



## **PUBLIC DISCLOSURE**

March 02, 2015

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First Merchants Bank, National Association  
Charter Number 2234  
200 East Jackson Street  
Muncie, IN 47305

Office of the Comptroller of the Currency  
8777 Purdue Rd., Suite 105  
Indianapolis, IN 46268

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

The following table indicates the performance level of First Merchants Bank, National Association ("FMB" or "bank") with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Merchants Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
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:

- Borrower-income distribution was good in both review periods and in both full-scope areas in Indiana. We gave positive consideration to the volume of community development loans in Indiana.
- Geographic distribution was adequate in the October 1, 2010 through 2011 review period, and good in the 2012 through 2013 review period.
- The Investment test was adequate in the overall review period. The quantity of investments increased significantly from the prior CRA evaluation; however, they were mostly non-complex in nature. FMB's investment performance in the Indiana nonmetropolitan area (Non-MA) assessment area (AA) needs to improve, as the number of qualifying activities was limited. The investment test in Ohio was excellent, but we applied little weight to the Ohio rating area, as the percentage of bank operations in Ohio was very low.
- The retail service test was adequate in the 2011 review period, and good in the 2012 through 2013 review period. We found that community development services were adequate; but providing of community development services in the Indiana Non-MA AA was poor, as the number of qualifying activities was limited.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

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

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

**Geography:** A census tract 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

## Description of Institution

First Merchants Bank is a \$5.84 billion interstate bank headquartered in Muncie, Indiana. FMB is wholly owned by First Merchants Corporation (FMC) that is also headquartered in Muncie, Indiana. In addition to FMB, FMC also owns and operates an insurance company (First Merchants Insurance Group, Inc.), a title company (Indiana Title Insurance Co.), and a trust company (First Merchants Trust Co.).

FMB is a full-service bank that includes 87 banking locations in Indiana, 2 in Ohio, and 9 in Illinois. In addition to its branch network, FMB's delivery channels include ATMs, check cards, interactive voice response systems, Internet banking, and a loan production office located in Ohio. FMB offers a wide range of products and services for individuals and businesses, including various deposit, loan, trust, and brokerage services. FMB's strategic goals include customer retention through relationship banking, expanding market shares, and geographic expansion. Bank operations are generally similar across the bank; however, we note that the lone office in the Columbus, Ohio market has a business banking orientation.

Management made two acquisitions during the evaluation period. On February 10, 2012, management acquired Shelby County in Shelbyville, Indiana. Due to the acquisition, management added Shelby County to the bank's Indianapolis MA AA, and we considered the bank's associated performance in Shelby County in the 2012 through 2013 review period. Management also acquired Citizens National Bank in Munster, Indiana on November 12, 2013. Due to this acquisition, management created a three-county AA in the State of Illinois. Prior to the merger, FMB had no presence in this three-county area. Because this acquisition is so late in the evaluation period, we had insufficient Illinois performance data to include in the scope of this evaluation.

As of December 31, 2013, the total loan portfolio was \$3.6 billion and was comprised of 58 percent commercial and commercial real estate; 32 percent residential real estate; 7 percent agricultural and farm real estate; and 3 percent consumer and other credits. Net loans represent 67 percent of the bank's asset base. Tier 1 capital totaled \$548 million.

FMB has 11 AAs within the three states. A substantial majority of the bank's operations are located within Indiana. The AAs in Indiana are located within six metropolitan statistical areas (MAs) and two Non-MA areas. The MAs include: Muncie; Indianapolis; Lafayette; Anderson; Gary; and Kokomo. The two Non-MA areas comprise rural counties, most of which are sufficiently homogeneous to be analyzed as one Non-MA AA. Union County is also rural but unique as the county was added to the Cincinnati multi-state metropolitan area (MMA) in 2014, so it is analyzed as a separate AA. There are two AAs located in Ohio (one in the Columbus, OH MA; one in the Cincinnati MMA), and one AA in the Illinois (Chicago-Joliet-Naperville MA).

FMB was last evaluated for CRA on January 3, 2011, at which time the bank received a rating of "Satisfactory." During the evaluation period, neither legal matters nor financial condition affected management's ability to meet the identified needs of the community.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We analyzed home purchase, home improvement, and home refinance mortgage loans the bank reported under the HMDA and small business and small farm loans reported under the CRA, for the period from October 1, 2010 through December 31, 2013. Primary loan products for this review are products in which the bank originated at least 20 loans within the AA during the evaluation period. We considered multi-family loans a primary loan product in the Lafayette MA AA; however, there were less than 20 multi-family loans reported in all other AAs. Performance tables one through 12 in Appendix D include only data covered by the 2010 Census, namely loans originated in 2012 through 2013. We discuss data from the October 1, 2010 through 2011 evaluation period in the applicable narrative sections of the evaluation. We reviewed community development loans, investments, and services for the period from January 1, 2011 through December 31, 2013. Because the period in which FMB operated branches in Illinois represents a very small portion of the evaluation period, we did not consider activity in Illinois during this evaluation.

### Data Integrity

To assess the accuracy of the data, we conducted an independent test of data for home mortgage, small business, and small farm loan products. We determined the loan data to be substantially accurate and it is used without exception in this evaluation.

### Selection of Areas for Full-Scope Review

In each state area where the bank has an office, a sample of assessment areas (AAs) within that state area was selected for full-scope reviews. Refer to the “Scope” section under each State for details regarding how the areas were selected.

### Ratings

The bank’s overall rating is a blend of the Indiana state rating and the Ohio state rating. The State of Indiana rating carried the greatest weight in our conclusions as it represents the bank’s most significant market in terms of deposit concentration, as well as lending, investment and service activity. At June 30, 2013, we determined the AAs in order of importance based on deposit market share as follows: Indiana Non-MA AA (22.7 percent of deposits); the Indianapolis MA AA (21.8 percent of deposits); Muncie MA AA (19.9 percent of deposits); Lafayette MA AA (14.7 percent of deposits); the Anderson MA AA (7.3 percent of deposits); Columbus OH MA AA (6.3 percent of deposits); the Gary MA AA (5.4 percent of deposits); the Union County Non-MA AA (1.4 percent of deposits); the Cincinnati MMA AA (0.3 percent of deposits); and, the Kokomo MA AA (0.2 percent of deposits).

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the “Scope” section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

### **Inside/Outside Ratio**

This ratio is a bank-wide calculation, and not calculated by individual rating area or AA. Analysis is limited to bank originations and purchases, and does not include any affiliate data. For the combined 39 month evaluation period, FMB originated a substantial majority of all loan products inside the bank's AAs (80.6 percent). The percentage in number of loans made inside the AAs by loan type are as follows: home purchase loans (78.5 percent), home refinance loans (82.9 percent), home improvement loans (90.7 percent), loans to small businesses (76.3 percent) and loans to small farms (85.5 percent).

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## State Rating

### State of Indiana

<b>CRA rating for Indiana:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>High Satisfactory</b>
<b>The investment test is rated:</b>	<b>Low Satisfactory</b>
<b>The service test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- Borrower-income distribution was good in both review periods and in both full-scope areas in Indiana.
- We gave positive consideration to the volume and quality of community development loans.
- Geographic distribution was adequate in the October 1, 2010 through 2011 review period, and good in the 2012 through 2013 review period.
- The Investment test was adequate in the overall review period. The quantity of investments increased significantly from the prior CRA evaluation; however, they were mostly non-complex in nature. Management could improve the quantity of investments in the Indiana Non-MA AA.
- The retail service test was adequate in the 2011 review period, and good in the 2012 through 2013 review period. We found community development services to be adequate; but we believe that management could improve its level of community development services in the Indiana Non-MA AA.

### Description of Institution's Operations in Indiana

The bank had eight AAs in the State of Indiana. These AAs included portions of six MAs, and a geographically dispersed area of 11 counties comprise what we refer to throughout this report as the Indiana Non-MA AA. One county, Union, was considered separately, as the county has subsequent to the end of the review period been re-designated as part of the Cincinnati-Middletown MA.

At December 31, 2013, FMB operated 87 branches in Indiana. These branches represented roughly 98 percent of FMB's total branch network, and 93 percent of deposits. Similarly, the vast majority of lending activity was in Indiana. FMB provides a full range of loan and deposit products to all AAs in the state. During the evaluation period, there was one branch opening (in the Indianapolis MA AA) and six branch closings (two in the Anderson MA AA, one in the Muncie MA AA, and three in the Indiana Non-MA AA).

During the review period, the Indiana Non-MA AA was comprised of the following counties: White, Montgomery, Clinton, Miami, Wabash, Adams, Jay, Randolph, Wayne, Fayette, and Henry. We note

that Fayette, Jay, and Wayne Counties held the designation of distressed middle-income areas for various portions of the review period.

The Indianapolis MA AA was comprised of the following counties: Brown, Hendricks, Johnson, Morgan, and Hamilton. Effective 2012, Shelby County was added to the AA. The Anderson MA AA is comprised of Madison County. The Gary MA AA is comprised of Jasper County. The Kokomo MA AA is comprised Howard County. The Lafayette MA AA is comprised of Tippecanoe and Carrol Counties. The Muncie MA AA is comprised of Delaware County. The Union Non-MA AA is comprised of Union County.

Refer to the market profiles for the state of Indiana in Appendix D for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in Indiana

The Indiana Non-MA AA and the Indianapolis MA AA were selected for a full-scope review, as the majority of branches and lending activity are in these two AAs in Indiana. The Anderson, Gary, Kokomo, Lafayette, Muncie, and Union AAs were analyzed using limited-scope procedures. We note Muncie and Lafayette had been selected on the prior CRA evaluation for full scope reviews. The state of Indiana rating is primarily based on the results from the full scope area reviewed.

