

PUBLIC DISCLOSURE

July 7, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Indiana Lawrence Bank
13118**

**106 North Market Street
North Manchester, Indiana 46962**

**Federal Deposit Insurance Corporation
Division of Supervision and Consumer Protection
Chicago Region
500 West Monroe Street, Suite 3500
Chicago, Illinois 60661**

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

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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 Community Reinvestment Act (CRA) performance of **Indiana Lawrence Bank** prepared by the **Federal Deposit Insurance Corporation**, the institution's supervisory agency, as of **July 7, 2003**. 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 345.*

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

At the previous CRA evaluation dated August 25, 1998, the bank was assigned a Satisfactory rating.

Overall, Indiana Lawrence Bank demonstrates a good level of responsiveness to the credit needs of its assessment area based on the following findings:

Lending

- A high percentage of the home mortgage, small business, and small farm loans were extended inside the assessment area.
- The bank has a good penetration in lending to low- and moderate-income borrowers. Lending to small businesses and farms is good based upon the level of loans to those entities. This demonstrates lending levels that are responsive to the assessment area's credit needs.
- The institution has made an adequate level of community development loans.
- Indiana Lawrence Bank has funded loans through flexible home loan programs.

Investments

- Indiana Lawrence Bank has an adequate level of qualified community development investments and grants.
- The bank has demonstrated an adequate responsiveness to the credit, community development, and economic development needs.

Services

- Indiana Lawrence Bank provides a relatively high level of community development services.
- The bank's delivery systems are accessible to essentially all portions of the assessment area.

LENDING, INVESTMENT, AND SERVICE TEST TABLE:

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

PERFORMANCE LEVELS	Indiana Lawrence Bank		
	PERFORMANCE TESTS		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

DESCRIPTION OF INSTITUTION:

Indiana Lawrence Bank is located in North Manchester, Indiana and is a subsidiary of First Financial Bancorp, a multi-bank holding company based in Hamilton, Ohio. The holding company has total assets exceeding one billion dollars; thus, it is subject to the large bank requirements of the Community Reinvestment Act. The bank has seven banking affiliates and two non-banking affiliates. The bank operates from nine offices in Indiana. A new office opened in April of 2003 in Kosciusko County; however, the focus of the bank's deposit and loan operations remains inside Wabash and Fulton Counties.

According to the Consolidated Reports of Condition and Income dated March 31, 2003, the bank had total assets of \$138,218,000 and total loans of \$104,214,000. On the same date, the net loans to total deposits ratio was about 94 percent and the net loans to total assets ratio was approximately 74 percent. The bank has experienced some decline in total assets since September 30, 1998 when total assets equaled \$159,851,000 and total net loans were \$130,318,000. Total assets have decreased by \$21,633,000 or about 14 percent between March 31, 2003 and September 30, 1998. The bank's ability to fund the credit needs of the assessment area is not hindered by any legal impediments or by the bank's current financial condition.

The major categories of loans by dollar volume are 1-4 family real estate mortgage, commercial, and agriculturally related loans. Table A describes the makeup of Indiana Lawrence Bank's loan portfolio as of March 31, 2003. The bank sells its mortgages on the secondary market, and these sold loans are not reflected in the loan totals on the bank's books. The bank retains servicing on all sold mortgages. A full range of deposit products and services is available, as well as a variety of mortgage, consumer, farm, and commercial loan programs.

Indiana Lawrence Bank has provided banking services in this area since 1882. The bank strives to be a market leader and offers a wide range of banking services to reach persons of all income levels, small farmers, and small businesses. The bank has five offices in Wabash County, three offices in Fulton County, and one office in Kosciusko County. Currently two of these offices are in the Timbercrest and Peabody retirement communities (Wabash County).

