



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**PUBLIC DISCLOSURE**

July 16, 2012

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

The National Bank of Indianapolis  
Charter Number 22652

107 North Pennsylvania Street, Suite 700  
Indianapolis, IN 46204

Office of the Comptroller of the Currency

Indianapolis Field Office  
8777 Purdue Road, 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.

**Table of Contents**

**OVERALL CRA RATING ..... 1**

**DEFINITIONS AND COMMON ABBREVIATIONS ..... 2**

**DESCRIPTION OF INSTITUTION..... 6**

**SCOPE OF THE EVALUATION ..... 6**

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW ..... 7**

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 8**

    LENDING TEST ..... 8

    INVESTMENT TEST..... 14

    SERVICE TEST ..... 15

**APPENDIX A: SCOPE OF EXAMINATION ..... A-1**

**APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS..... B-1**

**APPENDIX C: TABLES OF PERFORMANCE DATA ..... C-1**

## Overall CRA Rating

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

The following table indicates the performance level of **The National Bank of Indianapolis** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		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:

- The bank's performance related to lending to borrowers of different incomes is adequate. NBI's use of flexible products in a safe and sound manner has benefitted low- and moderate-income borrowers. The bank's excellent borrower distribution to home purchase loans did weigh into this conclusion.
- The bank's geographical distribution is poor. Lending gaps were noted, as the bank did not originate any loans in 26 percent of all census tracts within the Assessment Area (AA).
- The level and responsiveness of community development lending has a positive impact on the bank's performance.
- NBI's volume of lending is adequate.
- The dollar volume of qualified investment and the responsiveness to community needs is good.
- NBI's delivery systems are reasonably accessible to geographies and individuals of different income levels within the AA. NBI provides an adequate level of community development services to the AA to help meet the identified needs.

## 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 (OCC), and the Federal Deposit Insurance Corporation (FDIC) 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, FDIC, and OCC, 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 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 thousand. 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 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 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 thousand or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One 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 geography.

## **Description of Institution**

The First National Bank of Indianapolis (NBI) is a \$1.5 billion intrastate institution headquartered in Indianapolis, Indiana. NBI is wholly owned by The National Bank of Indianapolis Corporation (NBIC), which is also headquartered in Indianapolis, Indiana. NBIC has no other subsidiaries.

NBI was founded in 1993, with a focus on providing specialized services to professionals, executives, businesses with annual revenues of less than \$30 million, and not-for-profit organizations located around Indianapolis. NBI has 12 locations within the Indianapolis-Carmel, IN MSA, #26900. NBI serves Marion County and portions of Hamilton, Boone, and Johnson Counties. NBI has not opened or closed any branches since the previous CRA evaluation.

NBI offers a variety of business and real estate loan products. NBI also offers consumer loans. NBI does not actively market their products. NBI offers a variety of deposit and trust services through bank locations. In addition to its branch network, NBI's delivery channels include ATMs, internet banking, mobile banking, courier pick up, remote deposit capture, bank by mail, and telephone banking.

As of March 31, 2012, the total loan portfolio totaled \$977 million and was comprised of 63 percent commercial and commercial real estate, 33 percent residential real estate, and four percent consumer credits. Net loans represent 72 percent of total deposits and 63 percent of the bank's asset base. Tier 1 capital totaled \$98 million.

NBI has the financial capacity to assist in meeting its community's credit needs. There are no known legal or financial constraints that could impede its CRA efforts. NBI received a Satisfactory rating on its last CRA evaluation dated January 4, 2010.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period for the lending test is January 1, 2010, through December 31, 2011. Products reviewed in the lending test include small loans to businesses and home mortgages. The bank has not originated any small loans to farms. We utilized Home Mortgage Disclosure Act (HMDA) data, along with Small Loans to Business and Small Loans to Farms data that the bank collected and reported. We used 2010 peer lending data, the most recent data available, for small loans to businesses and home mortgages to compare NBI's lending performance to other reporting lenders in the assessment area (AA). Loan products are weighted based on the distribution of reported loans by number.

The evaluation period for community development loans, the investment test, and the service test is January 4, 2010 through July 16, 2012. This is the period since the last CRA examination ended to the beginning of this examination.

### **Data Integrity**

To assess the accuracy of the data, we conducted an independent test of data for small loans to businesses and home mortgages. 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**

NBI has only one AA, and this AA was reviewed under full-scope procedures. The AA is consistent with the requirements of the regulation. Further information on the full-scope AA demographics can be found in the tables at the back of this report.

