10.69%, respectively). NCB-IN's market share in low-income geographies (21.05%) exceeds Home Improvement market share of 16.40%. The bank's market share in moderate-income geographies (16.21%) is near the overall Home Improvement market share.

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

Refer to Table 5 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 geographic distribution of small loans to businesses is good. Performance is good in Indianapolis and Ft. Wayne. The percentage of loans NCB-IN made in low-income geographies is near the percentage of businesses that are within those geographies in both Indianapolis and Ft. Wayne. In the Indianapolis MSA, the percentage of small loans to businesses in moderate-income geographies approaches the percentage of businesses located in those geographies.

In the Ft. Wayne MSA, the percentage of small loans to businesses in moderate-income geographies is near the percentage of businesses located in those geographies. Given that a substantially larger portion of businesses is located in moderate-income tracts relative to low-income tracts, more weight was placed on moderate-income performance.

### ***Small Loans to Farms***

Table 6 in Appendix C details the facts and data relative to the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is adequate. Performance is adequate in both the Indianapolis and Ft. Wayne MSAs.

The percentage of loans made in low- and moderate-income geographies is lower than the percentage of farms that are within those geographies in both Indianapolis and Ft. Wayne. However, as part of our analysis, we considered the fact that few farms are located in either full scope AA, including low- or moderate-income areas. In addition, small loans to farms is not a business focus or area of lending expertise for the bank.

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

Reports detailing NCB-IN's home mortgage lending were reviewed to identify gaps in geographic distribution. During the review period, NCB-IN had excellent penetration throughout the Indianapolis and Ft. Wayne MSAs. Loans were originated in all but one of the populated census tracts in each MSA; this represents a penetration rate of 99.9%. With only nine months of small loans to

businesses and farm data available, our review of lending patterns for these activities was limited. No conspicuous gaps in lending patterns were detected in any product lines.

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

NCB-IN has done an excellent job of serving borrowers within its defined assessment areas. During the review period, 89% of the bank's home mortgage loans, and 92% of small loans to businesses and farms were made within NCB-IN's AAs. This was given positive consideration when drawing conclusions relative to the bank's overall geographic distribution of lending performance.

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

The overall distribution of NCB-IN's home mortgage and small loans to businesses based on the income levels of the borrowers is excellent. This conclusion is based on excellent performance in both the Indianapolis and Ft. Wayne MSAs.

In both areas, the distribution of Home Purchase loans is excellent, Home Refinance distribution is good, and Home Improvement distribution is excellent. The distribution of Small Loans to Businesses is adequate and Small Loans to Farms distribution is good.

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

Refer to Tables 7, 8, and 9 in Appendix C for standardized data regarding the geographic distribution of the bank's home mortgage loan originations and purchases. As previously explained in the Scope of Evaluation, we used adjusted loan data to conduct our borrower distribution analysis. This data primarily focuses only on loan originations. The following narrative contains the specific facts and data we used to evaluate the borrower distribution of the bank's home mortgage loan originations.

Note that the expectation for the percentage of lending to low-income borrowers is not as high as for moderate-income borrowers because of the more limited ability of low-income borrowers to afford home ownership.

In both the Indianapolis and Ft. Wayne MSAs, the borrower distribution of Home Purchase loans is excellent. In the Indianapolis MSA, the percentage of NCB-IN's Home Purchase loans made to low-income borrowers (15.07%) is near the percentage of families that are low-income (18.67%). However, when housing affordability is factored in, the performance is considered excellent. The percentage of Home Purchase loans made to moderate-income borrowers (26.24%) exceeds the percentage of families that are moderate-income (18.54%). NCB-IN's

market share of Home Purchase loans to low- (7.29%) and moderate-income (6.50%) borrowers exceed the overall Home Purchase market share of 5.97%. In addition, during 1998, while the aggregate market extended 10.75% of its Home Purchase loans to low-income borrowers, and 23.45% to moderate-income borrowers, NCB-IN made 13.14% and 25.55% of its loans to these families, respectively. In the Ft. Wayne MSA, the percentage of NCB-IN's Home Purchase loans made to low-income borrowers (9.45%) is less than the percentage of families that are low-income (15.82%). However, when housing affordability is factored in, performance is considered excellent. The percentage of Home Purchase loans made to moderate-income borrowers (25.94%) exceeds the percentage of the AA families that are moderate-income (19.18%). NCB-IN's low- (6.30%) and moderate-income (7.34%) family market shares are near the overall Home Purchase market share of 8.51%.

In both the Indianapolis and Ft. Wayne MSAs, the borrower distribution of Home Refinance loans is good. In the Indianapolis MSA, the percentage of NCB-IN's Home Refinance Purchase loans made to low-income borrowers (7.31%) is less than the percentage of families that are low-income. However, when housing affordability is factored in, performance is considered adequate. The percentage of Home Refinance loans made to moderate-income borrowers (17.21%) is near the percentage of families that are moderate-income (18.54%). NCB-IN's market share of Home Refinance loans to low-income borrowers (2.91%) is less than the overall Home Refinance market share of 5.44%. The bank's share of loans to moderate-income borrowers (5.33%) is near the overall Home Refinance market share.

In the Ft. Wayne MSA, the percentage of NCB-IN's Home Refinance loans made to low-income borrowers (5.7%) is less than the percentage of families that are low-income (15.82%). However, when housing affordability is factored in, the performance is considered adequate. The percentage of Home Refinance loans made to moderate-income borrowers (17.8%) is near the percentage of families that are moderate-income (19.18%). NCB-IN's market share of loans to low-income families (5.04%) is less than the overall Home Refinance market share of 10.69%. The bank's share of loans to moderate-income families (8.88%) is near the overall Home Refinance market share.

In both the Indianapolis and Ft. Wayne MSAs, the borrower distribution of Home Improvement loans is excellent. In the Indianapolis MSA, the percentage of NCB-IN's Home Improvement loans made to low-income borrowers (16.24%) is near the percentage of families that are low-income. However when housing affordability is factored in, the performance is considered excellent. The percentage of loans made to moderate-income borrowers (20.74%) exceeds the percentage of families that are moderate-income. NCB-IN's market share of Home Improvement loans to low-income borrowers (7.22%) exceeds the overall Home Improvement market

share of 6.08%. The bank's market share of loans to moderate-income families (5.94%) is near the overall Home Improvement market share.