We also considered the concentration of deposits in the state. The Indiana Non-MA AA contained 24.3 percent of deposits, while the Indianapolis MA AA contained 23.3 percent of deposits. These deposit concentrations in the Indiana Non-MA AA and the Indianapolis MA AA exceeded those in the Anderson MA AA (7.9 percent), Gary MA AA (5.8 percent), Kokomo MA AA (0.21 percent), Lafayette MA AA (15.7 percent), Muncie MA AA (21.3 percent) and Union County non-MA AA (1.5%).

Community contacts were made for the Indianapolis MA AA and the Indiana Non-MA AAs. The community contacts in the Indiana Non-MA AA included a nonprofit provider of community services and an economic development organization. The contacts indicated a widespread need for economic development in the Indiana Non-MA AA. The Indiana Non-MA AA community contacts specifically mention job training and infrastructure development and repair. The community contacts in the Indianapolis MA AA included a nonprofit economic development organization and a nonprofit housing organization. The Indianapolis MA AA contacts mentioned the need for community services and affordable housing for low-income residents.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's overall performance under the lending test in the state of Indiana is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Indiana Non-MA AA is good and the bank performance in the Indianapolis MA AA is good.

### Lending Activity

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

The bank's overall lending activity in Indiana is adequate. The volume of lending in the Indiana Non-MA AA was good. The volume of lending in the Indianapolis MA AA was adequate. FMB's good performance in originating small business and small farm loans compared to its competitors supports this conclusion.

### Indiana Non-MA AAs

In the Indiana Non-MA AA, FMB's deposit market share was 12.99 percent at June 30, 2013, ranking FMB 1<sup>st</sup> out of 38 deposit-taking institutions according to FDIC deposit data. FMB's primary lending products in the Indiana Non-MA AA are home mortgage (primarily purchase, home improvement and refinance) and small business and small farm loans. FMB's home purchase market share was 4.33

percent, ranking 3<sup>rd</sup> out of 183 lenders in the market. The bank's home improvement market share was 13.95 percent, ranking 1<sup>st</sup> out of 71 lenders in the market. The bank's home refinance market share was 5.87 percent, ranking 4<sup>th</sup> out of 229 lenders in the market. The bank's small business lending market share was 7.58 percent, ranking 3<sup>rd</sup> out of 58 lenders in the market. The bank's small farm lending market share was 24.88 percent, ranking 1<sup>st</sup> out of 33 lenders in the market. Of all HMDA and CRA loans reported in the Indiana Non-MA AA during the combined evaluation period, HMDA loans represented 51 percent of reported loans, while small business and small farm loans represented 49 percent. Further, we note that a number of national credit card lenders are large participants in the small business market. FMB also faces strong competition from larger national banks in the mortgage purchase and mortgage refinance markets. Smaller community banks also offer significant competition in the Indiana Non-MA AA.

### **Indianapolis MA AA**

In the Indianapolis MA AA, the deposit market share was 8.20 percent at June 30, 2013, ranking FMB 4<sup>th</sup> out of 36 deposit-taking institutions according to FDIC deposit data. FMB's primary lending products in the Indianapolis MA AA are home mortgage (primarily purchase, home improvement and refinance) and small business and small farm loans. FMB's home purchase market share was 1.36 percent, ranking 19<sup>th</sup> out of 335 lenders in the market. The bank's home improvement market share was 2.54 percent, ranking 11<sup>th</sup> out of 103 lenders in the market. The bank's home refinance market share was 1.71 percent, ranking 14<sup>th</sup> out of 348 lenders in the market. The bank's small business lending market share was 2.88 percent, ranking 9<sup>th</sup> out of 75 lenders in the market. The bank's small farm lending market share was 13.00 percent, ranking 3<sup>rd</sup> out of 29 lenders in the market. Of all HMDA and CRA loans reported in the Indianapolis MA AA during the combined evaluation period, HMDA loans represented 67 percent of reported loans, while small business and small farm loans represented 33 percent. Further, we note that a number of national credit card lenders are strong participants in the small business market. FMB also faces strong competition from larger national and regional banks in the mortgage purchase and mortgage refinance markets.

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

Overall, the geographic distribution of the bank's lending is adequate. In Indiana, business operations resulted in more HMDA lending than small business or small farm lending. Therefore, we placed greater weight on the bank's HMDA lending performance. We attributed more weight to the bank's performance in 2012 through 2013 review period than its performance in the October 1, 2010 through 2011 review period because the 2012 through 2013 review period was longer in duration.

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

Refer to Tables 2, 3, 4, and 5 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

**Indiana Non-MA AA****Home Purchase**

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during 2012 through 2013 was adequate. There were no low-income CTs and the percentage of loans in moderate-income CTs was below the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income CTs substantially meets its overall market share for home purchase loans. The bank's performance from October 1, 2010 through 2011 was not inconsistent with the performance noted during 2012 through 2013.

**Home Improvement**

The overall geographic distribution of home improvement loans is adequate. The bank's geographic distribution of home improvement loans during 2012 through 2013 was adequate. There were no low-income CTs and the percentage of loans in moderate-income tracts was below the percentage of owner-occupied units in these geographies. The bank's market share in the moderate-income CTs was below its overall market share for home improvement loans. The bank's performance from October 1, 2010 through 2011 was not inconsistent with the performance noted during 2012 through 2013.

**Home Refinance**

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans during 2012 through 2013 was adequate. There were no low-income CTs and the percentage of loans in moderate-income tracts was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in the moderate-income CTs exceeds its overall market share for home refinance loans. The bank's performance from October 1, 2010 through 2011 was not inconsistent with the performance noted during 2012 through 2013.

**Multi-Family Loans**

A geographic distribution analysis was not performed for multi-family loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (two loans) or 2012 through 2013 review period (six loans) for a meaningful analysis to be performed.

**Indianapolis MA AA****Home Purchase**

The overall geographic distribution of home purchase loans is good. The bank's geographic distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans in the low-income CTs was below the percentage of owner-occupied units in these CTs. The percentage of loans in moderate-income CTs exceeded the percentage of owner-occupied units in these geographies. The

bank's market share in low-income CTs was significantly below its overall market share for home purchase loans. The bank's market share in moderate-income CTs exceeded its overall market share for home purchase loans. The bank's performance from October 1, 2010 through 2011 was not inconsistent with the performance noted during 2012 through 2013.

### Home Improvement

The overall geographic distribution of home improvement loans is adequate. The bank's geographic distribution of home improvement loans during 2012 through 2013 was adequate. The percentage of loans in the low-income CTs exceeded the percentage of owner-occupied units in these CTs. The percentage of loans in moderate-income CTs was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income CTs exceeded its overall market share for home improvement loans. The bank's market share in moderate-income CTs was significantly below its overall market share for home improvement loans. The bank's performance from October 1, 2010 through 2011 was not inconsistent with the performance noted during 2012 through 2013.

### Home Refinance

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans in the low-income CTs exceeded the percentage of owner-occupied units in these CTs. The percentage of loans in moderate-income CTs was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income CTs exceeded its overall market share for home refinance loans. The bank's market share in moderate-income CTs exceeded its overall market share for home refinance loans. The bank's performance from October 1, 2010 through 2011 was weaker than the performance noted during 2012 through 2013, as the percentage of loans in moderate-income CTs was weaker in the October 1, 2010 through 2011 review period than in the 2012 through 2013 review period.

### Multi-Family Loans

A geographic distribution analysis was not performed for multi-family loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (no loans) or 2012 through 2013 review period (one loan) for a meaningful analysis to be performed.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

### **Indiana Non-MA AA**

The overall geographic distribution of small loans to businesses is adequate. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was adequate. There were no low-

income CTs and the percentage of loans made in moderate-income CTs was below the percentage of businesses in those CTs. The bank's market share in moderate-income CTs substantially met its overall market share for small loans to businesses. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance noted in the 2012 through 2013 review period.

### **Indianapolis MA AA**

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of loans made in low-income tracts exceeded the percentage of businesses in those CTs. The percentage of loans made in moderate-income CTs exceeded the percentage of businesses in those CTs. The bank's market share in both the low- and moderate-income CTs exceeded its overall market share for small loans to businesses. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance noted in the 2012 through 2013 review period.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

### **Indiana Non-MA AA**

The overall geographic distribution of small loans to farms is adequate. The bank's geographic distribution of small loans to farms in 2012 through 2013 was good. There were no low-income CTs and the percentage of loans made in moderate-income CTs was below the percentage of farms in those CTs. The bank's market share in moderate-income CTs exceeded its overall market share for small loans to farms. The bank's performance in the October 1, 2010 through 2011 review period was weaker than the performance noted in the 2012 through 2013 review period, as performance in moderate-income CTs was weaker in the October 1 2010 through 2011 review period than in the 2012 through 2013 review period.

### **Indianapolis MA AA**

The overall geographic distribution of small loans to farms is adequate. The bank's geographic distribution of small loans to farms in 2012 through 2013 was good. The percentage of loans made in low-income tracts exceeded the percentage of businesses in those CTs. The percentage of loans made in moderate-income CTs was below the percentage of farms in those CTs. The bank's market share in both the low- and moderate-income CTs exceeded its overall market share for small loans to farms. The bank's performance in the October 1, 2010 through 2011 review period was weaker than the performance noted in the 2012 through 2013 review period, as performance in moderate-income CTs was weaker in the October 1 2010 through 2011 review period than in the 2012 through 2013 review period.

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

Our geographic distribution analysis included a review for lending gaps in low- and moderate-income geographies. We did not identify any unexplained conspicuous lending gaps in the Indiana Non-MA AA or the Indianapolis MA AA.

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

The inside/outside ratio was performed at the bank level. The analysis included only originations and purchases. See scope section.

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

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

Overall, the borrower income distribution of the bank's lending is good. We attributed more weight to the bank's performance in 2012 through 2013 review period than its performance in the October 1, 2010 through 2011 review period.