## **Ratings**

As the bank only has one AA, the bank's overall rating is based upon their performance within this area. The lending test is weighted heavier than the investment and service tests. When determining the lending test rating, home mortgages were given more weight than small loans to businesses. Home mortgages make up 67 percent of the loans originated during the evaluation period.

The investment test rating considers the impact and innovativeness of qualified investments, in addition to the number and dollar amount of qualified investments. The bank's performance under retail banking services receives more weight than community development services when determining the service test rating.

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

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

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

NBI is rated Low Satisfactory for the lending test.

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

The bank's performance under the lending test is rated Low Satisfactory. The overall volume of lending is adequate. The level and responsiveness of community development lending has a positive impact on the bank's performance. The bank's performance related to lending to borrowers of different incomes is adequate. NBI's use of flexible products in a safe and sound manner has benefitted low- and moderate-income borrowers. The bank's geographical distribution is poor. Lending gaps were noted, as the bank did not originate any loans in 26 percent of all census tracts within the AA.

#### **Lending Activity**

The overall volume of lending in the AA is adequate. Lending levels reflect adequate responsiveness in relation to area credit needs and the bank's deposit market share. NBI ranks sixth in deposit market share with four percent of the market. NBI has a two percent market share, which ranks 15<sup>th</sup> in small loans to businesses. The bank ranks 26<sup>th</sup> in mortgage loan market share with one percent of the market. The number of lenders in the market, including mortgage companies and credit unions, is significantly higher than the number of deposit taking institutions in the AA.

In the AA, home mortgage loans account for 67 percent of total reported loans; therefore, home mortgages received the greatest weight in the analysis. Additionally, home mortgage refinances account for 63 percent of the total home mortgage loans reported; therefore, refinances receive the greatest weight in the analysis of home mortgage products.

Refer to Table 1, Lending Volume, of appendix C for the facts and data used to evaluate the bank's lending activity.

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

The overall geographic distribution of loans in moderate-income geographies is poor. A majority of the bank's reported loans in these full-scope AAs are home mortgage loans. Therefore, this loan type's poor penetration carries more weight in forming our conclusions. Additionally, penetration within the moderate-income census tracts carried significant weight in reaching this conclusion. Twenty-five percent of all the AA's owner-occupied housing and 18 percent of all businesses in the AA are located in moderate-income geographies.

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

The overall geographic distribution of home mortgage loans is poor. Home refinances are weighted heavier than the other mortgage products, as they represent 63 percent of the home mortgages originated in the AA. The performance in moderate-income geographies was significant in this conclusion, as 25

percent of the AA's owner-occupied housing and 35 percent of multifamily units are located in these geographies.

#### Home Refinance Loans

The geographic distribution of home refinance loans is poor. The penetration in low-income geographies is adequate. NBI originated one percent of their home refinance loans in low-income geographies, which is lower than demographic data showing five percent of the AA's owner-occupied units are located in these geographies. However, the market share in low-income geographies is similar to the bank's overall market share of home refinance loans (one percent). The penetration in moderate geographies is poor. While 25 percent of the AA's owner-occupied units are located in moderate-income geographies, the bank originated only three percent of their loans in these geographies. The bank's market share in home refinance loans located in moderate-income census tracts is lower than their overall market share of home refinance loans. A review of aggregate data for the AA arrives at similar conclusions. The aggregate data indicates six percent of all home refinance loans made in the AA were in moderate-income census tracts. The aggregate data is double the bank's performance.

#### Home Purchase Loans

The geographic distribution of home purchase loans is adequate. The performance in moderate-income geographies does weigh more than the performance in low-income geographies.

The bank's penetration in low-income geographies is excellent. NBI originated five percent of their home purchase loans in low-income geographies. This meets the demographic information showing five percent of owner-occupied housing being located within these geographies. The bank's market share within low-income geographies was double the market share for home purchase loans. The bank's market share ranking in low-income geographies for home purchase loans is 15<sup>th</sup>, compared with the overall ranking of 26<sup>th</sup> for home purchase loans.