In the Ft. Wayne MSA, the percentage of NCB-IN's Home Improvement loans made to low- (16.21%) and moderate-income (28.46%) borrowers exceeds the percentage of families that are low- or moderate-income. NCB-IN's market share of Home Improvement loans to low- (16.71%) and moderate-income borrowers (17.93%) exceeds the overall Home Improvement market share of 16.40%.

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

Refer to Table 10 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.

The borrower distribution of small loans to businesses is adequate in both the Indianapolis and Ft. Wayne MSAs. In each MSA, the percentage of small loans to businesses with revenues of \$1 million or less is somewhat less than the percentage of businesses in that revenue category. In the Indianapolis MSA, 79% of small loans to businesses were for amounts of \$100,000 or less. In the Ft. Wayne MSA, 81% of such loans were for amounts of \$100,000 or less. This reflected the bank's willingness to extend credit in smaller amounts.

### ***Small Loans to Farms***

Table 11 in the Appendix C details the facts and data relative to the borrower distribution of the bank's origination/purchase of small loans to farms.

The borrower distribution of small loans to farms is good in both the Indianapolis and Ft. Wayne MSAs. For both areas, the percentage of small loans to farms with revenues of \$1 million or less is near the percentage of farms in that revenue category. In addition, in both Indianapolis and Ft. Wayne, approximately 80% of small loans to farms were for amounts of \$100,000 or less. This reflected the bank's willingness to extend credit in smaller amounts.

## **Community Development Lending**

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

NCB-IN's excellent community development (CD) lending is attributed to the volume of activity, responsiveness to community needs, and complexity. CD lending had a positive impact on the Lending Test conclusion for both the Indianapolis and Ft. Wayne MSA's.

NCB-IN originated 50 CD loans totaling \$25.2 million in the Indianapolis MSA (4.86% of pro-rated Tier I Capital). In the Ft. Wayne MSA, the bank originated 10 CD loans totaling \$3.4 million (2.48% of pro-rated Tier I Capital). The number and dollar volume of CD lending activity is excellent in the Indianapolis MSA and good in the Ft. Wayne MSA, given the bank's size, capacity, and limited opportunities in the Ft. Wayne area.

The bank's CD loans in the Indianapolis and Ft. Wayne MSAs have been highly responsive to the needs of the local communities. The loans primarily address an identified credit need for affordable housing. In addition, nearly 15% of NCB-IN's CD loans promote economic development projects that positively impact the local community by creating jobs for low- or moderate-income people, or rehabilitating abandoned commercial buildings located in low-income areas. Many of the bank's CD loans are considered complex or innovative because of loan structure.

The following examples highlight the bank's CD lending in the Indianapolis MSA.

**Indianapolis Neighborhood Housing Partnership** - A \$5 million investment in an affordable housing consortium. Proceeds were used to fund four loan pools. These pools provide first and second mortgages to low- and moderate-income persons. In addition, one of the pools provided funding for the construction, rehabilitation, and permanent financing of six multi-family housing projects. All six projects are located in low- or moderate-income census tracts and target low- and moderate-income families. NCB-IN did not receive any credit for this investment under the Investment Test. The \$5 million represents the bank's pro rata share in the loan pools.

**Citizen's Neighborhood Coalition, Inc.** - A \$1 million line of credit. Proceeds were used to construct an affordable housing development. The development consists of 35 single-family homes, and is located in a low-income census tract. The homes are being marketed to low- and moderate-income families. The area has historically been unable to attract private investors because of high crime rates and the poor reputation of nearby public schools. As a result, the project involved greater than average risk and was considered complex. The project was the first of its kind in the City of Indianapolis, and served as a catalyst for the construction of 322 additional homes in the tract.

The following example highlights the bank's CD lending in the Ft. Wayne MSA.

**Ft. Wayne Neighborhood Housing Partnership** - A \$2.7 million investment in a community revitalization consortium. Proceeds were used to fund a loan pool that finances affordable housing construction and rehabilitation. Funds from the pool target low- and moderate-income persons and are used within low- and moderate-

income areas. The program is considered innovative because it is one of the few programs designed to address the needs of LMI persons with poor credit histories. The Partnership constructs and/or rehabilitates approximately 80 units of housing per year. NCB-IN did not receive any credit for this investment under the Investment Test. The \$2.7 million represents the bank's pro rata share in the loan pools.

## **Product Innovation and Flexibility**

Product flexibility had a positive impact on the Lending Test conclusions for both the Indianapolis and the Ft. Wayne MSAs.

NCB-IN provides a large array of lending products; many of them are flexible in their structure. These products are designed to address affordable housing needs of low- and moderate- income persons or geographies. Affordable housing was identified as a primary credit need by community contacts.

Some examples of flexible products offered by NCB-IN are highlighted below. The bank reports these products as part of its HMDA data. HMDA does not differentiate flexible products from more traditional loan products. As a result, the number of loans originated under each program is not detailed here.

**Home at Last** - This flexible mortgage product is available to borrowers purchasing homes in low- or moderate-income areas. It features a low downpayment requirement, no mortgage insurance, and flexible terms.

**NCHAMP Loans** - This flexible mortgage product is offered to homebuyers who are purchasing properties located in National City Community Development Corporation (NCCDC) sponsored developments. The loan features a low downpayment requirement and reduced interest rates. NCHAMP loans primarily target low- and moderate-income geographies.

**Residential Mortgage Programs** - NCB-IN offers a number of specialized products designed to facilitate home ownership for low- or moderate- income persons or within low- or moderate-income communities. These programs are offered in association with a variety of government sponsored groups including: Fannie Mae, Indiana Housing Finance Authority, United States Department of Agriculture, Veterans Administration, and The Federal Housing Administration. These programs allow a low downpayment or flexible terms.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Lending Test in all limited-scope areas is weaker than the bank's overall High Satisfactory performance under the Lending Test. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

The primary reason for the weaker performance is that the bank's geographic and borrower distribution of loans within low- and moderate-income tracts, and to low- and moderate-income families is somewhat less than the portion of owner occupied units or families in the AAs. We considered this weaker performance in our overall conclusion, but did not deem it of sufficient magnitude to reduce the bank's overall lending performance beyond a High Satisfactory level.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is High Satisfactory. Based on full scope reviews, the bank's performance in the Indianapolis MSA is good, and is adequate in the Fort Wayne MSA.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The assessment of NCB-IN's investment performance is based on the investments' volume, responsiveness to community needs, and complexity and innovation.