Refer to Tables 8, 9, and 10 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### **Indiana Non-MA AA**

#### **Home Purchase**

The overall distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to both low- and moderate-income borrowers substantially met its overall market share for home purchase loans. The bank's performance in the October 1, 2010 through 2011 review period was stronger than the performance noted in 2012 through 2013, as the percentage of loans to low-income borrowers was stronger in the October 1, 2010 through 2011 review period than in the 2012 through 2013 review period.

#### **Home Improvement**

The overall distribution of home improvement loans is excellent. The bank's distribution of home improvement loans during 2012 through 2013 is excellent. The percentage of loans to low-income borrowers was near the percentage of low-income families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home improvement loans. The bank's market share of loans to moderate-income borrowers was below its overall market share for home improvement loans. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance noted in 2012 through 2013.

### Home Refinance

The overall distribution of home refinance loans is good. The bank's distribution of home refinance loans during 2012 through 2013 is good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home refinance loans. The bank's market share of loans to moderate-income borrowers substantially met its overall market share for home refinance loans. The bank's performance in the October 1, 2010 through 2011 review period was stronger than the performance noted in 2012 through 2013, as the percentage of loans to low-income borrowers was stronger in the October 1, 2010 through 2011 review period than in the 2012 through 2013 review period.

### Indianapolis MA AA

#### Home Purchase

The overall distribution of home purchase loans is excellent. The bank's borrower distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was near the percentage of low-income families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home purchase loans. The bank's market share of loans to moderate-income borrowers substantially met its overall market share for home purchase loans. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance noted in 2012 through 2013.

#### Home Improvement

The overall distribution of home improvement loans is good. The bank's distribution of home improvement loans during 2012 through 2013 is good. The percentage of loans to low-income borrowers was near the percentage of low-income families. The portion of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home improvement loans. The bank's market share of loans to moderate-income borrowers substantially met its overall market share for home improvement loans. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance noted in 2012 through 2013.

### Home Refinance

The overall distribution of home refinance loans is good. The bank's distribution of home refinance loans during 2012 through 2013 is good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers equals its overall market share for home refinance loans. The bank's market share of loans to

moderate-income borrowers exceeded its overall market share for home refinance loans. The bank's performance in the October 1, 2010 through 2011 review period was stronger than the performance noted in 2012 through 2013, as the percentage of loans to low-income borrowers was stronger in the October 1, 2010 through 2011 review period than in the 2012 through 2013 review period.

### *Small Loans to Businesses*

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

#### **Indiana Non-MA AA**

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was near the percentage of small businesses. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance in 2012 through 2013.

#### **Indianapolis MA AA**

The overall borrower distribution of small loans to businesses is good. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was good. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance in 2012 through 2013.

### *Small Loans to Farms*

Refer to Table 12 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

#### **Indiana Non-MA AA**

The overall borrower distribution of small loans to farms is good. The bank's borrower distribution of small loans to farms in 2012 through 2013 was good. The percentage of small loans to small farms (farms with gross annual revenue of \$1 million or less) was near the percentage of small farms. The bank's market share of loans to small farms exceeded its overall market share of loans to farms. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance in 2012 through 2013.

### **Indianapolis MA AA**

The overall borrower distribution of small loans to farms is good. The bank's borrower distribution of small loans to farms in 2012 through 2013 was good. The percentage of small loans to small farms (farms with gross annual revenue of \$1 million or less) was near the percentage of small farms. The bank's market share of loans to small farms exceeded its overall market share of loans to farms. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance in 2012 through 2013.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

### **Indiana Non-MA AA**

FMB's level of community development lending had a positive impact on its overall lending performance in the AA. FMB originated 4 loans totaling \$6.4 million in qualified community development loans in the AA during the evaluation period. This volume represented 5.2 percent of allocated tier 1 capital. The bank's community development loans were highly responsive to AA needs, demonstrated leadership, and supported job creation and retention for low- and moderate-income (LMI) individuals and community services targeted to LMI individuals. Economic development and job creation were mentioned as important needs in the Indiana Non-MA AA by multiple community contacts.

One loan for \$2.3 million to a small manufacturing business located in a moderate-income census tract was made that enabled the business to hire 30 full-time employees. The business is involved in the automobile industry. The automobile industry has been a long-time employer throughout the area and has experienced serious job losses in recent decades.

Another loan for \$1.3 million was a construction-permanent loan to build a free-standing facility for a well-known nonprofit organization. The facility will sell clothing and other goods in a moderate-income census-tract. The facility will employ between 25 and 30 low- or moderate-income persons.

### **Indianapolis MA AA**

FMB's level of community development lending had a positive impact on its overall lending performance in the AA. FMB originated 5 loans totaling \$18.1 million in the AA during the evaluation period. This volume represented 15.2 percent of allocated Tier One capital. The bank's community development loans were responsive to AA needs, and supported affordable housing initiatives for LMI individuals and community services targeted to LMI individuals.

One loan for \$13 million was used to construct an affordable housing apartment building, with 227 new housing units. Another loan for \$2.8 million was used to purchase a facility for a nonprofit organization

that employs 400 low-income disabled persons in a manufacturing environment. The bank also extended a line of credit to the organization for operating expenses.

### **Product Innovation and Flexibility**

The bank offers various mortgage loan programs with flexible features to address the credit needs of LMI individuals. These include Federal Housing Authority (FHA) mortgage loans and USDA Rural Development Single Family Housing Guaranteed Rural Loans. The bank also participates in the Federal Home Loan Bank's Neighborhood Impact Program (NIP) and the Homeownership Opportunities Program (HOP). Additionally, the bank began its First Home Mortgage Program in 2013, which the bank markets to first-time homebuyers. The bank directs these loan products and programs to LMI borrowers and feature low down payment, closing cost assistance, and other flexible underwriting features. The number and dollar amount of loans originated under these programs is included in the totals for home mortgage loans.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Gary MA AA, Kokomo MA AA, Lafayette MA AA, Muncie MA AA is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test in the Indiana Rating Area. In the Anderson MA AA, and the Union County Non-MA AA, the bank's performance is weaker than the bank's overall performance in the Indiana rating Area. Performance in the Anderson MA AA was weaker due to a poor geographic distribution of lending. Performance in Union County MA AA was weaker due to the borrower income distributions being only adequate. Further, lending activity in the Union County MA AA was only adequate.

Refer to Tables 1 through 12 in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in the state of Indiana is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Indiana Non-MA AA is poor and in the Indianapolis MA AA is good.

Refer to Table 14 in Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

### **Indiana Non-MA AA**

During the evaluation period, FMB originated 22 qualified investments and donations totaling \$737,000 in the Indiana Non-MA AA. There were no prior period investments.

The majority of FMB's qualified investments respond to the AA's need for affordable housing through the purchase of Mortgage Backed Securities (MBS). The primary qualified investment made in the current period was \$713,000 in MBS purchases. FMB also made twenty-one qualified grants to organizations that support affordable housing, education, hunger prevention, and youth development.

### **Indianapolis MA AA**

During the evaluation period, FMB originated twenty qualified investments and donations totaling \$5.4 million in the Indianapolis MA AA. There was one prior period investment with a remaining balance at December 31, 2013 of \$1.3 million.

The primary qualified investment made in the current period was \$4.5 million in MBS purchases. These qualified investments respond to the AA's need for affordable housing. The volume of these MBS purchases is significant; however, we do not consider MBS as innovative or creative. The community contacts made during the evaluation indicate that there are likely additional opportunities in the AA that the bank could explore. FMB also made seventeen qualified grants to organizations that support affordable housing and youth development.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Gary, Kokomo, Muncie, and Union County AAs is not inconsistent with the bank's overall "Low Satisfactory" performance under the investment test in the Indiana rating area. While we noted no qualified investments in either the Kokomo or Union County AAs, we observed that the bank's presence in Kokomo is minimal, and opportunities for qualified investments in Union County are minimal. In the Anderson and Lafayette MA AAs, the bank's performance is weaker than the bank's overall performance in the Indiana rating area. We noted some qualified investments in both Anderson and Lafayette; however, since the bank does have a significant presence in both Anderson and Lafayette MA AAs, the weaker performance in those AAs was a contributing factor in determining the bank's overall investment test rating in the state of Indiana.

Refer to Table 14 in Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in Indiana is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Indiana Non-MA AA is "good" and in the Indianapolis MA AA is excellent.

### **Retail Banking Services**

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

### Indiana Non-MA AA

FMB's branch distribution in the AA is excellent. The bank's branch distribution in 2012 through 2013 was excellent. Branches were readily accessible to geographies and individuals of different income levels in the AA. There were no low-income geographies in the Indiana Non-MA AA. There were three branches in moderate-income census tracts. Further, there were five branches in middle-income census tracts that were near either low or moderate-income census tracts. The percentage of branches in moderate-income census tracts was near the percentage of the population in moderate-income census tracts. FMB's branch distribution in October 1, 2010 through 2011 review period was weaker than the performance noted in 2012 through 2013.

There have been no branch openings and three branch closings in the Indiana Non-MA AA during the evaluation period. The branch closings did not generally adversely affect service levels in the Indiana Non-MA AA. Branch hours and services did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

### Indianapolis MA AA

FMB's branch distribution in the AA is excellent. The bank's branch distribution in 2012 through 2013 was excellent. Branches are readily accessible to geographies and individuals of different income levels in the assessment area. There was one branch located in low-income geographies. The percentage of branches in low-income geographies exceeded the percentage of the population in low-income geographies. There were three branches in moderate-income census tracts. The percentage of branches in moderate-income census tracts exceeded the percentage of population in moderate-income census tracts. FMB's branch distribution in October 1, 2010 through 2011 review period was weaker than the performance noted in 2012 through 2013.