The bank's penetration in moderate-income geographies is poor. The bank originated 10 percent of their home purchase loans in moderate-income geographies, which is significantly lower than the demographic comparator of owner-occupied housing (25 percent). The bank's market share in moderate-income geographies meets the bank's overall market share. The bank's ranking of 25<sup>th</sup> in moderate-income geographies is in line with the overall ranking of home purchase loans.

#### Home Improvement Loans

Home improvement loans were not reviewed, as the bank originated only one home improvement loan during the evaluation period. A review of home improvement loans would not be meaningful for this evaluation.

#### Multifamily Housing Loans

The geographic distribution of multifamily housing loans is adequate. However, as the bank originated only seven multifamily loans in their AA during the evaluation period, the performance in this area receives very little weight.

The penetration in low-income geographies is excellent. While only eight percent of multifamily units in the AA are located in low-income geographies, 14 percent of their multifamily loans were originated in these geographies. The bank's market share for low-income geographies of 10 percent is above the six percent market share for multifamily loans. The bank's ranking is third for both overall market share and market share in low-income geographies. The market share and ranking in the low-income

geographies is not very significant, as there were only 10 loans, originated by eight different lenders, in these geographies in 2010.

The penetration in moderate-income geographies is poor. The percentage of loans made in moderate-income geographies (14 percent) is lower than the percentage of multi-family units in the moderate-income geographies (35 percent). The bank ranks third in overall market share for multifamily housing loans with six percent of the market. The bank ranks eighth with seven percent of the market share for multifamily housing loans in moderate-income geographies. As with the low-income geographies, the market share and ranking in these geographies is not very meaningful due to the limited number of multifamily loans made in 2010. There were 14 loans originated by eight different lenders.

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

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

The geographic distribution of small loans to businesses is adequate. The performance in moderate-income geographies receives the most weight.

The penetration in low-income geographies is excellent. NBI originated six percent of their small loans to businesses in low income geographies. This is double the percentage of AA businesses located in these geographies. The market share in the low-income geography is of two percent is double the one percent overall market share.

The penetration in moderate-income geographies is adequate. The bank originated 11 percent of their loans in these geographies, which is lower than demographic data that indicates 18 percent of the AA businesses are in moderate-income geographies. The bank's market share in moderate-income geographies meets their market share overall for small loans to businesses. The bank's performance is similar to the AA's aggregate data that shows 12 percent of small loans to businesses were made in moderate-income census tracts.

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

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

Our geographic distribution analysis included a review for lending gaps. We identified conspicuous geographic gaps in NBI's lending distribution. NBI did not originate any HMDA-reportable loans in 81 or 36 percent of the census tracts in its AA. Of the 81 census tracts, 72 percent of the census tracts are designated as low- or moderate-income. Twenty-six percent of the AA's owner occupied housing is located within these 81 census tracts.

In addition, the bank did not originate any small business loans in 130 or 57 percent of the AA's census tracts. These census tracts contain 32 percent of the AA's non-farm businesses, and 60 percent of the census tracts are designated as low- or moderate-income.

Also, there were 60 census tracts (26 percent of the AA's geographies) in which NBI did not originate any HMDA-reportable or small business loans. Seventy-seven percent of these census tracts are

designated as low- or moderate-income. These low- or moderate-income census tracts without loan activity, represents 45 percent of the AA's low- and moderate- income geographies.

We used reports and maps to review the geographies with no loan originations to the geographies in the AA. We considered competition, economic conditions, location of bank branches, and demographic data in our analysis and were able to explain some of the gaps. However, there were several low- and moderate-income census tracts near branches where NBI had no penetration. In particular, there were several geographies just north of downtown with no activity. The bank's poor loan penetration in these census tracts had a negative impact on our analysis of lending performance.

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

A substantial majority of the bank's loans, 81 percent, are inside its assessment area. By product type, 82 percent of home mortgage loans and 78 percent of small loans to businesses are originated to borrowers inside the bank's assessment area. We view this as a positive characteristic in our analysis of lending performance.

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

The overall distribution of loans by income level of the borrower is adequate. A majority of the bank's loans originated in these full-scope AAs were home mortgage loans. Therefore, this loan product carries more weight in forming our conclusions.

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

The borrower distribution of home mortgage loans to low- and moderate-income borrowers is adequate. While home refinances are weighted heavier than the other mortgage products, the excellent performance in home purchase loans was considered when coming to this conclusion. Only loans with income information are utilized for the borrower distribution analysis.