The volume of investments is adequate in Indianapolis where community development (CD) opportunities are moderate. In Ft. Wayne, the volume of investments is adequate given the limited CD opportunities. (Refer to the Market Profile in Appendix B).

The investments have been responsive to the needs of the communities. In Indianapolis, 84% of the investments addressed identified needs for affordable housing. The remaining 16% addressed social service needs of low-income families. In Ft. Wayne, 82% of the investments addressed identified needs for affordable housing and small business financing. The remaining 18% addressed social service needs of low- and moderate-income families.

NCB-IN periodically creates opportunities for investments within its local community. This is accomplished through the development of long term equity partnerships with community groups and local developers. Many of the qualified investments that have resulted from these partnerships are considered complex or innovative.

The following examples highlight the bank's performance in the Indianapolis MSA. The investments detail projects in which NCCDC, a nonbank affiliate, created an equity partnership with a local non-profit group, municipality, or developer.

**11<sup>th</sup> Street Townhouses** - A \$133 thousand affordable housing investment. Funds were used to construct two buildings, each with five condominium units. This multi-family construction represents the first downtown housing development in Indianapolis that targets low- and moderate-income families. The project is located in a low-income census tract.

**Blue Triangle** - A \$1 million affordable housing investment. Funds were used to convert a YMCA recreational facility into 92 housing units. The project is

considered innovative because it represents the first transitional housing initiative that targets the Indianapolis homeless population. In addition, NCCDC was the first investor to participate in the venture. The project is located in a low- income census tract.

**Englewood Rural Street** - A \$144 thousand affordable housing investment. Funds were used to construct one single family home, and to convert one multi-family home into a single-family residence. Both houses are located in a very low-income census tract. NCCDC was the only financial entity willing to accept the high level of risk associated with the project. The level of risk was considered high and the project complex because the local faith-based partner in the venture had no prior experience with affordable housing projects. One moderate- income and one low-income family reside in the homes.

**Foundation for Community Renewal** - A \$163 thousand affordable housing investment. Funds were used to construct and renovate 18 single-family homes. Unlike most affordable housing initiatives, Community Renewal seeks to increase the value of housing stock in targeted low-income census tracts by revitalizing the entire tract, one block at a time. The project currently targets the Westminster Neighborhood. This area has an abundance of boarded up homes. Since inception of Community Renewal, home values have increased nearly 60%. The homes target low- and moderate-income families.

**Northwest Gateway** - A \$317 thousand revitalization/stabilization investment. Funds were used to construct five new homes. The homes are being marketed to moderate-income homeowners who live in this low- income tract, and want to upgrade to newer, larger homes. The Northwest project has facilitated the housing upgrades while maintaining its objective of curbing inner city flight. The City of Indianapolis has targeted this area for revitalization.

**Grants/Donations** - NCB-IN made 171 grants totaling \$924 thousand to a number of community development and housing coalitions. In addition, several donations were made to local community groups that strive to meet the social service needs of low- and moderate-income families.

The following examples highlight the bank's performance in the Ft. Wayne MSA. The investments detail projects, in which NCCDC, a nonbank affiliate, created an equity partnership with a local non-profit, faith based organization, or developer.

**East Central** - A \$37 thousand affordable housing investment. Funds were used to construct one single family residence that was used as a model home. The model is located in a moderate-income census tract, and targets low- and moderate-income families. It is important to note that model home construction for affordable housing projects is a new and unique concept for Ft. Wayne non-profits.

Few non-profits or financial entities are willing to assume the risk associated with constructing/rehabilitating homes for low- or moderate-income families on a speculative basis. Community groups identified NCB-IN as a leader in this area.

**Phoenix Place** - A \$268 thousand affordable housing investment. Funds were used to construct two model homes in the Bowser Neighborhood. Many (45%) of the families in the area live below the poverty level in one of the lowest-income tracts in the state of Indiana. The average household income is approximately \$10 thousand. The area was dominated by a large abandoned building that housed as many as 600,000 tires. A fire that lasted two days resulted in demolition of the building and evacuation of residents. The EPA designated the area as an industrial brownfield. Phoenix Place represents the first conversion of an industrial brownfield into residential housing. The homes target low- income families.

**St. Peter's/Zion Lutheran Project Phase I** - A \$70 thousand revitalization investment. Funds were used to construct one single-family home. The home is located in the same low-income census tract as the Phoenix Place project described above. The home is being marketed to moderate- and middle-income families in an attempt to create economic integration in this extremely economically distressed neighborhood. The project is considered innovative because it reduced construction costs by using student labor. Students are part of the Ft. Wayne Construction Trades program, and must be high school juniors or seniors in order to participate. The students must adhere to the same codes and procedures as professional contractors. However, they receive course credits as compensation.

**Grants/Donations** - NCB-IN made 16 grants totaling \$106 thousand to community development groups. In addition, several donations were made to local community groups that strive to meet the social service needs of low- and moderate-income families.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Kokomo MSA is not inconsistent with the bank's overall High Satisfactory performance under the Investment Test. The bank's performance in the Elkhart, Gary, Lafayette, Muncie and South Bend MSAs is weaker than the overall bank performance. In the nonmetropolitan areas the bank's performance is also weaker than the bank's overall performance. The weaker performance was primarily the result of intense competition from other banking entities that have a strong presence in the areas, and limited investment opportunities. These factors were considered in the overall conclusions, but did not negatively impact the overall rating.

## **SERVICE TEST**

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

The bank's performance under the Service Test is Outstanding. Based on full scope reviews, the bank's performance in the Indianapolis MSA is excellent and good in the Fort Wayne MSA.

### **Retail Banking Services**

Refer to Table 13 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.