Branch openings and closings have not affected the accessibility of the bank's delivery systems to LMI geographies or individuals. There was one branch opening and no closings in the Indianapolis MA AA. Branch services and hours did not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

### **Alternative Delivery Systems**

Bank-wide, management complements its traditional service delivery methods with certain alternative delivery processes, such as: online banking, which includes bill payment and mobile banking; automated teller machines; and check cashing. However, we placed no significant weight on these alternative delivery systems, as the bank did not rely heavily on these systems to meet community credit needs nor does it maintain metrics to determine their effectiveness in helping to meet the needs of LMI geographies or LMI individuals.

## **Community Development Services**

### Indiana Non-MA AA

FMB's performance in providing community development services in the Indiana Non-MA AA was poor. In the Indiana Non-MA AA, seven employees provided their expertise to seven different community development organizations. In four instances, we noted employees serving as either board or committee members of community development organizations. Those organizations operate to meet affordable housing and child welfare needs of LMI individuals. In addition, four employees participated in the "Reality Day" program at four different middle schools where a majority of students qualify for free or reduced priced lunches.

### Indianapolis MA AA

FMB's performance in providing community development services in the Indianapolis MA AA was adequate. In the Indianapolis MA AA, 13 employees provided their expertise to 12 different community development organizations. In 10 instances, we noted employees serving as either board or committee members of community development organizations. Those organizations operate to meet affordable housing, small business development, and child welfare needs of LMI individuals. In addition, two employees participated in programs relating to mentoring of either small businesses, at risk children, and one employee presented lending information during a first time home buying seminar directed at LMI individuals.

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

Based on limited-scope reviews, the bank's performance under the service test in the Anderson MA AA, Gary MA AA, Kokomo MA AA, Lafayette MA AA, and the Muncie MA AA is weaker than the bank's overall "High Satisfactory" performance in Indiana. The branch distribution in all these AAs was weaker than the branch distribution in the full scope areas. In the Union County Non-MA AA, the bank's performance under the service test was not inconsistent with the bank's overall "High Satisfactory" performance. Refer to Table 15 in the Indiana section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Ohio

<b>CRA Rating for Ohio:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>Low Satisfactory</b>
<b>The investment test is rated:</b>	<b>Outstanding</b>
<b>The service test is rated:</b>	<b>Low Satisfactory</b>

The major factors that support this rating:

- Lending activity and the borrower income distribution of small business loans was adequate. The geographic distribution of small business loans was good. Community development lending had a neutral impact.
- The quantity of investments in Ohio was excellent.
- The retail services and community development services were adequate. One of the two branches in the state is located in a moderate-income census tract. The volume of community development services is adequate considering the small presence in the state.

### Description of Institution's Operations in the state of Ohio

The bank's operations in the state of Ohio consist of two AAs containing portions of two MAs: Columbus and Cincinnati-Middleton. The Cincinnati-Middleton area is a multi-state MA; however, the bank's AA includes only Butler County in Ohio. The Columbus MA AA includes only Franklin County. As of June 30, 2013, the bank had an overall deposit market share of 0.49 percent within the Columbus MA AA and 0.25 percent within the Cincinnati MMA AA. This represents approximately \$220 million in total deposits. FMB operates one branch and one ATM within each of their two AAs. The branches represent roughly two percent of FMB's total branch network.

The bank's major competitors in the Columbus MA AA are larger banks such as Huntington Bank, PNC Bank and JPMorgan Chase with deposit market shares of 32 percent, 23 percent and 12 percent, respectively. In the Columbus MA AA, the bank's primary business focus is business banking. FMB's market shares in Columbus are well under 1 percent for deposits, and all loan product types.

Refer to the market profiles for the state of Ohio in Appendix D for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

### Scope of Evaluation in Ohio

The Columbus MA AA was selected for a full-scope review due to its high concentration of deposits (95.4 percent) within the state. The Cincinnati multi-state MA was analyzed using limited-scope procedures. The state of Ohio rating is primarily based on the results from the full scope area reviewed.

Business operations during the review period in the Columbus MA AA were primarily business banking in nature. The volume of purchase and home improvement loans were too small for meaningful analysis. Refer to Appendix A for a listing of the areas that comprise the State of Ohio AAs.

Community contacts were made for the Columbus MA AA. The contacts indicated a need for additional involvement by local lenders in all types of community development activities in the distressed areas of the city, with the neighborhood of Franklinton specifically mentioned. The same contacts were of the opinion that there is abundant capital in the area as evidenced by the large local financial services industry, but that limited mechanisms are in place to ensure adequate funding of economic development and revitalization projects.

## **LENDING TEST**

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

The bank's performance under the lending test in Ohio is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Columbus MA AA is adequate.

### **Lending Activity**

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

The bank's overall lending activity in the Columbus MA AA is adequate, considering the strong level of competition for all types of loans in the Columbus MA AA. Many competitors are larger national or regional banks. Further, the bank's loans to small businesses are of larger size and complexity when compared to the many active credit card lenders in the Columbus MA AA.

The deposit market share was 0.49 percent at June 30, 2013, ranking FMB 14<sup>th</sup> out of 34 deposit-taking institutions according to FDIC deposit data. FMB's primary lending product in the Columbus MA AA is small business loans. FMB's small business market share was 0.63 percent, ranking 17<sup>th</sup> out of 75 lenders in the market. The bank's home purchase market share was 0.05 percent, ranking 126<sup>th</sup> out of 302 lenders in the market. The bank's home improvement market share was 0.18 percent, ranking 41<sup>st</sup> out of 80 lenders in the market. The bank's home refinance market share was 0.10 percent, ranking 93<sup>rd</sup> out of 322 lenders in the market. Of all HMDA and CRA loans in the Columbus MA AA, small business loans represented 75 percent of reported loans, while HMDA loans represented 25 percent. Large national credit card lenders dominated the small business market holding four of the top seven positions, accounting for 38 percent of the market. FMB also faces strong competition in the mortgage market as the HMDA purchase and HMDA refinance markets are dominated by national and regional financial institutions.

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

Overall, the geographic distribution of the bank's lending is good. We placed greater weight on the bank's small business lending. We attributed more weight to the bank's performance in 2012 through 2013 review period than its performance in the October 1, 2010 through 2011 review period.

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

Refer to Tables 2, 3, 4, and 5 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

#### Home Purchase Loans

A geographic distribution analysis was not performed for home purchase loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (three loans) or the 2012 through 2013 review period (sixteen loans) for a meaningful analysis to be performed.

#### Home Improvement Loans

A geographic distribution analysis was not performed for home improvement loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (two loans) or 2012 through 2013 review period (one loan) for a meaningful analysis to be performed.

#### Home Refinance Loans

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans during 2012 through 2013 was adequate. The percentage of loans in low-income CTs exceeded the percentage of owner-occupied units in these CTs. The percentage of loans in moderate-income CTs was significantly below the percentage of owner-occupied units in these CTs. With a market share of only 0.09 percent, a market share analysis of home refinance lending in low- and moderate-income CTs was not meaningful. The bank's performance in the October 1, 2010 through 2011 review period was stronger than the performance noted in 2012 through 2013, as the percentage of loans to moderate-income borrowers was stronger.

#### Multi-Family Loans

A geographic distribution analysis was not performed for multi-family loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (six loans) or 2012 through 2013 review period (twelve loans) for a meaningful analysis to be performed.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of loans made in low-income CTs exceeded the percentage of businesses in those CTs. The percentage of loans made in moderate-income CTs was significantly below the percentage of businesses in those CTs. With a market share of only 0.63 percent, a market share analysis of small loans to businesses in low- and

moderate-income CTs was not meaningful. The bank's performance in 2012 through 2013 was not inconsistent with the performance noted in October 1, 2010 through 2011.

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

Refer to Table 7 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

A geographic distribution analysis was not performed for small farm loans as FMB did not originate any farm loans in either the October 1, 2010 through 2011 review period or 2012 through 2013 review period.

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

We did not identify any unexplained conspicuous gaps. The bank's AA consists of whole geographies, meets the requirements of the CRA regulation, and does not arbitrarily exclude any low- or moderate-income areas.

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

The inside/outside ratio was performed at the bank level. The analysis included only originations and purchases. See scope section.

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

Overall, the borrower income distribution of the bank's lending is adequate. We placed greater weight on the bank's small business lending than on HMDA lending due to the business model in the Columbus, OH MA AA. We attributed more weight to the bank's performance in 2012 through 2013 review period than its performance in the October 1, 2010 through 2011 review period.

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

Refer to Tables 8, 9 and 10 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### **Home Purchase Loans**

A borrower income distribution analysis was not performed for home purchase loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (three loans) or the 2012 through 2013 review period (sixteen loans) for a meaningful analysis to be performed.

#### **Home Improvement Loans**

A borrower income distribution analysis was not performed for home improvement loans as FMB did not originate a sufficient number of loans in either the October 1, 2010 through 2011 review period (two loans) or the 2012 through 2013 review period (one loan) for a meaningful analysis to be performed.

### Home Refinance Loans

The overall borrower income distribution of home refinance loans is poor. The bank's borrower income distribution of home refinance loans during 2012 through 2013 was poor. The percentage of loans in low-income CTs was significantly below the percentage of owner-occupied units in these CTs. The percentage of loans in moderate-income CTs was significantly below the percentage of owner-occupied units in these CTs. With a market share of only 0.05 percent, a market share analysis of home refinance lending in low- and moderate-income CTs was not meaningful. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance noted in 2012 through 2013.

### *Small Loans to Businesses*

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The overall borrower distribution of small loans to businesses is adequate. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was adequate. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was significantly below the percentage of small businesses. We note that FMB's average loan to small businesses was \$257,000. This is larger than any of the banks with higher market share, a number of which were predominantly credit card lenders. With a market share of only 0.63 percent, a market share analysis of small loans to businesses in low- and moderate-income CTs was not meaningful. The bank's performance in the October 1, 2010 through 2011 review period was not inconsistent with the performance in 2012 through 2013.

### *Small Loans to Farms*

Refer to Table 12 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

A borrower income distribution analysis was not performed for small farm loans as FMB did not originate any farm loans in either the October 1, 2010 through 2011 review period or 2012 through 2013 review period.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. Table 5 does not separately list community development loans, however.