### **Home Refinance Loans**

The distribution of home refinance loans to borrowers of different income levels is poor. The percent of bank loans to low-income borrowers (two percent) is significantly less than the percentage of low-income families living in the AA (21 percent). The percent of bank loans to moderate-income borrowers (four percent) is also well below the percentage of moderate-income families residing in the AA (19 percent). Both sets of data indicate very poor distribution. Ten percent of the AA's families live below the poverty level. As it would be difficult to qualify for a home loan, most of the families in poverty would not have a home to refinance. When considering poverty levels, performance moves from very poor to poor for both low-income and moderate-income distributions.

The bank ranks 25<sup>th</sup> in overall market share for home refinance loans in the AA with one percent of the market. The bank ranks 44<sup>th</sup> in market share for home refinance loans to low-income borrowers with 0.3 percent of the market and 51<sup>st</sup> in market share for home refinance loans to moderate-income borrowers with approximately 0.2 percent of the market.

A review of aggregate data for the AA, also indicates NBI's distribution of home refinance loans to borrowers of different incomes is poor. Aggregate data shows that seven percent of home refinance loans originated in the AA were made to low-income borrowers. Sixteen percent of home refinance

loans made in the AA were made to moderate-income borrowers. The bank's performance is well below these ratios.

### Home Purchase Loans

The distribution of home purchase loans to borrowers of different income levels is excellent. The percent of bank loans to low-income borrowers (14 percent) is less than the percentage of low-income families in the AA (21 percent). Penetration to low-income families is good considering 10 percent of the AAs' families live below poverty levels and would have difficulty qualifying for a purchase. The bank ranks 26<sup>th</sup> in overall market share for home purchase loans in the AA with one percent of the market. The bank ranks 22<sup>nd</sup> in market share for home purchase loans to low-income borrowers with one percent of the market. Penetration to moderate-income families is excellent. The percent of bank loans to moderate-income borrowers (46 percent) is far greater than the percentage of moderate-income families residing in the AA (19 percent). NBI ranks 15<sup>th</sup> in market share for home purchase loans to moderate-income families in the AA.

The First Step Mortgage program that the bank developed has significantly improved the bank's distribution of home purchase loans to low- and moderate-income borrowers.

### Home Improvement Loans

Home improvement loans were not reviewed, as the bank originated only one home improvement loan during the evaluation period. A review of home improvement loans would not be meaningful for this evaluation.

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

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

The borrower distribution of small loans to businesses is adequate. The percent of loans to businesses with revenues of \$1 million or less (42 percent) is less than the percentage of small businesses (revenues of \$1 million or less) in the AA (64 percent). The bank ranks 23<sup>rd</sup> in market share (one percent) for small loans to businesses and 17<sup>th</sup> in market share (two percent) for loans to small businesses with revenues of \$1 million or less. The bank's percentage of loans to small businesses is actually better than the AA aggregate data which indicates that only 28 percent of small loans to businesses were to small businesses.

The bank does an adequate job of providing small loans to businesses. Sixty-two percent of the loans reported are for loan amounts of \$250 thousand or less.

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

### **Community Development Lending**

The bank has an excellent level of community development lending within the bank's AA. A total of 14 loans totaling \$30 million were made to 12 different organizations with the purpose of community

development. Community development lending has a positive impact on the bank's overall lending performance.

- Nine loans totaling \$11.3 million were for affordable housing for low- and moderate-income individuals. There were a total of seven multi-family projects that benefited from these loans. Three of the projects were specifically for the homeless. This is responsive to the community's needs arising from the large population of chronically homeless in the inner city. One property developed was a mixed-use property, though primarily for housing, that also helped to revitalize and stabilize a moderate-income geography as part of the Near Eastside Revitalization Project.
- Four loans totaling \$15.2 million benefitted charter schools in Indianapolis that primarily serve low- and moderate-income children. Two of these loans also helped revitalize and stabilize a low-income geographies and shows good responsiveness to community needs.
- An additional loan for \$250 thousand helped revitalize and stabilize a low-income community known as the East Washington Street corridor. This loan is in addition to two other loans already discussed that also helped revitalize and stabilize low- and moderate-income geographies.

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

### **Product Innovation and Flexibility**

NBI makes use of flexible lending programs in a safe and sound manner to address the credit needs of low- or moderate-income individuals. This has a positive impact on the lending test performance.