The distribution of NCB-IN's branch offices is considered excellent. The bank's delivery systems are readily accessible to geographies and individuals of different income levels. In both the Indianapolis and Fort Wayne MSAs, the percentage of NCB-IN's offices in low-income geographies exceeds the population demographics in these areas. In the Indianapolis MSA, the percentage of offices in moderate-income areas exceeds the population demographics in those areas. In the Fort Wayne MSA, the percentage of offices in moderate-income areas is somewhat less than the population demographics in those geographies.

Branch openings and closings did not adversely affect the accessibility of delivery systems in either full scope AA during this examination period. Eleven branches were closed in the Indianapolis area and eight in the Fort Wayne area. One low-income and two moderate-income branch closures occurred in Indianapolis, and one moderate-income branch closing occurred in Fort Wayne. The affect of the closures was minimized by the continued operations of other NCB-IN branches in close proximity to the closed facilities.

NCB-IN's hours and services offered throughout the full-scope assessment areas are good. Standard banking hours and services provided Monday through Friday are relatively comparable at all 116 locations regardless of the income level of the geography. All branches have extended evening hours on Friday. Tailored business hours are offered at approximately 34% of the Indianapolis branch offices, and at 20% of the Fort Wayne branches, including branches in low- and moderate-income areas. Tailored hours have also been implemented in facilities located in high traffic locations such as grocery-store branches. The Indianapolis MSA has nine in-store branches, and the Fort Wayne MSA has three. Two of the Indianapolis in-store branches are located in moderate-income census tracts.

NCB-IN offers a Basic Checking account that is designed to meet the needs of low- and moderate-income customers for a \$3 monthly service charge with no minimum

balance requirements. The bank also offers a Self-Serve Checking product that does not assess fees for ATM or electronic transactions.

NCB-IN's ATM network offers an effective alternative delivery system for providing retail banking services in low and moderate-income geographies. In the Indianapolis MSA, the percentage of ATMs in low-income tracts (5.38%) is near the population demographics in those geographies (5.59%), and the percentage of ATMs in moderate-income tracts (27.69%) exceeds the population demographics in those geographies (21.01%). In the Ft. Wayne MSA, the percentage of ATMs in low-income tracts (4.76%) exceeds the population demographics in those areas (2.32%), and the percentage of ATMs in moderate-income tracts (11.9%) is near the population demographics in those areas (13.74%).

NCB-IN also operates several Call Centers that serve as alternative delivery systems for loan products. Customers can access the centers and complete loan applications by phone. The Centers offer extended evening and weekend hours. Internal bank data, which is tracked at the State level, shows that this has been an effective delivery system for providing retail services to low- and moderate-income customers. Of the total loans processed for Indiana, nearly 30% represent loan originations to low- or moderate-income customers. In addition, approximately 12% were extended within low- or moderate-income census tracts.

The bank also offers a 24-hour telephone banking service, which allows customers to obtain deposit and loan account information, make payments on NCB-IN loans, transfer funds, and pay other household bills. The bank could not provide specific information on the impact of telephone banking on low- and moderate-income individuals or geographies. As a result, this delivery system was not given significant weight during the review process.

### **Community Development Services**

NCB-IN provides a good level of community development (CD) services. The bank's performance is good in the Indianapolis MSA, and is adequate in the Fort Wayne MSA. The services are responsive to the needs of the community, but are not considered innovative.

In both the Indianapolis and Ft. Wayne MSAs, CD services are responsive to the primary needs of the local communities. Specifically, most services target affordable housing and small business development.

Bank employees provide leadership to low- and moderate-income communities by serving as committee or board members for a variety of affordable housing agencies and human service groups. The bank strongly promotes small business

development and numerous bank employees serve on the boards or provide financial services for small business associations and local economic development corporations. In Indianapolis, these groups include Indianapolis Neighborhood Housing Partnership, Anderson Fair Housing Coalition, Far Eastside Neighborhood Association, Madison County Revolving Loan Fund, Small Business Council, Indiana Statewide Certified Development Corp, Indiana Community Business Credit Corp., and the Center For Entrepreneurial Services, Inc. In Fort Wayne these groups include Consumer Credit Counseling Service of Northeast Indiana, and the East State Business Association.

The following examples highlight NCB-IN service activities in the Indianapolis MSA during the evaluation period:

**Federal Home Loan Bank (FHLB)** - Through its Community Development Outreach Officer, the bank provides technical expertise to local community groups seeking Federal Home Loan Affordable Housing Program grants. During the review period, NCB-IN prepared three project requests for groups operating in both the Indianapolis and Fort Wayne MSAs. All three requests were approved for either a direct subsidy or low-interest rate advance.

**Neighborhood Banking Program** - NCB-IN has pro-actively formed a partnership with 16 community churches to make banking services more accessible to low- and moderate-income communities. Through this program the bank offers a specialized product, the Neighborhood Home Loan, which provides credit counseling that is designed to help low- and moderate-income persons achieve homeownership. The bank has specifically tailored this affordable housing product to include low down-payment requirements and more lenient debt-to-income ratios than traditional products.

**Home-ownership Counseling** - NCB-IN employees routinely provide home-ownership training in conjunction with the Indianapolis Neighborhood Housing Partnership and the Consumer Credit Counseling Service. These services target low- and moderate-income families.

The following example highlights NCB-IN service activities in the Fort Wayne MSA during the evaluation period:

**Small Business Outreach** - NCB-IN initiated a partnership with the Small Business Administration (SBA), the City of Fort Wayne, and other agencies in order to plan the city's first Small Business Day. This special program is designed to strengthen opportunities for small business development by exploring and discussing financing and partnership capabilities. Participating businesses must be located in communities that have been targeted for economic development by the City government. These areas include several low- and moderate-income communities.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Elkhart MSA, Gary MSA and the non-metropolitan AAs are not inconsistent with the bank's overall Outstanding performance under the Service Test. The Kokomo, Lafayette, Muncie, and South Bend MSAs are weaker than the bank's overall rating. The primary reason for the weaker ratings is the limited distribution of branches in moderate-income census tracts. This weaker performance was not of sufficient magnitude to lower the bank's overall performance under the Service Test.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term  $\Delta$ Full-Scope $\Delta$ ) and those that received a less comprehensive review (designated by the term  $\Delta$ Limited-Scope $\Delta$ ).