Table A - Loan Distribution as of 03/31/2003		
<i>Loan Type</i>	Dollar Amount (000s)	Percent of Total Loans (%)
Construction and Land Development	660	0.63
Secured by Farmland	14,314	13.74
1-4 Family Residential	36,857	35.37
Multi-Family (5 or more) Residential	0	0.00
Commercial	29,302	28.12
Total Real Estate Loans	81,133	77.86
Agricultural	8,943	8.58
Commercial and Industrial	7,039	6.75
Consumer	6,659	6.39
Other	440	0.42
Less: Unearned Income	0	0
Total Loans	104,214	100

Source: Report of Condition

SCOPE OF EXAMINATION

The bank has delineated one assessment area. The CRA regulation requires financial institutions to define an assessment area(s) within which the bank will concentrate its lending efforts. Loans reported pursuant to the CRA data collection requirements for 2000 and 2001 were included in the review of the bank's performance. Since the bank is not a HMDA reporter, purchase and refinance mortgages originated in 2001 and 2002 were sampled.¹ Home improvement loans were not sampled since they did not represent a major product category within the mortgage area. The bank is a "large bank" as defined by Part 345.12(t), Community Reinvestment. Data from year-to-date 2003 was analyzed and was not included in this report. The bank's performance during 2001 and 2002 represented two full years of lending activity and illustrated the lending practices of the bank since the last evaluation. Consumer loans were not reviewed, as that category does not constitute a substantial majority of the bank's lending. Since the largest dollar volume of lending is in residential mortgages, small farm, and commercial lending, these three categories of loans were used to analyze performance with regard to the Community Reinvestment Act (CRA). All three loan products were treated with equal weight for this performance evaluation. These three types of lending products are also important to the economic vitality of the assessment area. A review of FDIC records, as well as the bank's Public CRA File, did not reveal any complaints relating to the bank's CRA performance since the prior evaluation. Demographic data is from the 1990 U. S. Census unless otherwise noted.

Description of Assessment Area

The CRA regulation requires financial institutions to define an assessment area(s) within which the bank will concentrate its lending efforts. The bank has delineated one assessment area, which has all of the bank's nine offices. While this assessment area contains all middle- and upper-income geographies, the delineated area does not arbitrarily exclude any low- or moderate-income geographies nor does it reflect illegal discrimination

Geographies are classified as low, moderate, middle, or upper income, depending upon statistics gathered in the 1990 Census. Borrower income classifications are based upon the Department of Housing and Urban Development (HUD) adjusted median family incomes for the applicable MSA for the year in which the loan was originated. Please refer to Appendices C, D, and E for definitions of these and other relevant demographic and housing-related terms used throughout this evaluation. Appendix C details the income-level definitions for the various classes of borrowers.

Previously completed community contacts were reviewed for applicable additional information. These contacts were made with organizations located within the assessment area. Community contacts normally provide demographic information and their outlook on local financial institutions' performance with respect to the Community Reinvestment Act. Any relative comments and insights from these contacts are included in the following sections.

¹ The sample has a confidence interval of 90 percent with a 10 percent error rate.

DESCRIPTION OF INSTITUTION'S ASSESSMENT AREA:

The institution's assessment area consists of Fulton, Kosciusko, and Wabash Counties. The assessment area consists of whole geographies and does not arbitrarily exclude any low- or moderate-income areas. All of the geographies are contiguous to one another.

Indiana Lawrence Bank maintains three offices in Fulton County, five offices in Wabash County, and one relatively new office in Kosciusko County (opened on April 7, 2003). The Wabash County offices, where the main office is located, generate a majority of the bank's deposit base.

Numerous financial institutions, mortgage companies, and credit unions serve this area. Based on the 2001 CRA data, 49 institutions originated small business loans in this assessment area and the bank held a 4.01 percent market share. The bank had a 31.43 percent market share of 21 lenders reporting the 2001 CRA farm loans. Banks that meet the definition of large banks in the CRA regulation report the CRA small business and farm loans. Indiana Lawrence Bank is not a HMDA reporter since its assessment area does not include any Metropolitan Statistical Areas.²

The assessment area is located in northeastern Indiana comprising large rural areas. The region is a major producer in agribusiness, specializing in corn and soybeans. There are approximately 2,514 farms operating inside the three counties that make up the assessment area.³

The assessment area's chief employment sectors by number of employees are services, retail trade, manufacturing, and government. The April 2003 unemployment rate for Fulton, Kosciusko, and Wabash Counties are 7.6 percent, 5.2 percent, and 5.7 percent, respectively. The aggregate unemployment rate for all three counties is 5.7 percent. The State of Indiana's unemployment rate for April 2003 is 5.1 percent. The total labor force has remained relatively stable during the past 12 months, with the unemployment rates of the three counties approximately the same as in April of 2002.