The First Step 7/1 ARM loan and My Community Mortgage 30 year fixed rate programs were developed to meet the needs of low- and moderate-income individuals seeking to purchase a home. These programs include 100 percent financing. The First Step program waives the requirement of private mortgage insurance and the My Community Mortgage program offers reduced mortgage insurance premiums. These programs also have more relaxed underwriting standards and are restricted to low- and moderate-income borrowers that complete an approved home ownership counseling program. Additionally, NBI has partnered with the Federal Home Loan Bank for down payment assistance in the form of a forgivable grant. The grant will match borrower contribution up to three times, with a cap of \$7 thousand to be used for down payment or closing costs. The loans originated under these programs are included in the analysis above for home purchase loans.

NBI participates in the Small Business Administration (SBA) 504 program promoting job creation and retention and the SBA 7(a) loan guaranty program to offer flexible loans to small businesses. The number and dollar amount of loans originated under SBA programs are included in the totals for small loans to businesses.

NBI also offers Ways to Work consumer loans through Family Services Association of Indiana. This allows low-income individuals to obtain small-dollar, low-interest loans to purchase or repair a vehicle allowing family members transportation to work or school. NBI has funded 37 loans totaling \$105,593 in the last two and half years.

NBI has been flexible with borrowers facing foreclosure. The bank has modified 18 home mortgage loans to borrowers struggling to stay in their homes. Additionally, the bank has entered into a service participation agreement with the Indiana Housing and Community Development Authority to waive late fees for borrowers being assisted by the Hardest Hit Fund. NBI has waived late fees on two borrowers being assisted by the fund.

## **INVESTMENT TEST**

NBI is rated High Satisfactory under the investment test.

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

The bank's performance under the investment test in the AA is rated High Satisfactory. NBI has good responsiveness through the use of qualified investments to meet the community development needs in the AA. Refer to the attached spreadsheets for the facts and data used to evaluate the bank's level of qualified investments.

The dollar volume of qualified investment and the responsiveness to community needs is good. NBI has a total of 12 qualified investments equating to \$2.5 million, or 2.5 percent of Tier 1 capital, benefiting the AA. Eleven of these investments, or \$2 million were made during the current period. The other \$500 thousand remain outstanding from a prior period investment. In addition to these investments for the AA, there is also one prior period investment that served various communities throughout the state of Indiana, including benefiting the AA.

Six of the investments totaling \$2 million made during this evaluation period went to help provide affordable housing for low- and moderate-income individuals. Over \$1 million of these investments were for single family home purchases or repairs. This was a need identified by community contacts and shows good responsiveness on the part of the bank. The remaining went to multifamily housing for low- and moderate-income individuals. A majority of the dollars invested were in loan pools or purchasing a portion of fund investments. Smaller investments were in-kind donations to qualified organizations.

The other five investments made in this evaluation period totaled \$5,500 and in-kind donations provided to organizations providing community services to low- and moderate-income individuals. Some of the services provided by these organizations include food, shelter, medical, legal, life skills training, and after school programs.

The prior period investment for the AA has an outstanding balance of \$500 thousand. This is an investment in a fund that provides economic development to the AA. Two small businesses in the area have been able to create or retain nine jobs for low-and moderate-income individuals due to this investment.

As previously mentioned, the bank had a prior period investment, that has an outstanding balance of \$489,174 to a fund that helped provide affordable housing to low- and moderate income individuals to various communities throughout the state. This fund supports 13 multi-family projects, including one within the AA.

## **SERVICE TEST**

NBI is rated Low Satisfactory for the service test.

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

The bank's performance under the service test in Indiana is rated Low Satisfactory. Retail services carry more weight than community development services when determining the service test rating. NBI's delivery systems are reasonably accessible to geographies and individuals of different income levels within the AA. NBI provides an adequate level of community development services to the AA to help meet the identified needs.

#### **Retail Banking Services**

NBI's delivery systems are reasonably accessible to geographies and individuals of different income levels within the AA. While the bank's branches are located in only middle- and upper-income geographies, all branches, with the exception of the Westfield/Carmel branch, are located in census tracts that border moderate- or low-income geographies. The three downtown branches have six low-income geographies that border the census tract that they are located in. The branch distribution is reasonable. However, as noted in the lending test there was a lending gap noted just north of downtown Indianapolis.