The bank made one loan with a primary purpose of community development during the 2012 through 2013 review period, for \$490,000. The borrower used the funds to rehabilitate a multi-family apartment

building of modest rents in a moderate-income census tract. The loan had a neutral impact on the bank's lending performance in Ohio.

### **Community Development Loans – Regional Area**

One loan was originated in a county bordering the AA. That loan was a line of credit for \$2.3 million granted to a community services organization that the organization will use to fund daily operations.

### **Product Innovation and Flexibility**

The full scope review area in Ohio has just one banking office. Management of that office has historically operated the facility with a business banking focus; thus, no marketing efforts regarding innovative or flexible home loan products designed to meet the credit needs of low or moderate-income residents are noted during the review period.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Cincinnati multi-state MA AA was stronger than the bank's overall "Low Satisfactory" performance under the lending test in Ohio. This is primarily attributable to the bank's excellent borrower distribution of refinance loans in the 2012 through 2013 review period. The bank's geographic distribution of small business loans in the Cincinnati multi-state MA AA was excellent in the 2012 through 2013 review period.

Refer to the Tables 1 through 12 in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test in Ohio is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Columbus MA AA is excellent.

Refer to Table 14 in the state of Ohio section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

### **Columbus, Ohio AA**

During the evaluation period, FMB originated twenty-eight qualified investments and donations totaling \$5.7 million in the Columbus MA AA. There was one prior period investment with a remaining balance at December 31, 2013 of \$833,000.

The majority of FMB's qualified investments respond to the AA's need for affordable housing through the purchase of Mortgage Backed Securities (MBS). The primary qualified investment made in the current period was \$4.8 million in MBS purchases. FMB also made twenty-six qualified grants to organizations that support affordable housing, education, hunger prevention, and youth development.

In addition, FMB made an equity investment in the Ohio Capital Corporation for Housing (OCCH), which is an independent, mission-driven nonprofit corporation that works with private and public developers to create affordable housing opportunities. FMB committed \$500,000 of which it funded \$55,000 during the exam period. The OCCH will use these funds statewide. The investment contributed to the construction of 230 affordable housing units in the Columbus, Ohio MA AA. FMB also made two donations totaling \$51,000 to a nonprofit organization providing legal aid services statewide to LMI populations.

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

Based on limited-scope reviews, the bank's performance under the investment test in the Cincinnati MMA is weaker than the bank's overall performance in the state, due to a lack of qualifying investments. However, due to the bank's very small presence in the Cincinnati MMA, this weak performance had no impact on the investment test rating in the state of Ohio.

Refer to Table 14 in Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the service test in Ohio is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Columbus MA AA is "adequate".

### **Retail Banking Services**

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

#### Columbus MA AA

FMB's branch distribution in the AA is adequate. The bank's branch distribution in 2012 through 2013 was adequate. Branches were reasonably accessible to geographies and individuals of different income levels in the assessment area. The one branch was in a middle-income census tract that borders a low-income census tract, and is readily accessible to the residents of the low-income census tract. FMB's branch distribution in 2011 was not inconsistent with the performance noted in 2012 through 2013.

There have been no branch openings or closings in the Ohio Non-MA AA during the evaluation period. Branch hours and services offered are reasonable given the business banking focus of operations in the Columbus MA AA.

### **Alternative Delivery Systems**

Bank-wide, management complements its traditional service delivery methods with certain alternative delivery processes, such as: online banking, which includes bill payment and mobile banking;

automated teller machines; and check cashing. However, we placed no significant weight on these alternative delivery systems, as the bank does not rely on these systems to meet their regulatory obligation, nor do they maintain metrics to determine their effectiveness in helping to meet the needs of LMI geographies or LMI individuals.

## **Community Development Services**

### Columbus MA AA

FMB's performance in providing community development services in the Columbus MA AA was adequate. In the Columbus MA AA, five employees provided their expertise to seven different community development organizations. In six instances, we noted employees serving as either board or committee members of community development organizations. Those organizations served various purposes, including: affordable housing; economic development and emergency food needs of LMI individuals. In addition, two employees prepared and delivered a financial literacy presentation to 25 low-income individuals at a community services organization.

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

Based on limited-scope reviews, the bank's performance under the service test in the Cincinnati MMA AA was stronger than the bank's overall "Low Satisfactory" performance under the service test in Ohio. The branch distribution in this AA was stronger, as the one office in the Ohio portion of the Cincinnati MMA AA was located in a moderate-income census tract. Refer to Table 15 in Appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes community development loans): (10/1/2010 to 12/31/13) Investment and Service Tests and Community Development Loans: (01/03/11 to 12/31/13)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First Merchants National Bank (FMB) Muncie, Indiana	Home Purchase, Home Improvement, and Home Refinance loans: Small Loans to Businesses, Small Loans to Farms; Community Development Loans, investments, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None.		No affiliate products reviewed
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information-counties that comprise the Assessment Areas</b>
Indiana Indiana Non-MA	Full Scope	Adams; Jay; Randolph; Wayne; Fayette; Union; Henry; Miami; Wabash; Montgomery; Clinton; White
Indianapolis MA	Full Scope	Hendricks; Morgan; Brown; Johnson; Hamilton; Shelby;
Anderson MA	Limited Scope	Madison
Gary MA	Limited Scope	Jasper
Kokomo MA	Limited Scope	Howard
Lafayette MA	Limited Scope	Tippecanoe; Carrol
Muncie MA	Limited Scope	Delaware
Union County Non-MA	Limited Scope	Union
Ohio Columbus MA	Full Scope	Franklin

Cincinnati MMA	Limited Scope	Butler
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## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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RATINGS FIRST MERCHANTS BANK, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Merchants Bank	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Indiana	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
Ohio	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

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

### Indiana Non-MA AA

Demographic Information for Full-Scope Area: Indiana Non-MA AA-2000 census							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts/BNAs)	102	0.98	10.78	85.29	2.94	0.00	
Population by Geography	395,829	1.14	9.50	85.53	3.83	0.00	
Owner-Occupied Housing by Geography	113,591	0.52	8.65	86.76	4.07	0.00	
Businesses by Geography	30,580	2.03	7.99	85.38	4.60	0.00	
Farms by Geography	3,348	0.09	2.18	94.09	3.64	0.00	
Family Distribution by Income Level	108,901	16.89	19.91	25.70	37.51	0.00	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	40,072	1.90	13.58	81.54	2.99	0.00	
Median Family Income HUD Adjusted Median Family Income for 2010 Households Below the Poverty Level	= \$45,666 = \$52,900 = 13%	Median Housing Value Unemployment Rate (2010)			= \$80,230 = 10.0%		

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

Source: 2000 U.S. Census, and 2011 HUD updated MFI.

Demographic Information for Full-Scope Area: Indiana Non-MA AA-2010 census							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts/BNAs)	102	0.00	19.61	68.63	11.76	0.00	
Population by Geography	390,249	0.00	17.34	69.07	13.59	0.00	
Owner-Occupied Housing by Geography	112,845	0.00	14.35	70.55	15.10	0.00	
Businesses by Geography	24,877	0.00	17.65	67.69	14.66	0.00	
Farms by Geography	3,655	0.00	3.75	76.28	19.97	0.00	
Family Distribution by Income Level	105,108	19.10	19.81	22.86	38.23	0.00	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	40,891	0.00	24.19	66.90	8.90	0.0	
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below the Poverty Level	= \$52,796 = \$52,700 = 13%	Median Housing Value Unemployment Rate (2013)			= \$97,831 = 7.0%		

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

Source: 2010 U.S. Census, and 2013 HUD updated MFI.

The combined Indiana Non-MA AA is the combination 11 counties in the state of Indiana that are all located in Non-MA areas. The counties included are White, Montgomery, Clinton, Miami, Wabash, Adams, Jay, Randolph, Wayne, Fayette, and Henry. The AA complies with the regulation and does not arbitrarily exclude any LMI areas.

In 2013, the bank ranked first, out of 38 institutions, in deposit market share in the AA. FMB held 13.0 percent of deposits, or \$761 million. FMB's primary competitors in the area are other relatively small banks including First Bank of Richmond, Merchants Bank of Indiana, and First Bank of Berne. Those banks hold 6.3, 6.0, and 5.1 percent of deposits, respectively.

Economic conditions within the AA are stable. The December 2013 unemployment rates for the AA ranged from 5.4 percent to 8.7 percent, which is similar to the December 2013 state unemployment rate of 6.3 percent. The average unemployment rates for the AA reported on the prior CRA evaluation for this area was 10.0 percent. Median family incomes are stagnant.

Services, retail trade and manufacturing are the major employment sectors in the AA. The AA also includes various manufacturing companies. Based on data from the State of Indiana Department of Workforce Development, some of the major employers include: Grissom Air Reserve Base, Belden Wire, Ford Meter Box Co., R R Donnelly (manufacturing), Ball Corporation (Manufacturing), Indiana Beach Amusement Resort, Frito Lay, Zachary Confections, Fleetwood RV, FCC Auto, Draper Inc. (manufacturing), Tyson Foods, Union City Body Co., and Stant Corporation. Other major employers include various local hospitals (St. Vincent Frankfort Hospital, Dukes Memorial Hospital, Adams County Memorial Hospital, Reid Hospital, Richmond State Hospital, Wabash County Hospital, Henry County Hospital, and Fayette Memorial Hospital). Large retail employers include Wal-Mart and Meijer. Other large employers include: Manchester College, New Castle Correctional Facility, and various city governments.

Community contact and contextual research identified affordable housing, home ownership counseling programs, relaxed underwriting for small business loans, small business technical assistance, revolving loan funds for businesses of all sizes, general operating support for various community development groups, and organizational board involvement as primary needs for this area. Opportunities to participate in community development activities are available in this AA; however, the opportunities are more limited in the Non-MA areas compared to MA areas.