Thirty-three geographies are in this assessment area, and the income categories of those are as follows: low-income – 0; moderate-income – 0; middle-income – 29; and upper-income – 4. The following tables provide some demographic information on the assessment area. The total population of the assessment area is 119,203 and consists of 32,875 families.

² See Appendix C – General Definitions.

³ Source: Census of Agriculture 1997.

Table C - Demographic & Economic Characteristics of the Assessment Area	
Assessment Area Population	119,203
<u>Percentage of Families by Income Level:</u>	
Low-Income	13.64%
Moderate-Income	16.93%
Middle-Income	27.70%
Upper-Income	41.73%
Total	100%
Families with Incomes Below the Poverty Level	5.8%
<u>Number of Total Housing Units:</u>	
1-4 Family Residential	42,656
Multi-Family	1,881
Mobile Home or Trailer	7,501
Other	528
Total	52,566
Owner-Occupied Housing Units	33,590
Rental Housing Units	9,834
Vacant Housing Units	9,142
Total	52,566
<u>Percentage of Total Housing Units:</u>	
1-4 Family Residential	81.15%
Multi-Family	3.58%
Mobile Home or Trailer	14.27%
Other	1.00%
Total	100%
Owner-Occupied Housing Units	63.90%
Rental Housing Units	18.71%
Vacant Housing Units	17.39%
Total	100%
<u>Median Housing Characteristics:</u>	
Median Age in Years	30
Median Home Value	\$53,882
Median Gross Rent	\$344

Source – 1990 US Census.

The assessment area contains only middle- and upper-income geographies. The percentage of total households that are families, the type of housing, and other demographics generally follow the dispersion between these two types of geographies. There are approximately six percent of the families below the poverty level. Having an income below the poverty level means that the persons would be eligible for government housing subsidies and might not even be in the mortgage market.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

Overall, Indiana Lawrence Bank's lending performance reflects a good responsiveness to the area's credit needs. The bank's lending levels are good. This was determined by evaluating the bank's performance under the criteria of the lending test including assessment area concentration, geographic distribution, borrowers' characteristics, community development lending, and innovative and flexible lending practices. Of these, the examiner placed more weight on borrowers' characteristics. This measure most accurately reflects the distribution of funds throughout the assessment area serviced. In addition, when considering both dollar volume of the loan portfolio in Table A and the number of loans originated by the institution since the last evaluation, agriculturally related, commercial, and mortgage lending are the bank's major products.

As discussed below, demographic or aggregate data was compared to the percentage of residential mortgages, small farm, and small business loans to determine borrowers' characteristic conclusions. In both areas, the bank's lending patterns reasonably correlate to demographic data and, given the performance context, are acceptable in comparison to sampled residential mortgage lending, and CRA data for small farm and small business credits. Given these findings, it was determined that the bank's overall distribution of loans showed a reasonable dispersion.

Lending Test Procedures

Sampled purchase money and refinanced residential mortgage loans and all CRA-reported (small farm and business) loans originated by the bank in years 2001 and 2002 were reviewed for this evaluation.⁴ The sampled home purchase and refinance loans and the CRA-reportable loans are separately presented in the tables. However, due to the small number of home improvement and multifamily loans, only home purchase and refinance loans are sampled. Unless commented on, no noteworthy differences were found in the separate analyses by loan purpose or by year of origination. Although tables with dollar volume figures are not shown, this data was reviewed and was consistent in most cases with the performance by number of loans. The percentages quoted in the Lending Test are for number of loans.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. The loan-to-deposit ratio, averaging about 97 percent since September 30, 1998, demonstrates that the bank is an active lender. The bank has sold conventional residential real estate loans on the secondary market. The bank's loan growth focuses on both real estate and commercial loans. The bank's new office in Kosciusko County is intended to increase both deposits and loan growth.

⁴ Residential purchase and refinance mortgage loans sampled at a confidence interval of 90 percent with a 10 percent error rate. This information was accumulated and input on the Tables in the Appendix.