The bank operates 15 ATMs, including one located in a moderate-income geography. NBI also offers alternative delivery systems available to all customers to help facilitate availability to all geographies and income levels in its AA. These systems include internet, mobile, telephone banking and bank by mail. The bank does not currently monitor the use of these systems by low- and moderate-income individuals. As a result, we did not place significant weight on these systems in reaching our conclusion.

Branch operating hours vary slightly based on location. Branches located outside of the downtown area maintain hours on Saturday morning; there are no material differences in services offered. The variance in operating hours does not specifically inconvenience low- or moderate-income individuals. There is limited inconvenience to the low-income geographies surrounding the downtown branches.

No branches were opened or closed during the evaluation period.

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

#### **Community Development Services**

NBI provided an adequate level of community development services in the AA, based upon the number of services and the responsiveness of services provided. Sixteen bank employees provided financial expertise to 15 organizations that provide community development in the AA. Employees provided financial services through fundraising, budget preparation, and assisting in credit decisions. Bank staff also provided homebuyer's counseling to low- and moderate-income individuals.

Three of these organizations have a primary purpose of providing affordable housing to low- and moderate-income individuals. One of these organizations focuses on affordable 1-4 family housing, which a community contact had identified as a community need.

One organization assisted has a primary purpose of economic development by financing small minority-owned businesses. This is responsive to the credit need of small business loans, that had been identified by a community contact.

The other eleven organizations provide a variety of community services to low- and moderate-income individuals. Some of the community services provided were food, homelessness prevention, clothing, financial literacy, educational supplies, and counseling. Community contacts and contextual research indicate that community services are a need in this area.

Additionally, various bank employees mentored low- and moderate-income youth through the United Way's "Save Up Program", a 12 hour course focused on banking, savings, investing, and creating a financial plan. The monthly meetings resulted in participants opening 14 Individual Development Accounts with matched savings.

In addition to the services noted above for the AA, two bank employees assisted community development organizations that serve communities throughout the State of Indiana, including the AA. One of these organizations focuses on providing affordable housing and community services to homeless veterans and low-income elderly in Indianapolis and Evansville, Indiana. The other organization serves several counties in central Indiana, including Marion County, by providing affordable housing and community services to low-income elderly and disabled persons.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and 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>	<b>Lending Test (excludes CD loans): (01/01/10 to 12/31/11)</b> <b>Investment and Service Tests and CD Loans: (01/04/10 to 07/16/12)</b>	
<b>Financial Institution</b>		<b>Products Reviewed</b>
The National Bank of Indianapolis 107 North Pennsylvania Street, Suite 100 Indianapolis, IN 46204		Home Mortgage Loans Small Loans to Businesses
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Indianapolis-Carmel MSA AA	Full-scope	

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

### Indianapolis-Carmel MSA AA

Demographic Information for Full-Scope Area:						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	228	11.40	33.77	32.89	21.50	0.44
Population by Geography	1,008,213	7.00	30.26	33.36	29.38	0.00
Owner-Occupied Housing by Geography	252,065	4.51	24.96	34.88	35.65	0.00
Businesses by Geography	116,265	3.42	17.72	37.32	41.45	0.09
Farms by Geography	1,884	2.49	17.30	33.60	46.61	0.00
Family Distribution by Income Level	255,867	21.18	18.87	21.75	38.20	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	102,459	12.05	45.23	29.67	13.05	0.00
Median Family Income	55,425	Median Housing Value				109,440
HUD Adjusted Median Family Income for 2011	66,000	Unemployment Rate (May 2012)**				8.4%
Households Below the Poverty Level	10%					

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

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

\*\* Unemployment rate is for Marion County only.

The Indianapolis-Carmel MSA AA consists of a portion of the #26900 MSA (Indianapolis – Carmel MSA). The AA includes all of Marion County, 13 census tracts (CTs) in Hamilton County, two CTs in Boone County, and one CT in Johnson County. This assessment area complies with the regulation and does not arbitrarily exclude any LMI areas. Management believes that due to size, location of offices, and other area banks, it would not be able to serve the entire MSA, which consists of 10 counties. Management also feels that with the size and location of branch facilities, it would be difficult to fully serve all of Hamilton County (22 CTs), Boone County (nine CTs), and Johnson County (19 CTs). None of the CTs immediately adjacent to the AA are low or moderate-income tracts. Only three of the additional 34 CTs in these counties are moderate-income tracts and none are low-income tracts. Adjusting down from the MSA and county levels is reasonable as a majority of the branches are in Marion County. The branches outside Marion County are close to the border.