<b>Time Period Reviewed</b>	Lending Test: HMDA                    January 1, 1997 through September 30, 1999 Small Business        January 1, 1999 through September 30, 1999 Investment Test:      January 1, 1997 through February 22, 2000 Service Test:            January 1, 1997 through September 30, 1999	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
National City Bank of Indiana (NCB-IN) Indianapolis, Indiana	Home-purchase and refinanced loans, home-improvement loans, small-business/farm loans, Community-development loans, community-development investments, community-development services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
National City Bank of Pennsylvania	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
Altegra Credit Company	National City Bank of Pennsylvania subsidiary	Home-purchase and refinanced loans, and home-improvement loans.
National City Bank	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Mortgage Corporation	National City Bank of Indiana subsidiary	Home-purchase and refinanced loans and home-improvement loans.
Muirfield Mortgage	National City Mortgage Corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Bank of Michigan/Illinois	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Mortgage Service	National City Bank of Michigan/Illinois subsidiary	Home-purchase and refinanced loans and home-improvement loans.
NCCDC	Holding corporation subsidiary	Community-development loans, community-development investments, community-development services.
National City Bank of Kentucky	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.
National City Bank of Southern Indiana	Holding corporation subsidiary	Home-purchase and refinanced loans and home-improvement loans.

<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Indianapolis #3480	Full-Scope	MSA
Fort Wayne #2760	Full-Scope	MSA
Elkhart #2330	Limited-Scope	MSA
Gary #2960	Limited Scope	MSA
Kokomo #3850	Limited-Scope	MSA
Lafayette #3920	Limited-Scope	MSA
Muncie #5280	Limited Scope	MSA
South Bend #7800	Limited-Scope	MSA
Non Metropolitan Areas	Limited-Scope	Non-MSA

# Appendix B: Market Profiles for Full-Scope Areas

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Ft. Wayne Assessment Area ..... B - 4

## Indianapolis MSA

Demographic Information for Full-Scope Area: Indianapolis MSA #3480						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	321	8.10	23.05	44.86	23.36	0.63
Population by Geography	1,324,571	5.59	21.01	44.38	28.82	0.20
Owner-Occupied Housing by Geography	327,232	3.48	17.31	45.71	33.50	0.00
Businesses by Geography	52,059	6.96	17.86	40.93	34.13	0.12
Farms by Geography	2,686	0.67	5.85	65.41	28.03	0.04
Family Distribution by Income Level	355,778	18.67	18.54	23.96	38.83	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	132,407	9.81	32.19	44.12	13.88	0.00
Median Family Income	= \$37,198	Median Housing Value				= \$63,513
HUD Adjusted Median Family Income for 1998	= \$54,600	Unemployment Rate June 30, 1999				= 3.37%
Households Below the Poverty Level	= 9.67%					

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

Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The Indianapolis MSA, located in central Indiana, is the largest MSA in the state. It includes nine counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Shelby, and Morgan. The bank's assessment area includes all counties except Morgan where the bank has no offices. NCB-IN has 88 branches and 130 ATMs located throughout the MSA. As of June 30, 1999, 59.22% of NCB-IN's deposits were derived from this area.

NCB-IN's deposits in this MSA are \$3.9 billion or 20.7% of the market according to the June 30, 1999 FDIC Market Share Reports. The bank is the second largest deposit taking institution in the MSA. Bank One, Indiana, National Association with a market share of 34.7% provides direct competition and is the largest deposit taking institution in the MSA.

The area is primarily urban with a strong economy and low unemployment. There is increased focus on development within city boundaries vs. suburban areas, especially in downtown areas. Some inner city areas lack basic services such as grocery stores or small retail outlets. At least one large grocery store chain closed its facilities in the area because the community lacked capacity to support the venture. Community contacts noted that economic integration is needed to help stabilize the areas.

As noted earlier in this evaluation, community credit needs within the assessment area were identified by contacting several community organizations and by reviewing other OCC community contacts made within the past 24 months. Affordable single- and multi-family housing, revitalization and stabilization of inner city areas, and small business financing were noted as credit needs.

A moderate level of opportunity exist for creating partnerships with nonprofit groups and developers. Our contacts indicated that numerous community groups operate in the area, however nearly all such groups receive funding from large private entities or from public sources. There are many social service groups in the area with ongoing needs for grants and donations. These groups are designed to meet the needs of low-income families.

**Ft. Wayne MSA**

Demographic Information for Full-Scope Area: Fort Wayne MSA #2760						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	117	5.98	17.09	62.39	13.68	0.86
Population by Geography	425,186	2.32	13.74	65.52	18.27	0.15
Owner-Occupied Housing by Geography	115,442	1.20	10.69	68.60	19.51	0.00
Businesses by Geography	15,737	6.27	15.28	63.69	14.75	0.01
Farms by Geography	1,622	0.43	2.53	88.16	8.88	0.00
Family Distribution by Income Level	114,456	15.82	19.18	27.48	37.52	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	40,060	4.16	20.78	67.02	8.04	0.00
Median Family Income	= \$36,533	Median Housing Value		= \$56,736		
HUD Adjusted Median Family Income for 1998	= \$51,900	Unemployment Rate June 30, 1999		= 3.39%		
Households Below the Poverty Level	= 7.48%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 1998 HUD updated MFI.

The Fort Wayne MSA, located in the northeastern corner of Indiana, consists of six counties: Allen, DeKalb, Huntington, Wells, Whitley, and Adam. The bank's assessment area includes five of the six counties; Adam County is excluded because NCB-IN has no branches in the area. NCB-IN has 28 branches and 42 ATMs located throughout the MSA. As of June 30, 1999, 15.56% of NCB-IN's deposits were derived from this community.

NCB-IN's deposits in this MSA are \$1 billion or 21.54% of the market according to the June 30, 1999 FDIC Market Share Reports. The bank is the second largest deposit taking institution in the MSA. Bank One, Indiana, National Association with a market share of 22.9% provides direct competition and is the largest deposit taking institution in the MSA.

The Ft. Wayne area is a mixture of urban and rural communities. The cost of housing, especially rental units is high, and the demand for affordable housing exceeds the supply. This has adversely impacted the ability of low- and moderate-income families to accumulate adequate downpayments for home purchases.