Assessment Area Concentration

The bank originated a high percentage of loans within its assessment area, which reflects an excellent responsiveness to assessment area credit needs. Table B details the percentage by number and dollar of mortgage, small business, and small farm loans within the assessment area for 2001 and 2002. The percentage of loans by number and dollar volume has remained relatively stable for the two years of lending activity reviewed. A small decrease in the mortgage loan concentration is noted, but 2002 still shows that a substantial majority of the mortgage loans are made inside the assessment area. These figures depict information for the entire assessment area, which consists of all three counties.

Table B – Distribution of Loans in the Assessment Area				
Loan Type	2001 % by Number	2001 % by Dollar Volume	2002 % by Number	2002 % by Dollar Volume
Mortgage Loans	90.48	93.30	77.55	75.99
Small Business Loans	91.26	91.53	94.92	96.04
Small Farm Loans	83.85	77.86	81.61	78.00

Borrower Characteristics

- Residential Lending

The borrower distribution for mortgage loans is good when compared to the family population in the assessment area and the aggregate data, including to low and moderate-income borrowers. Also, the bank is a locally-based institution and has a business strategy of focusing on its assessment area. This local emphasis has helped the bank build a strong customer base and a good lending record. Although the bank is not a Home Mortgage Disclosure Act (HMDA) reporter, the 2001 HMDA aggregate data is used for a comparison. HMDA-reporters are required to collect data on the mortgage loan applications because the reporters are subject to the data collection requirements of HMDA. Tables 8(a) and 10(a) detail the borrower distribution for purchase and refinance mortgage loans in the assessment area.

For this criterion, emphasis is placed upon the bank's lending to low- and moderate-income borrowers. The family population from the 1990 U.S. Census is one comparison to the lending activity used in this analysis. The 14 percent low-income family population is adjusted by deducting the 6 percent of below-poverty families. This 8 percent adjusted low-income family population will be used when reviewing the bank's lending. Having an income below the poverty level makes it more difficult for this group to service a mortgage payment or other debt. This group may also choose to utilize the affordable or government subsidized housing programs for which they are eligible.

The level of originations to low-income borrowers was good when compared to the adjusted family population and the aggregate data. Purchase loans equaled 10 percent to low-income borrowers and was slightly higher than the 8 percent adjusted low-income family population and the 8 percent aggregate figure. Refinancings to low-income borrowers were 8 percent, which equals the adjusted low-income family population and is slightly above the 6 percent aggregate figure.

Lending to moderate-income borrowers was good in comparison to the moderate-income family population and the aggregate data. Purchase loans at 31 percent are much greater than the 17 percent moderate-income family population and somewhat higher than the 24 percent aggregate figure. Moderate-income borrowers obtained 35 percent of the bank's refinancing activity, which is substantially greater than the moderate-income family population and the 19 percent aggregate figure. The bank's lending to low and moderate-income borrowers is deemed good based upon the positive comparison to the aggregate data and the family population figures.

- Small Business Lending

Table 11(a) in Appendix F details the small business lending activity of the bank and the aggregate data. The table depicts the business lending activity by loan size and also the revenue size of the borrowing entity. The CRA regulation defines small business loans as those being \$1 million and less, and the loan size is considered an indicator of business size. The aggregate data is based on banks subject to the large bank CRA regulation, which are required to submit data on small business and small farm loans. The 2001 aggregate data was used for this analysis.

The distribution of small business loans is good among businesses of different sizes. This performance is demonstrated by the high percentage of very small business loans and being within a reasonable range of the aggregate data. Small business loans of \$100,000 and less equaled 77 percent, which is substantially below the 90 percent aggregate figure. However, small business loans exceeding \$100,000 to \$250,000 were 17 percent which is well above the 6 percent aggregate figure for this dollar category. Thus, although the bank was below the aggregate data in the first loan size category, this was offset by the fact that the bank was much higher than the aggregate in the next loan size category. Six of the top ten lenders of CRA small business loans are nonlocal lenders that specialize in very small credit card type loans (average loan sizes of \$4,000 to \$8,000). This situation results in a very large volume of tiny loans being in the aggregate data, and this must be considered when comparing the bank to the aggregate data. The bank has a good volume of very small business loans, which illustrates the bank's commitment to serving the credit needs of very small businesses. In 2001, the bank was ranked 11th (with a 4.01 percent market share) of 49 lenders required to report the small business loan data.