## Indianapolis MA AA

Demographic Information for Full-Scope Area: Indianapolis MA AA-2000 census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	99	0.00	11.11	46.46	42.42	0.00
Population by Geography	643,807	0.00	6.82	41.84	51.35	0.00
Owner-Occupied Housing by Geography	182,392	0.00	5.58	41.85	52.57	0.00
Businesses by Geography	66,881	0.00	3.81	48.37	47.83	0.00
Farms by Geography	2,216	0.00	2.35	66.83	30.82	0.00
Family Distribution by Income Level	171,597	13.08	14.74	20.90	51.28	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	47,748	0.00	13.19	53.89	32.91	0.00
Median Family Income = \$66,347 HUD Adjusted Median Family Income = \$66,000 Households Below the Poverty Level = 6%			Median Housing Value Unemployment Rate (2010)			= \$178,467 = 8.0%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2011 HUD updated MFI.

Demographic Information for Full-Scope Area: Indianapolis MA AA-2010 census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	109	0.92	11.01	49.54	38.53	0.00
Population by Geography	688,243	0.51	6.85	44.61	48.03	0.00
Owner-Occupied Housing by Geography	195,169	0.25	5.61	45.01	49.13	0.00
Businesses by Geography	59,777	0.68	7.89	41.16	50.27	0.00
Farms by Geography	2,599	0.12	3.77	63.95	32.17	0.00
Family Distribution by Income Level	183,829	13.62	15.11	21.13	50.14	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	52,802	1.14	12.80	56.30	29.76	0.0
Median Family Income = \$66,347 HUD Adjusted Median Family Income = \$65,100 Households Below the Poverty Level = 7%			Median Housing Value Unemployment Rate (2013)			= \$174,567 = 7.2%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2013 HUD updated MFI.

The Indianapolis MA consists of two AAs comprised of six of the ten counties in the MA. For analysis purposes, the AAs are combined and consist of Brown, Hendricks, Johnson, Morgan, and Hamilton counties. Effective 2012, Shelby County was added to the AA due to an acquisition. These AAs comply with the regulation and do not arbitrarily exclude any LMI areas.

In 2013, the bank ranked fourth, out of 36 institutions, in deposit market share in the AA. FMB held 8.2 percent of deposits, or \$732 million. The institutions in the area with larger percentages of deposits are JPMorgan Chase, PNC Bank, and Fifth Third Bank. They hold 17.5, 11.1, and 8.4 percent of deposits, respectively.

During the review period, the unemployment rate has ranged from a high of 9.2 percent, in January 2011, to a low of 5.9 percent, in December 2013. The average annual unemployment rate for 2013 was 7.2 percent. This is slightly higher than the average state unemployment rate of 6.3 percent. In this AA, 6.6 percent of households are below the poverty level, per the U.S. Census Bureau.

Major employers in the area include, but are not limited to, Clarian Health, Eli Lilly, St. Vincent Hospitals, Wal-Mart, IUPUI, and FedEx. The top industries in the area are state and local government, hospitals, restaurants, and employment services.

Community contacts noted a need for more rehabilitation and redevelopment lending for affordable rental housing and more rental housing in suburban areas. They also noted a need for increased lending to community development organizations. Contacts noted a growing homeless population. Community development opportunities exist within the AA.

**Columbus, OH MA AA**

Demographic Information for Full-Scope Area: Columbus MA AA-2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	264	12.88	29.92	33.71	23.48	0.00
Population by Geography	1,068,978	9.67	25.64	35.40	29.29	0.00
Owner-Occupied Housing by Geography	249,613	4.58	19.51	39.42	36.49	0.00
Businesses by Geography	117,311	8.13	18.91	36.05	36.90	0.00
Farms by Geography	1,681	3.57	16.84	40.39	39.20	0.00
Family Distribution by Income Level	265,229	20.99	18.26	22.70	38.05	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	104,090	16.01	36.46	33.86	13.67	0.00
Median Family Income = \$54,708 HUD Adjusted Median Family Income = \$66,600 for 2010 Households Below the Poverty Level = 11%			Median Housing Value Unemployment Rate			= \$115,701 = 7%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2011 HUD updated MFI.

Demographic Information for Full-Scope Area: Columbus MA AA-2010						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	284	22.18	27.11	26.76	23.24	0.70
Population by Geography	1,163,414	16.38	23.84	32.18	26.97	0.63
Owner-Occupied Housing by Geography	262,478	8.62	21.41	35.46	34.51	0.00
Businesses by Geography	104,380	12.49	21.64	31.28	34.13	0.46
Farms by Geography	1,751	9.19	19.42	35.92	35.35	0.11
Family Distribution by Income Level	270,541	24.52	17.67	20.38	37.43	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	114,143	25.54	33.51	28.69	12.26	0.00
Median Family Income = \$66,337 HUD Adjusted Median Family Income = \$67,900 for 2013 Households Below the Poverty Level = 15%			Median Housing Value Unemployment Rate			= \$158,136 = 5%

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 U.S. Census, and 2013 HUD updated MFI.

The Columbus, OH MA AA consists of Franklin County in its entirety. Franklin County is by far the most urbanized county in the MA. The AA complies with the regulation and does not arbitrarily exclude any LMI areas.

In 2013, the bank ranked 14<sup>th</sup>, out of 34 institutions, in deposit market share in the AA. FMB held 0.49 percent of deposits, or \$210 million. Huntington National Bank, JPMorgan Chase, and PNC Bank dominate the deposit market, with 32.1, 22.5, and 12.0 percent of the market, respectively.

Economic conditions in the assessment area have been improving. In December 2010, the unemployment rate in the Columbus MA AA was 8.0 percent per the Bureau of Labor Statistics, which was lower than the state average of 9.4 percent at that time. In December 2013, the unemployment rate in the Columbus MA AA was 5.4 percent per the Bureau of Labor Statistics, which was also lower than the state average of 6.7 percent at that time. Median Family Incomes increased slightly over the three-year period, but poverty levels also increased.

The major sectors of employment in the Columbus MA AA are government, professional/business services, educational/health services, finance, and retail trade. The assessment area's largest employers include the State of Ohio, Ohio State University, JPMorgan Chase, Huntington, Nationwide, Limited, and U.S. Government. Franklin County contains several universities including Ohio State University, Columbus State University, Franklin University, and DeVry University – Ohio.

Community contacts were made and identified affordable housing, job creation, and equity equivalent investments as primary needs for the area. Other needs identified in the area include foreclosure prevention programs and post-foreclosure services, and general operating support for community development organizations. Opportunities to participate in community development activities are available in this assessment area.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank's assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

Table 1. Lending Volume

LENDING VOLUME		Geography: INDIANA and OHIO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						
Assessment Area (2013):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Indiana Non-MA 2013	27.60	1,236	126,547	640	98,747	578	74,390	4	6,430	2,454	299,684	24.26
Indianapolis MA 2013	25.48	1,599	273,827	601	124,130	65	12,479	5	18,144	2,265	410,436	23.34
OH - Columbus MA 2013	4.39	105	52,186	285	90,664	0	0	1	490	390	142,850	95.38
<b>Limited Review:</b>												
Anderson MA 2013	8.15	535	63,528	177	34,544	13	1,768	0	0	725	99,840	7.86
Gary MA - Jasper Cnty 2013	3.33	132	14,825	71	7,543	93	14,857	0	0	296	37,225	5.79
Kokomo MA 2013	0.58	20	3,589	11	1,955	21	3,302	1	1,485	52	8,846	0.21
Lafayette MA 2013	14.69	715	122,855	392	81,930	199	36,975	3	2,853	1,306	241,760	15.74
Muncie MA 2013	13.85	653	63,946	514	84,186	64	7,381	2	332	1,231	155,513	21.28
OH - Cincinnati MA 2013	0.69	34	5,603	23	5,619	4	782	0	0	61	12,004	4.62
Union County Non-MA IN 2013	1.25	36	3,223	25	1,706	50	4,772	0	0	111	9,701	1.51
Broader Regional Area with Potential AA Benefit	NA	NA	NA	NA	NA	NA	NA	1	2,250	NA	NA	NA
Broader Regional Area with no Potential AA Benefit	NA	NA	NA	NA	NA	NA	NA	0	0	NA	NA	NA