In addition, the Ft. Wayne Hispanic population has tripled in recent years because of a large influx of immigrants from Central and South America. This has increased the demand for affordable housing and created a demand for bilingual employees in

service industries such as banking.

As noted earlier in this evaluation, community credit needs within the assessment area were identified by contacting several community organizations and by reviewing other OCC community contacts made within the past 24 months. Affordable housing for low- and moderate-income households, as well as small business financing were identified as primary needs.

The opportunity to forge partnerships with local non-profit organizations and developers is limited. Few of these groups operate in the area, and many that do, lack the expertise required of a general partner. In addition, contacts noted that some local municipalities lack clear-cut community development strategies. This has adversely impacted private investors' ability/willingness to fund CD projects.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the  $\Delta$ 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 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 rank and 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 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 rank and market share information based on the most recent aggregate market data available.
- Table 6. 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 rank and market share information based on the most recent aggregate market data available.

- Table 7. 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 rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. 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. The table also compares the bank's percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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. 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 have been reported on schedule RC-L of the Call Reports as an off-

balance sheet item.

**Table 13. 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**

<b>LENDING VOLUME</b>												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses***		Small Loans to Farms***		Community Development****		Total Reported Loans		% of Rated Area Loans(#) In MSA/AA
		#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	
<b>Full Scope:</b>												
Indianapolis (3480)	59	16,529	1,513,888	2,126	180,837	150	9,549	59	29,607	18,864	1,733,881	51
Fort Wayne (2760)	16	4,978	410,673	894	83,741	293	16,076	12	4,050	6,177	514,540	17
<b>Limited Scope:</b>												
South Bend (7800)	6	1,281	115,199	186	11,263	8	253	7	414	1,482	127,129	4
Gary (2960)	3	1,002	81,739	66	4,384	1	60	4	425	1,073	86,608	3
Kokomo (3850)	2	1,790	136,030	49	2,401	118	8,035	4	98	1,961	146,564	5
Elkhart (2330)	1	674	59,537	76	10,899	7	948	0	0	757	71,384	2
Lafayette (3920)	< 1	88	6,588	6	237	3	215	0	0	97	7,040	0
Muncie (5280)	< 1	196	10,880	4	770	0	0	0	0	200	11,650	1
Non Metropolitan Areas	13	5507	394,025	562	39,411	294	19,320	9	552	6,372	453,308	17

(\*) Deposit data as of June 30, 1999.

(\*\*) The evaluation period for Home Mortgage Loans is January 1, 1997 to September 30, 1999.

(\*\*\*) The evaluation period for Small Loans to Businesses and Small Loans to Farms is January 1, 1999 to September 30, 1999.

(\*\*\*\*) The evaluation period for Community Development Loans is January 1, 1997 to September 30, 1999.

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

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Indianapolis (3480)	3.48	1.93	17.31	11.28	45.71	44.64	33.50	42.15	3	6.85	3.92	6.62	7.83	6.20	7,507	60
Fort Wayne (2760)	1.20	.61	10.69	5.06	68.60	61.18	19.51	33.15	4	8.09	15.25	5.75	7.66	9.37	1,641	13
<b>Limited Scope:</b>																
South Bend (7800)	2	1	19	6	59	56	20	37	4	4.80	0.00	1.80	5.10	6.10	432	3
Gary (2960)	4	1	19	9	52	48	25	41	18	1.80	0.00	1.30	1.60	2.40	345	3
Kokomo (3850)	0	1	19	11	59	56	22	32	3	11.20	0.00	7.90	11.20	13.90	605	5
Elkhart (2330)	0	0	4	4	86	86	10	10	6	4.80	0.00	2.80	5.00	4.10	281	2
Lafayette (3920)	0	0	12	0	65	81	23	19	41	0.30	0.00	0.00	0.30	0.30	27	0
Muncie (5280)	2	1	22	7	45	64	30	27	14	1.10	2.00	0.00	1.40	1.20	73	0
Non Metropolitan Areas	0	0	5	6	75	71	20	23	2	8.8	0	8.5	9.5	7.1	1664	14

(\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

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

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Indianapolis (3480)	3.48	3.72	17.31	16.04	45.71	46.41	33.50	33.83	4	5.94	5.36	4.20	5.83	7.01	1,478	51
Fort Wayne (2760)	1.20	1.78	10.69	13.24	68.60	68.58	19.51	16.40	2	16.08	20.51	15.67	16.28	15.14	506	17
<b>Limited Scope:</b>																
South Bend (7800)	2	4	19	8	59	55	20	33	6	3.1	8.5	0.9	2.7	5.0	95	3
Gary (2960)	4	10	19	17	52	49	25	24	22	1.0	2.7	1.0	0.8	1.2	78	3
Kokomo (3850)	0	1	19	25	59	59	22	15	6	5.3	33.3	4.5	5.4	4.7	80	3
Elkhart (2330)	0	0	4	6	86	84	10	9	12	1.4	0.0	0.0	1.6	0.9	32	1
Lafayette (3920)	0	0	12	13	65	63	23	24	12	1.5	0.0	0.0	2.2	0.0	24	1
Muncie (5280)	2	4	22	15	45	58	30	23	13	1.1	0.0	11.1	1.7	0.5	52	2
Non Metropolitan Areas	0	0	5	5	75	78	20	17	1	9.7	0	13	9.5	9.1	557	19

(\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Indianapolis (3480)	3.48	1.11	17.31	8.67	45.71	45.71	33.50	44.45	2	6.76	2.23	3.90	7.58	7.10	7,539	46
Fort Wayne (2760)	1.20	0.32	10.69	5.97	68.60	66.30	19.51	27.47	1	10.37	1.97	5.96	10.83	11.05	2,831	17
<b>Limited Scope:</b>																
South Bend (7800)	2	0	19	8	59	54	20	37	3	5.6	0.0	2.5	5.2	8.6	754	5
Gary (2960)	4	1	19	11	52	48	25	41	11	2.2	0.0	0.7	2.1	3.3	579	3
Kokomo (3850)	0	0	19	12	59	56	22	33	1	15.9	14.3	11.0	16.5	17.5	1,104	7
Elkhart (2330)	0	0	4	3	86	86	10	11	5	4.4	0.0	0.4	4.6	4.2	361	2
Lafayette (3920)	0	0	12	5	65	59	23	35	44	0.5	0.0	0.0	0.4	1.0	37	0
Muncie (5280)	2	7	22	7	45	52	30	34	23	0.9	3.3	0.0	1.0	1.1	71	0
Non Metropolitan Areas	0	0	5	4	75	72	20	24	2	12.1	0	8.7	12.7	11.4	3,286	20