Ninety-seven percent of the bank's small business loans were to entities with gross annual revenues of \$1 million and less, which is much greater than the 50 percent reported by the aggregate data. Dun and Bradstreet indicated that 78 percent of small businesses in the assessment area had gross annual revenues of \$1 million and less. The bank's performance is considered good due to the high percentage of loans made to entities with gross annual revenues

of \$1 million and less and also being much higher than the aggregate data and the Dun and Bradstreet figure.

- **Small Farm Lending**

Table 12(a) in Appendix F details the small farm loan distribution of the bank and the aggregate data. Farm loans are shown in the table based on loan size and the revenues of the farm customers. The CRA regulation defines small farm loans as those with original amounts of \$500,000 and less. The 2001 CRA aggregate data was used for this analysis.

The distribution of small farm loans is good among farms of different sizes. The large percentage of very small farm loans depicts this strong performance. Seventy-eight percent of small farm loans had original amounts of \$100,000 and less, which is only 1 percent lower than the 79 percent aggregate figure. The bank was ranked number one of 21 lenders reporting small farm loan data and had a 31.43 percent market share. Ninety-nine percent of the bank's small farm loans were to entities with gross annual revenues of \$1 million and less, which is somewhat higher than the 92 percent aggregate figure. Dun and Bradstreet reports that 97 percent of assessment area farms have gross annual revenues of \$1 million and less, and the bank's lending was slightly higher at 99 percent. Thus, this comparison illustrates that the bank is serving the small farms present in the assessment area, as shown by large volume of loans to farms with revenues of \$1 million and less.

Geographic Distribution of Lending

The distribution of loans is satisfactory by geographic income category, and loans are distributed throughout the assessment area. All of the geographies in the assessment area are middle and upper income; therefore, performance for this criterion will not be addressed in-depth.

Community Development Lending Activities

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities are available to the institution; 2) the responsiveness of the institution to community development lending opportunities; and 3) the extent of leadership the institution has demonstrated in community development lending.

In view of the somewhat restricted opportunities for participation in community development projects within the bank's assessment areas, Indiana Lawrence Bank has made an adequate level of community development loans. The bank has originated two qualifying community development loans, to the same entity, in its assessment area.

The bank's qualifying community development loan was to renovate a restaurant in Wabash to create jobs for low- and moderate-income individuals. The total size of the line is \$2,142,000 and is part of the Indiana Statewide CDC 504 Loan Program.

Management maintains contact with various community-based and statewide organizations to maintain an awareness of community development opportunities. These organizations include local housing authorities, local real estate developers, city and state economic development offices, and nonprofit groups.

Innovative or Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income or small business creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers or small farm and small businesses, including the number and dollar volume of loans originated during the review period.

The institution makes limited use of innovative and/or flexible lending practices in order to serve the assessment area credit needs. The bank offers conventional mortgage loans and first mortgage programs that help first time home buyers, but does not keep statistics on these products. The bank is a Small Business Administration (SBA) lender, making two SBA loans for \$365,000 in 2001; four loans for \$456,000 in 2002; and five loans for \$530,000 in 2003.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors. To be qualified, the investments must meet the definition of community development, and must benefit the assessment areas, or a broader statewide or regional area that includes the assessment areas. Activities considered under the lending or service test may not be considered under the investment test.

Investment and Grant Activity

Indiana Lawrence Bank has acquired an adequate level of qualified community development investments and grants and maintained a reasonable responsiveness to credit and community development needs based on the opportunities available and competition for such investments. Any donations and investments funded since the previous evaluation were considered for this test. Additionally, investments opened during the last evaluation and that remained open during this evaluation were included in the dollar amounts given consideration. Table 14 in Appendix F details the investments within each assessment area.

The types of qualified investments held by the bank directly respond to the needs of community development, affordable housing and small businesses, which are the primary needs within the assessment area according to community contacts made and various community needs assessments conducted during the evaluation period.