\* Loan Data as of December 31, 2013. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 03, 2011 to December 31, 2013.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: INDIANA and OHIO					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography <sup>†</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Indiana Non-MA 2013	317	21.49	0.00	0.00	14.35	9.78	70.55	75.39	15.10	14.83	4.31	0.00	4.17	4.43	3.87	
Indianapolis MA 2013	500	33.90	0.25	0.20	5.61	6.40	45.01	40.60	49.13	52.80	1.36	0.00	1.77	1.55	1.21	
OH - Columbus MA 2013	16	1.08	8.62	0.00	21.41	0.00	35.46	50.00	34.51	50.00	0.05	0.00	0.00	0.05	0.06	
<b>Limited Review:</b>																
Anderson MA 2013	205	13.90	1.04	0.00	17.60	5.85	53.57	63.41	27.80	30.73	7.47	0.00	7.14	8.52	5.56	
Gary MA - Jasper Cnty 2013	26	1.76	0.00	0.00	10.26	7.69	89.74	92.31	0.00	0.00	2.77	0.00	0.00	2.98	0.00	
Kokomo MA 2013	3	0.20	3.58	33.33	25.55	0.00	32.35	0.00	38.52	66.67	0.26	5.88	0.00	0.00	0.40	
Lafayette MA 2013	241	16.34	0.74	0.83	20.01	15.35	58.52	57.26	20.73	26.56	3.75	3.45	3.00	3.81	4.17	
Muncie MA 2013	159	10.78	1.33	1.26	27.03	11.95	38.21	48.43	33.43	38.36	9.09	14.29	12.17	10.58	7.12	
OH - Cincinnati MA 2013	2	0.14	3.07	0.00	21.15	0.00	41.21	100.00	34.58	0.00	0.04	0.00	0.00	0.10	0.00	
Union County IN Non-MA 2013	6	0.41	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	5.26	0.00	0.00	5.26	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: INDIANA and OHIO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013						Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Indiana Non-MA 2013	137	36.44	0.00	0.00	14.35	9.49	70.55	78.83	15.10	11.68	13.85	0.00	10.39	15.24	10.26	
Indianapolis MA 2013	37	9.84	0.25	2.70	5.61	2.70	45.01	67.57	49.13	27.03	2.47	14.29	1.56	3.60	1.25	
OH - Columbus MA 2013	1	0.27	8.62	0.00	21.41	0.00	35.46	100.00	34.51	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Anderson MA 2013	22	5.85	1.04	0.00	17.60	13.64	53.57	40.91	27.80	45.45	8.37	0.00	10.00	7.69	8.70	
Gary MA - Jasper Cnty 2013	16	4.26	0.00	0.00	10.26	12.50	89.74	87.50	0.00	0.00	18.57	0.00	50.00	16.67	0.00	
Kokomo MA 2013	2	0.53	3.58	0.00	25.55	0.00	32.35	0.00	38.52	100.00	0.79	0.00	0.00	0.00	1.52	
Lafayette MA 2013	73	19.41	0.74	1.37	20.01	32.88	58.52	46.58	20.73	19.18	13.77	50.00	21.67	9.89	16.39	
Muncie MA 2013	82	21.81	1.33	2.44	27.03	29.27	38.21	26.83	33.43	41.46	22.69	66.67	37.21	16.25	20.00	
OH - Cincinnati MA 2013	1	0.27	3.07	0.00	21.15	100.00	41.21	0.00	34.58	0.00	0.25	0.00	2.00	0.00	0.00	
Union County IN Non-MA 2013	5	1.33	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	13.33	0.00	0.00	13.33	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: INDIANA and OHIO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Indiana Non-MA 2013	776	24.67	0.00	0.00	14.35	9.15	70.55	72.68	15.10	18.17	5.88	0.00	6.13	5.96	5.43	
Indianapolis MA 2013	1,061	33.73	0.25	0.28	5.61	3.96	45.01	43.07	49.13	52.69	1.71	6.52	2.06	2.07	1.44	
OH - Columbus MA 2013	76	2.42	8.62	17.11	21.41	6.58	35.46	31.58	34.51	44.74	0.09	0.31	0.00	0.04	0.14	
<b>Limited Review:</b>																
Anderson MA 2013	303	9.63	1.04	0.00	17.60	4.29	53.57	46.20	27.80	49.50	5.46	0.00	4.42	4.60	7.26	
Gary MA - Jasper Cnty 2013	90	2.86	0.00	0.00	10.26	17.78	89.74	82.22	0.00	0.00	5.93	0.00	13.04	5.18	0.00	
Kokomo MA 2013	11	0.35	3.58	0.00	25.55	18.18	32.35	36.36	38.52	45.45	0.20	0.00	0.35	0.19	0.15	
Lafayette MA 2013	372	11.82	0.74	1.61	20.01	17.20	58.52	56.45	20.73	24.73	3.95	7.69	4.42	3.95	3.44	
Muncie MA 2013	403	12.81	1.33	0.99	27.03	13.15	38.21	40.20	33.43	45.66	10.99	22.22	11.58	11.08	10.62	
OH - Cincinnati MA 2013	29	0.92	3.07	0.00	21.15	41.38	41.21	55.17	34.58	3.45	0.11	0.00	0.13	0.23	0.00	
Union County IN Non-MA 2013	25	0.79	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	10.58	0.00	0.00	10.58	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY																
Geography: INDIANA and OHIO																
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013																
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
<b>Full Review:</b>																
Indiana Non-MA 2013	6	8.96	0.00	0.00	31.88	16.67	55.63	66.67	12.49	16.67	13.33	0.00	16.67	11.11	0.00	
Indianapolis MA 2013	1	1.49	2.14	0.00	13.77	0.00	48.40	100.00	35.69	0.00	3.23	0.00	0.00	5.88	0.00	
OH - Columbus MA 2013	12	17.91	25.65	41.67	27.96	8.33	30.60	25.00	15.80	25.00	1.90	3.92	1.64	0.00	2.56	
<b>Limited Review:</b>																
Anderson MA 2013	4	5.97	2.16	0.00	24.51	0.00	64.82	100.00	8.50	0.00	30.00	0.00	0.00	37.50	0.00	
Gary MA - Jasper Cnty 2013	0	0.00	0.00	0.00	38.58	0.00	61.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Kokomo MA 2013	4	5.97	5.58	0.00	41.82	50.00	31.50	50.00	21.11	0.00	20.00	0.00	25.00	25.00	0.00	
Lafayette MA 2013	29	43.28	18.10	17.24	40.35	65.52	24.90	13.79	16.66	3.45	15.09	11.11	16.67	18.75	0.00	
Muncie MA 2013	9	13.43	6.63	0.00	23.42	33.33	54.39	55.56	15.56	11.11	33.33	0.00	33.33	33.33	0.00	
OH - Cincinnati MA 2013	2	2.99	6.00	0.00	36.04	50.00	41.99	50.00	15.97	0.00	0.00	0.00	0.00	0.00	0.00	
Union County IN Non-MA 2013	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: INDIANA and OHIO					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Indiana Non-MA 2013	640	23.48	0.00	0.00	17.65	14.84	67.69	73.75	14.66	11.41	7.58	0.00	6.64	8.47	7.41									
Indianapolis MA 2013	601	22.05	0.68	1.33	7.89	10.48	41.16	55.07	50.27	33.11	2.88	8.33	4.46	4.15	1.77									
OH - Columbus MA 2013	276	10.12	12.49	14.86	21.64	13.04	31.28	25.36	34.13	46.74	0.63	0.57	0.39	0.55	0.85									
<b>Limited Review:</b>																								
Anderson MA 2013	176	6.46	1.66	1.70	25.58	30.11	47.65	45.45	25.02	22.73	6.84	6.25	8.68	6.85	5.90									
Gary MA - Jasper Cnty 2013	71	2.60	0.00	0.00	11.83	18.31	88.17	81.69	0.00	0.00	12.05	0.00	24.39	11.11	0.00									
Kokomo MA 2013	11	0.40	3.07	18.18	36.08	9.09	29.63	54.55	31.22	18.18	0.59	5.88	0.00	1.61	0.00									
Lafayette MA 2013	392	14.38	5.13	2.30	34.69	39.80	43.53	40.31	16.15	17.60	10.32	4.30	12.23	9.87	11.38									
Muncie MA 2013	511	18.75	2.93	3.91	31.46	35.23	39.41	36.01	24.58	24.85	16.76	12.82	18.83	17.04	15.59									
OH - Cincinnati MA 2013	23	0.84	4.59	8.70	26.56	43.48	35.22	34.78	33.51	13.04	0.19	0.00	0.23	0.40	0.00									
Union County IN Non-MA 2013	25	0.92	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	10.96	0.00	0.00	11.11	0.00									

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2013).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: INDIANA and OHIO															
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013															
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Indiana Non-MA 2013	578	53.17	0.00	0.00	3.75	3.11	76.28	86.33	19.97	10.55	24.88	0.00	37.50	25.99	20.00
Indianapolis MA 2013	65	5.98	0.12	1.54	3.77	3.08	63.95	93.85	32.17	1.54	13.00	33.33	25.00	14.94	1.92
OH - Columbus MA 2013	0	0.00	9.19	0.00	19.42	0.00	35.92	0.00	35.35	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Anderson MA 2013	13	1.20	0.53	0.00	5.30	0.00	55.48	30.77	38.69	69.23	14.29	0.00	0.00	5.56	21.43
Gary MA - Jasper Cnty 2013	93	8.56	0.00	0.00	12.71	5.38	87.29	94.62	0.00	0.00	44.83	0.00	50.00	46.15	0.00
Kokomo MA 2013	21	1.93	0.26	0.00	6.23	0.00	27.27	0.00	66.23	100.00	32.26	0.00	0.00	0.00	40.00
Lafayette MA 2013	199	18.31	0.49	0.00	6.36	0.00	83.56	100.00	9.59	0.00	45.19	0.00	0.00	47.24	0.00
Muncie MA 2013	64	5.89	0.26	0.00	8.09	0.00	59.27	57.81	32.38	42.19	30.43	0.00	0.00	26.53	35.71
OH - Cincinnati MA 2013	4	0.37	1.87	0.00	15.94	50.00	53.92	50.00	28.27	0.00	3.45	0.00	14.29	0.00	0.00
Union County IN Non-MA 2013	50	4.60	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	64.71	0.00	0.00	64.71	0.00

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2013).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: INDIANA and OHIO					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share <sup>1</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sub>1</sub>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Indiana Non-MA 2013	317	21.49	19.10	9.84	19.81	32.46	22.86	24.26	38.23	33.44	4.70	4.07	4.29	5.14	5.09	
Indianapolis MA 2013	500	33.90	13.62	10.72	15.11	20.82	21.13	23.30	50.14	45.15	1.49	1.69	1.26	1.51	1.57	
OH - Columbus MA 2013	16	1.08	24.52	0.00	17.67	8.33	20.38	8.33	37.43	83.33	0.05	0.00	0.02	0.03	0.09	
<b>Limited Review:</b>																
Anderson MA 2013	205	13.90	18.44	20.31	19.00	33.85	22.60	22.92	39.96	22.92	8.79	13.29	10.65	8.07	5.44	
Gary MA - Jasper Cnty 2013	26	1.76	17.28	16.00	20.00	32.00	24.12	24.00	38.60	28.00	3.02	3.85	2.08	2.94	3.51	
Kokomo MA 2013	3	0.20	22.26	0.00	17.10	0.00	20.85	100.00	39.79	0.00	0.29	0.00	0.00	1.05	0.00	
Lafayette MA 2013	241	16.34	21.22	9.57	17.48	26.52	21.77	21.30	39.53	42.61	4.15	3.11	4.37	3.09	5.10	
Muncie MA 2013	159	10.78	20.23	12.03	19.01	22.56	21.73	18.05	39.03	47.37	9.40	10.48	7.36	7.73	11.56	
OH - Cincinnati MA 2013	2	0.14	20.07	0.00	17.45	50.00	21.95	0.00	40.54	50.00	0.04	0.00	0.09	0.00	0.06	
Union County IN Non-MA 2013	6	0.41	22.12	0.00	18.22	33.33	26.56	33.33	33.09	33.33	6.25	0.00	12.50	6.25	4.35	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 5.6% of loans originated and purchased by bank.