(\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES										Evaluation Period: 01/01/1999 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% Businesses	% BANK Loans	% Businesses	% BANK Loans	% Businesses	% BANK Loans	% Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Indianapolis (3480)	6.96	6.44	17.86	16.84	40.93	40.31	34.13	36.41	NA	NA	NA	NA	NA	NA	2,126	54
Fort Wayne (2760)	6.27	6.04	15.28	12.86	63.69	64.43	14.75	16.67	NA	NA	NA	NA	NA	NA	894	23
<b>Limited Scope:</b>																
South Bend (7800)	8	3	23	18	55	55	14	24	NA	NA	NA	NA	NA	NA	186	5
Gary (2960)	7	12	15	9	50	41	28	38	NA	NA	NA	NA	NA	NA	66	2
Kokomo (3850)	6	4	26	37	50	51	19	8	NA	NA	NA	NA	NA	NA	49	1
Elkhart (2330)	4	1	6	9	85	87	5	3	NA	NA	NA	NA	NA	NA	76	2
Lafayette (3920)	9	0	32	50	41	50	18	0	NA	NA	NA	NA	NA	NA	6	0
Muncie (5280)	6	0	21	50	46	50	27	0	NA	NA	NA	NA	NA	NA	4	0
Non Metropolitan Areas	0	0	10	6	73	74	17	16	NA	NA	NA	NA	NA	NA	562	13

(\* ) The bank's small business data was unreliable for 1998, as a result market share data was not used.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS										Evaluation Period: 01/01/1999 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% Farms	% BANK Loans	% Farms	% BANK Loans	% Farms	% BANK Loans	% Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
<b>Full Scope:</b>																
Indianapolis (3480)	.67	0.00	5.84	2.00	65.41	87.33	28.03	10.67	NA	NA	NA	NA	NA	NA	150	17
Fort Wayne (2760)	.43	0.00	2.53	1.02	88.16	96.83	8.88	2.05	NA	NA	NA	NA	NA	NA	293	34
<b>Limited Scope:</b>																
South Bend (7800)	0	0	4	0	85	100	11	0	NA	NA	NA	NA	NA	NA	8	1
Gary (2960)	0	0	5	0	66	0	30	100	NA	NA	NA	NA	NA	NA	1	0
Kokomo (3850)	0	0	3	2	68	83	29	15	NA	NA	NA	NA	NA	NA	118	14
Elkhart (2330)	0	0	0	0	92	100	8	0	NA	NA	NA	NA	NA	NA	7	1
Lafayette (3920)	0	0	6	0	72	100	22	0	NA	NA	NA	NA	NA	NA	3	0
Muncie (5280)	1	0	6	0	70	0	24	0	NA	NA	NA	NA	NA	NA	0	0
Non Metropolitan Areas	0	0	3	0	82	80	15	20	NA	NA	NA	NA	NA	NA	294	33

(\*) The bank's small business data was unreliable for 1998, as a result market share data was not used.

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

**Table 7. Borrower Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
<b>Full Scope:</b>																
Indianapolis (3480)	18.67	9.82	18.54	17.09	23.96	16.46	38.83	21.13	3	6.85	6.39	5.86	4.42	5.29	7,507	60
Fort Wayne (2760)	15.82	7.98	19.18	21.82	27.48	24.44	37.52	28.34	4	8.09	6.19	7.15	8.22	10.14	1,641	13
<b>Limited Scope:</b>																
South Bend (7800)	18	5	20	20	24	21	38	33	4	4.8	1.9	4.8	5.3	5.8	432	3
Gary (2960)	23	4	17	18	24	14	36	26	18	1.8	0.7	1.2	1.1	1.9	345	3
Kokomo (3850)	20	5	17	11	25	22	38	24	3	11.2	6.6	4.5	9.0	11.5	605	5
Elkhart (2330)	15	5	21	29	28	31	36	22	6	4.8	0.8	5.1	5.8	5.9	281	2
Lafayette (3920)	17	4	18	25	25	44	40	11	41	0.3	0.4	0.2	0.5	0.1	27	0
Muncie (5280)	21	12	17	11	22	32	40	19	14	1.1	1.7	0.7	1.8	0.3	73	0
Non Metropolitan Areas	15	5	18	15	25	20	42	25	2	8.8	5.6	6.6	7.3	6.7	1,664	14

(\*) As a percentage of loans with borrower income information available. No information was available for 43% loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

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

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
<b>Full Scope:</b>																
Indianapolis (3480)	18.67	16.24	18.54	20.77	23.96	25.85	38.83	36.87	4	5.94	7.19	5.89	4.99	6.58	1,478	51
Fort Wayne (2760)	15.82	16.21	19.18	28.46	27.48	29.25	37.52	24.51	2	16.08	16.62	17.86	16.17	14.41	506	17
<b>Limited Scope:</b>																
South Bend (7800)	18	12	20	27	24	39	38	22	6	3.1	2.8	3.5	4.5	1.7	95	3
Gary (2960)	23	24	17	21	24	31	36	24	22	1.0	1.4	0.8	1.4	0.7	78	3
Kokomo (3850)	20	16	17	23	25	33	38	29	6	5.3	8.6	5.8	3.7	5.6	80	3
Elkhart (2330)	15	19	21	25	28	31	36	25	12	1.4	3.9	1.4	1.2	1.0	32	1
Lafayette (3920)	17	13	18	17	25	29	40	42	12	1.5	1.9	0.0	1.4	2.4	24	1
Muncie (5280)	21	17	17	29	22	29	40	25	13	1.1	2.3	0.7	1.6	0.4	52	2
Non Metropolitan Areas	15	11	18	18	25	32	42	39	1	9.7	11.8	9.2	10.8	9.2	557	19