Indiana Lawrence Bank's total qualified investments, grants, and donations equal \$580,513 and are approximately 5 percent of the bank's total equity capital of \$12,564,000.⁵ This level of investments is considered adequate given the opportunities in the assessment area. The bank made one significant investment in an Indiana Housing Finance Authority Bond. This bond, which accounts for 97 percent of the bank's total investments, provides permanent financing for the rehabilitation, acquisition or construction of single-family residential housing made to persons of low- and moderate-income. The bond covers a large area that includes the assessment area.

⁵ The bank's total equity capital as of December 31, 2002.

Qualifying donations and grants were approximately 0.5 percent of total net operating income during this evaluation period. This level is an adequate level of donations and demonstrates that the bank sought out qualifying entities that assist the community. Eleven different groups that provide services to low- and moderate-income persons and areas, that promote job growth/economic development, and organizations that work to increase homeownership for low- and moderate-income persons received donations.

Responsiveness to Credit and Community Development Needs

The institution exhibits adequate responsiveness to credit and community economic development needs. The bank has made donations that support low- and moderate-income services and economic development in its assessment area. Grant and donation activity in this area is adequate given the bank's financial capability and branch presence. A number of community development organizations are in this assessment area, and the bank actively participates in many community development and service initiatives.

Community Development Initiatives

Indiana Lawrence Bank rarely uses innovative and/or complex investments to support community development initiatives.

SERVICE TEST

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

Accessibility of Delivery Systems

The bank's delivery systems are readily accessible to essentially all portions of the institution's assessment area. The institution maintains nine offices that provide financial services. Table 15 in Appendix F details the distribution of the bank's offices by income category of the census tract in comparison to the population by tract income level. All the bank's offices are located in middle-income geographies.

Alternate Delivery Systems

The bank's delivery systems are readily accessible to essentially all portions of the institution's assessment area. The institution maintains nine offices that provide financial services. All the bank's offices are located in middle-income geographies. The bank's customer may access over 100 Automated Teller Machines maintained by the bank and its affiliates at no cost. The bank offers free-checking accounts.

Changes in Office Locations

An office opened in Warsaw, Indiana on April 7, 2003. The bank has closed no offices since the previous evaluation. The institution's change in offices has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Reasonableness of Business Hours and Services in Meeting Assessment Area(s) Needs

Services, including business hours, do not vary in a way that inconveniences any portion of the assessment area or any group of individuals. The same services and products are generally available at all offices throughout the assessment area.

Community Development Services

The bank has provided a good level of community development services. Within the assessment area, several community development organizations offer partnership opportunities for financial institutions to assist in addressing community credit and economic development needs. Bank employees serve as members of several organizations that provide community development services, including housing for low-income persons and other services. Indiana Lawrence Bank is involved in providing community development services in this assessment area. The following table summarizes some of the community development services provided by the bank since its previous evaluation. Bank officers and employees provide technical assistance or serve as members of many other organizations not listed in the table below.

Table F - Community Development Services			
Brief Service Description	Bank Sponsored Event, Program or Seminar	Technical Assistance or Director Involvement by Bank Employee	Bank Product or Service
A bank officer/employee as a member of the Community Foundation of Wabash County.		X	
Several bank officers/employees serve as members of various organizations that provide services to low-income and elderly.		X	
A bank officer/employee serves as a member of a local chamber of commerce.		X	
The bank monitors an affordable housing program as a community service.			X
A bank officer/employee serves on the board of the Fulton County Community Foundation.		X	

Indiana Lawrence Bank works with the Federal Home Loan Bank's Affordable Housing Program to monitor a low-income housing facility in North Manchester. Annually, the bank obtains a certification of income, tenant status, and the condition of the facility. ILB works with the Area Five Agency on Aging to gain access to the facility. ILB began this involvement in 1997 as a result of an initial loan request on the project; and while the bank took the loan, it continues this service.