1 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT												Geography: INDIANA and OHIO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>									
	#	% of Total <sup>**</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Indiana Non-MA 2013	137	36.44	19.10	15.15	19.81	21.97	22.86	25.76	38.23	37.12	14.22	19.74	11.18	15.06	13.87					
Indianapolis MA 2013	37	9.84	13.62	9.68	15.11	16.13	21.13	22.58	50.14	51.61	2.03	3.41	2.01	1.91	1.90					
OH - Columbus MA 2013	1	0.27	24.52	0.00	17.67	0.00	20.38	0.00	37.43	0.00	0.00	0.00	0.00	0.00	0.00					
<b>Limited Review:</b>																				
Anderson MA 2013	22	5.85	18.44	5.00	19.00	25.00	22.60	30.00	39.96	40.00	7.54	0.00	6.67	10.71	7.23					
Gary MA - Jasper Cnty 2013	16	4.26	17.28	0.00	20.00	40.00	24.12	33.33	38.60	26.67	17.65	0.00	23.81	25.00	8.33					
Kokomo MA 2013	2	0.53	22.26	50.00	17.10	0.00	20.85	50.00	39.79	0.00	0.81	0.00	0.00	3.33	0.00					
Lafayette MA 2013	73	19.41	21.22	13.43	17.48	29.85	21.77	28.36	39.53	28.36	13.51	13.95	21.43	13.89	9.60					
Muncie MA 2013	82	21.81	20.23	16.22	19.01	20.27	21.73	33.78	39.03	29.73	21.46	36.00	15.09	31.25	15.19					
OH - Cincinnati MA 2013	1	0.27	20.07	0.00	17.45	100.00	21.95	0.00	40.54	0.00	0.26	0.00	1.79	0.00	0.00					
Union County IN Non-MA 2013	5	1.33	22.12	0.00	18.22	40.00	26.56	0.00	33.09	60.00	14.29	0.00	20.00	0.00	14.29					

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 7.7% of loans originated and purchased by bank.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: INDIANA and OHIO					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share <sup>1</sup>				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Indiana Non-MA 2013	776	24.66	19.10	9.10	19.81	21.34	22.86	24.47	38.23	45.09	6.26	7.08	6.04	5.37	6.75	
Indianapolis MA 2013	1,061	33.71	13.62	5.72	15.11	16.32	21.13	24.22	50.14	53.74	1.88	1.88	2.04	1.72	1.89	
OH - Columbus MA 2013	76	2.41	24.52	0.00	17.67	8.00	20.38	16.00	37.43	76.00	0.05	0.00	0.00	0.05	0.07	
<b>Limited Review:</b>																
Anderson MA 2013	304	9.66	18.44	9.74	19.00	25.47	22.60	24.34	39.96	40.45	6.49	4.59	7.92	6.30	6.40	
Gary MA - Jasper Cnty 2013	90	2.86	17.28	14.29	20.00	30.95	24.12	28.57	38.60	26.19	6.25	6.67	8.13	6.81	4.80	
Kokomo MA 2013	11	0.35	22.26	55.56	17.10	0.00	20.85	11.11	39.79	33.33	0.16	0.71	0.00	0.00	0.21	
Lafayette MA 2013	372	11.82	21.22	10.70	17.48	20.49	21.77	22.02	39.53	46.79	4.26	6.04	3.43	4.08	4.30	
Muncie MA 2013	403	12.81	20.23	10.23	19.01	14.62	21.73	21.05	39.03	54.09	11.10	13.08	8.20	10.41	12.29	
OH - Cincinnati MA 2013	29	0.92	20.07	18.52	17.45	14.81	21.95	18.52	40.54	48.15	0.12	0.15	0.08	0.15	0.11	
Union County IN Non-MA 2013	25	0.79	22.12	4.17	18.22	25.00	26.56	16.67	33.09	54.17	11.96	0.00	13.64	8.33	15.79	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 12.0% of loans originated and purchased by bank.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: INDIANA and OHIO			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Indiana Non-MA 2013	640	23.37	71.48	63.28	61.09	18.75	20.16	7.58	9.64
Indianapolis MA 2013	601	21.94	72.75	60.07	50.75	20.63	28.62	2.88	3.79
OH - Columbus MA 2013	285	10.41	67.70	31.58	29.82	25.61	44.56	0.63	0.53
<b>Limited Review:</b>									
Anderson MA 2013	177	6.46	72.37	59.32	59.89	15.82	24.29	6.84	7.94
Gary MA - Jasper Cnty 2013	71	2.59	73.13	78.87	81.69	7.04	11.27	12.05	19.21
Kokomo MA 2013	11	0.40	71.00	72.73	72.73	0.00	27.27	0.59	1.30
Lafayette MA 2013	392	14.31	69.68	49.23	54.34	20.15	25.51	10.32	12.22
Muncie MA 2013	514	18.77	70.74	59.34	57.98	22.76	19.26	16.76	21.10
OH - Cincinnati MA 2013	23	0.84	70.85	69.57	52.17	4.35	43.48	0.19	0.24
Union County IN Non-MA 2013	25	0.91	71.01	96.00	76.00	20.00	4.00	10.96	16.00

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

\*\*\*\* 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 1.42% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: INDIANA and OHIO			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Indiana Non-MA 2013	578	53.17	98.96	84.26	57.61	26.47	15.92	24.88	30.75
Indianapolis MA 2013	65	5.98	98.04	92.31	40.00	26.15	33.85	13.00	23.23
OH - Columbus MA 2013	0	0.00	95.43	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Anderson MA 2013	13	1.20	99.29	92.31	53.85	38.46	7.69	14.29	16.22
Gary MA - Jasper Cnty 2013	93	8.56	96.88	83.87	49.46	27.96	22.58	44.83	56.67
Kokomo MA 2013	21	1.93	99.48	85.71	33.33	66.67	0.00	32.26	42.11
Lafayette MA 2013	199	18.31	97.95	69.85	43.22	22.61	34.17	45.19	50.78
Muncie MA 2013	64	5.89	97.65	87.50	67.19	21.88	10.94	30.43	35.94
OH - Cincinnati MA 2013	4	0.37	98.51	100.00	25.00	50.00	25.00	3.45	4.76
Union County IN Non-MA 2013	50	4.60	100.00	88.00	68.00	28.00	4.00	64.71	70.83

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2013).

\*\*\*\* 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 0.37% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: INDIANA and OHIO									
Evaluation Period: JANUARY 3, 2011 TO DECEMBER 31, 2013									
Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Indiana Non-MA 2013	0	0	22	737	22	737	3.91	0	0
Indianapolis MA 2013	1	1,334	19	4,045	20	5,379	28.50	0	0
OH - Columbus MA 2013	1	833	27	4,897	28	5,730	30.36	0	0
<b>Limited Review:</b>									
Anderson MA 2013	0	0	1	504	1	504	2.67	0	0
Gary MA - Jasper Cnty 2013	0	0	1	745	1	745	3.95	0	0
Kokomo MA 2013	0	0	0	0	0	0	0.00	0	0
Lafayette MA 2013	0	0	16	1,079	16	1,079	5.72	0	0
Muncie MA 2013	1	93	31	3,348	32	3,441	18.23	0	0
OH - Cincinnati MA 2013	0	0	0	0	0	0	0.00	0	0
Union County IN Non-MA 2013	0	0	0	0	0	0	0.00	0	0
Broader Regional Area with Potential AA Benefit	0	0	4	106	4	106	0.56	1	445
Broader Regional Area with no Potential AA Benefit	0	0	13	1,150	13	1,150	6.09	0	0

\* 'Prior Period Investments' means investments made in a previous 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 and OHIO				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Indiana Non-MA 2013	24.26	23	31.51	0.00	13.04	86.96	0.00	0	3	0	-1	-1	-1	0.00	17.34	69.07	13.59
Indianapolis MA 2013	23.34	18	24.66	5.56	16.67	38.88	38.89	0	0	0	0	0	0	0.51	6.85	44.61	48.03
OH - Columbus MA 2013	95.38	1	50.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	16.38	23.84	32.18	26.97
<b>Limited Review:</b>																	
Anderson MA 2013	7.86	7	9.59	0.00	14.29	57.14	28.57	1	2	0	0	-1	0	1.54	21.44	51.48	22.95
Gary MA - Jasper Cnty 2013	5.79	3	4.11	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	11.78	88.22	0.00
Kokomo MA 2013	0.21	1	1.37	0.00	100.00	0.00	0.00	0	0	0	0	0	0	4.22	31.46	28.86	35.46
Lafayette MA 2013	15.74	9	12.33	0.00	66.67	22.22	11.11	0	0	0	0	0	0	6.64	23.52	47.99	16.57
Muncie MA 2013	21.28	11	15.07	0.00	27.27	63.64	9.09	0	1	0	0	-1	0	3.09	26.00	38.49	26.59
OH - Cincinnati MA 2013	4.62	1	50.00	0.00	100.00	0.00	0.00	0	0	0	0	0	0	5.77	25.06	36.52	30.69
Union County IN Non-MA 2013	1.51	1	1.37	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00