(\*) As a percentage of loans with borrower income information available. No information was available for < 1% loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income*					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
<b>Full Scope:</b>																
Indianapolis (3480)	18.67	4.67	18.54	11.00	23.96	16.51	38.83	26.70	2	6.76	2.53	4.67	4.97	5.63	7,539	46
Fort Wayne (2760)	15.82	4.63	19.18	14.34	27.48	25.15	37.52	33.80	1	10.37	4.49	8.31	11.44	12.61	2,831	17
<b>Limited Scope:</b>																
South Bend (7800)	18	6	20	11	24	19	38	36	3	5.6	2.7	3.9	4.4	7.8	754	5
Gary (2960)	23	6	17	12	24	16	36	25	11	2.2	0.9	1.3	1.6	1.6	579	3
Kokomo (3850)	20	4	17	10	25	18	38	21	1	15.9	7.3	7.6	10.5	11.5	1,104	7
Elkhart (2330)	15	6	21	12	28	24	36	28	5	4.4	2.2	2.5	3.8	4.4	361	2
Lafayette (3920)	17	5	18	3	25	11	40	32	33	0.5	0.4	0.0	0.3	0.5	37	0
Muncie (5280)	21	4	17	13	22	24	40	30	23	0.9	0.3	0.6	1.0	0.7	71	0
Non Metropolitan Areas	15	3	18	9	25	16	42	32	2	12.1	5.4	6.9	8.4	10.4	3,326	20

(\*) As a percentage of loans with borrower income information available. No information was available for 37% loans originated and purchased by the bank.

(\*\*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				Evaluation Period: 01/01/1999 TO 09/30/1999					
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size		Market Share***		Total Small Loans to Businesses	
	% 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	#	% of Total****
<b>Full Scope:</b>									
Indianapolis (3480)	64.47	48.31	79.35	11.48	9.17	NA	NA	2,126	54
Fort Wayne (2760)	68.80	46.87	81.32	8.05	10.63	NA	NA	894	23
<b>Limited Scope:</b>									
South Bend (7800)	68	70	86	10	4	NA	NA	186	5
Gary (2960)	71	65	85	11	4	NA	NA	66	2
Kokomo (3850)	72	59	86	10	4	NA	NA	49	1
Elkhart (2330)	67	54	62	17	21	NA	NA	76	2
Lafayette (3920)	70	100	100	0	0	NA	NA	6	0
Muncie (5280)	70	25	50	25	25	NA	NA	4	0
Non Metropolitan Areas	74	69	84	11	5	NA	NA	562	13

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses

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

(\*\*\*) Bank's 1998 small business data unreliable, as a result 1998 market share data was not used.

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

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

Borrower Distribution: SMALL LOANS TO FARMS			Evaluation Period: 01/01/1999 TO 09/30/1999						
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Farm Loans	
	% of Farms *	% BANK Loans**	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
<b>Full Scope:</b>									
Indianapolis (3480)	94.30	76.00	80.00	18.00	2.00	NA	NA	150	17
Fort Wayne (2760)	95.38	83.28	84.30	13.99	1.71	NA	NA	293	34
<b>Limited Scope:</b>									
South Bend (7800)	93	88	88	12	0	NA	NA	8	1
Gary (2960)	94	0	100	0	0	NA	NA	1	0
Kokomo (3850)	91	61	81	14	5	NA	NA	118	14
Elkhart (2330)	95	71	57	29	14	NA	NA	7	1
Lafayette (3920)	94	100	100	0	0	NA	NA	3	0
Muncie (5280)	92	0	0	0	0	NA	NA	0	0
Non Metropolitan Areas	95	83	69	16	15	NA	NA	294	33

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

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

(\*\*\*) Bank's 1998 small farm data unreliable, as a result, 1998 market share data was not used.

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

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS		Evaluation Period: 01/01/1997 to 2/22/2000								
		Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
MSA/Assessment Area:		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
<b>Full Scope:</b>										
Indianapolis (3480)		5	526	180	5,120	185	5,646	75	7	2,180
Fort Wayne (2760)		0	0	18	456	18	458	6	3	338
<b>Limited Scope:</b>										
South Bend (7800)		0	0	4	180	4	180	2	1	30
Gary (2960)		1	176	13	21	14	197	3	0	0
Kokomo (3850)		0	0	7	312	7	312	4	1	145
Elkhart (2330)		0	0	1	2	1	2	<1	0	0
Lafayette (3920)		0	0	1	1	1	1	<1	0	0
Muncie (5280)		0	0	0	0	0	0	0	0	0
Non Metropolitan Areas		0	0	42	687	42	687	9	2	43

(\*) "Prior Period Investments" means investments made in previous evaluation periods that are outstanding as of the examination date.

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

**Table13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																		Evaluation Period: 01/01/1997 to 09/30/1999							
MSA Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population											
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography											
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp								
<b>Full Scope:</b>																									
Indianapolis (3480)	59	88	48	6.82	21.59	43.18	28.41	11	0	- 1	- 2	- 4	- 4	5.59	21.01	44.38	28.82								
Fort Wayne (2760)	16	28	15	3.57	10.71	71.43	14.29	8	2	0	- 1	- 4	- 1	2.32	13.74	65.52	18.27								
<b>Limited Scope:</b>																									
South Bend (7800)	6	16	9	6	12	38	44	2	0	0	- 1	0	- 1	3	23	56	18								
Gary (2960)	3	6	3	17	17	33	33	0	0	0	0	0	0	7	23	48	22								
Kokomo (3850)	2	6	3	17	0	66	17	2	0	- 1	0	- 1	0	1	21	58	20								
Elkhart (2330)	1	3	2	33	0	67	0	0	0	0	0	0	0	<1	7	85	8								
Lafayette (3920)	< 1	1	< 1	0	0	0	100	0	0	0	0	0	0	3	25	47	20								
Muncie (5280)	< 1	1	< 1	0	0	0	100	0	0	0	0	0	0	10	21	41	27								
Non Metropolitan Areas	13	34	19	0	9	78	13	1	1	0	0	0	0	0	7	75	18								