APPENDIX A

SCOPE OF EXAMINATION:

Indiana Lawrence Bank
SCOPE OF EXAMINATION: Full Scope
TIME PERIOD REVIEWED: August 26, 1998 to July 7, 2003
PRODUCTS REVIEWED: 2001 and 2002 - CRA-reportable small business and farm loans and residential mortgage loans

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
None		

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
Wabash County, Fulton County and Kosciusko County	Full	None	

APPENDIX B

SUMMARY OF STATE AND MULTISTATE MSA RATINGS				
STATE OR MULTISTATE MSA NAME:	LENDING TEST RATING:	INVESTMENT TEST RATING:	SERVICE TEST RATING:	OVERALL STATE RATING:
Not Applicable				

APPENDIX C - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Block: Small areas bounded on all sides by visible features such as streets, roads, streams or rail road tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

Block Group: Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

Block Numbering Areas (BNAs): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

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

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural

classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

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

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

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

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

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

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

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

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

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

APPENDIX D - INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

APPENDIX E - STANDARD PE LANGUAGE

LENDING TEST

Scope of Test

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Community Development Lending:

Performance Criteria

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Innovative and Flexible Lending Practices:

Performance Criteria

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

SERVICE TEST

Scope of Test

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

APPENDIX F: FFIEC CORE TABLES

Institution ID: 13118 Indiana Lawrence Bank

Table 1. Lending Volume

LENDING VOLUME													Geography: INDIANA		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002	
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans ***		% of Rated Area Deposits in MA/AA ***				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full Review:																
Indiana Lawrence Bank AA	100.00	76	5,220	155	13,677	181	13,778	2	2,142	336	27,455	100.00				

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

** The evaluation period for Community Development Loans is From August 26, 1998 to July 7, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate

****Total Reported Loans does not include the sampled mortgage loans, only the CRA reportable small business and small farm loans.

Bank

Table 1. Other Products

LENDING VOLUME		Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans		Small Business Real Estate		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	# Secured**	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:														
Indiana LawrenceBank AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00

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

** The evaluation period for Optional Product Line(s) is From January 01, 2001 to December 31, 2002.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: INDIANA		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002	
MA/Assessment Area (2002):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Indiana Lawrence Bank AA	0	0	0	0	0

* The evaluation period for Optional Product Line(s) is From January 01, 2001 to December 31, 2002.

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				Aggregate Lending (%) by Tract Income*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans				
Full Review:														
Indiana Lawrence Bank AA	155	100.00	0.00	0.00	0.00	0.00	84.21	96.77	15.79	3.23	0.00	0.00	84.06	15.94

* Based on 2001 Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet (2002).

Table 7a. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				Aggregate Lending (%) by Tract Income*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low	Mod	Mid	Upp
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans				
Full Review:														
Indiana Lawrence Bank AA	181	100.00	0.00	0.00	0.00	0.00	94.40	100.00	5.60	0.00	0.00	0.00	96.57	3.43

* Based on 2001 Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet (2002).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				Aggregate Lending Data*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****				
Full Review:														
Indiana Lawrence Bank AA	39	51.32	13.64	10.25	16.93	30.77	27.70	23.08	41.73	35.90	8.44	24.22	27.74	39.60

* Based on 2001 Peer Mortgage Data: US & PR.

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

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

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

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				Aggregate Lending Data*			
MA/Assessment Area:	Total Home Improvement		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Low	Mod	Mid	Upp
	#	Loan% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****				
Full Review:														
Indiana Lawrence Bank AA	0	0.00	13.64	0.00	16.93	0.00	27.70	0.00	41.73	0.00	9.26	29.80	25.96	34.99

* Based on 2001 Peer Mortgage Data: US & PR.

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

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

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

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Indiana Lawrence Bank AA	37	48.68	13.64	8.11	16.93	35.13	27.70	27.03	41.73	29.73	6.20	19.14	29.53	45.13

* Based on 2001 Peer Mortgage Data: US & PR.

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

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

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

Table11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA			Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Indiana Lawrence Bank AA	154	100.00	77.70	97.40	76.77	16.77	6.45	2,466	1,229

* Based on 2001 Peer Small Business Data: US&PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Table12a. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: INDIANA		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Indiana Lawrence Bank AA	181	100.00	97.05	99.45	77.90	13.26	8.84	350	323

* Based on 2001 Peer Small Business Data: US&PR.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: INDIANA		Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Indiana Lawrence Bank AA	0	0	12	581	12	581	100	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: INDIANA				Evaluation Period: JANUARY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of BANK Branches	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
			Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																	
Indiana Lawrence Bank AA	100.00	9	100	0.00	0.00	100.00	0.00	1	0	0	0	1	0	0.00	0.00	86.88	13.12