The demographic information above is based on 2000 United States Census information. A majority of the examination uses this information. As 2010 United States Census information was released this year, we have updated demographic information concerning the population on Table 15. The bank did adjust their AA in 2012 due to mapping changes based on the new census information. Most of the adjustments were in Johnson County, where the AA was expanded to include the city of Greenwood and the northeast corner of the county. Forty-one percent of the AA lives in either low- or moderate-income geographies based upon 2010 data. The lending evaluation period and a majority of community development activities occurred prior to 2012 and are evaluated with 2000 United States Census information. Community development activities in 2012 and the retail banking analysis portion of the service test is utilizing the 2010 United States Census information.

Economic conditions within the AA have shown some improvement since the last examination. The unemployment rate is for Marion County, which remains above state and national averages of 7.8 and 7.9 percent, respectively. Our review concentrated on Marion County, as a majority of the AA CTs and population make up a significant majority of the AA. However, the MSA average was only 7.4 percent. Boone, Hamilton, and Johnson Counties all have rates lower than the MSA.

Indianapolis is the state capital and the largest city within the state and contains a number of government employees. The largest industries in the AA are educational, health, and social services. Indianapolis also serves as a primary industrial, commercial, and transportation center for the Midwest. Tourism and conventions are major economic factors in the AA. The largest employers include Eli Lilly (both International Corp and Company), St. Vincent Hospital, Indianapolis University Purdue University at Indianapolis, Indiana University (including Health, School of Medicine, IU Health Methodist Hospital, and IU-Indianapolis), St. Francis Hospital and Health Center, and Allison Advanced Development Co. Inc (an aircraft engine and engine part manufacture).

NBI ranks sixth in deposit market share within Marion, Boone, Hamilton, and Johnson Counties at four percent. For Marion County alone, NBI ranks fifth with a deposit market share of five percent. Other financial institutions with offices in the AA that have over five percent of the market share within the four counties include: JP Morgan Chase Bank, NA (28 percent); PNC Bank, NA (24 percent); Fifth Third Bank (10 percent); The Huntington National Bank (seven percent) and Marshall and Iisley (M&I) Bank (five percent). Primary lending products are business and home mortgage loans.

Community contacts indicated that Marion County is losing higher income and gaining lower income families. Professionals are moving over the county line into collar counties. Indianapolis has the fourth largest percentage of chronically homeless people.

Community contacts indicated that the small business lending (both lines of credit and non-owner occupied commercial real estate without a large well known tenant) is the largest credit need. Another credit need is single family residential loans. One of the community contacts indicated that moderate-income and middle-income families are struggling to get mortgages since the national recession. The community contact indicated that there are numerous opportunities to serve the AA. The contact indicated that many community development corporations (CDC) are finding it difficult to obtain lines of credit to cash flow government reimbursement programs and development construction costs. The contact indicated that there is a surplus in housing which makes it easier to buy a new house instead of rehabbing one. This results in limiting the CDCs ability to rehab inner city housing

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (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 AA; (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 % percent 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.

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/AA. 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.

**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 AA. 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. (This was not included as the bank did not report any other products.)

**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. (Included, but not reviewed during the examination. The bank originated only one home improvement loan during the evaluation period.)
- 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 thousand) 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. (Not included. The bank does not offer farm loans.)
- 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 AA. 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. (Included, but home improvement loans were not reviewed during the examination.)
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. (Not included, as the bank does not offer farm loans.)
- 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 AA. (This table is not included in the analysis, as consumer loans were not reviewed.)
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each 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.

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

## Institution ID: The National Bank of Indianapolis (10000022652)

### Table 1. Lending Volume

LENDING VOLUME												
Geography: STATE OF INDIANA												
Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011												
Assessment Area (2011):	% 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>												
Indianapolis-Carmel MSA AA	100.00	783	215,010	386	96,666	0	0	14	30,035	1,183	341,711	100.00

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 4, 2010 to July 16, 2012.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Institution ID: The National Bank of Indianapolis (1000022652)**

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF INDIANA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans		Small Business Real Estate Secured		Home Equity		Motor Vehicle		Credit Card		Other Secured Consumer		% of Rated Area Deposits in AA
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
Indianapolis –Carmel MSA AA	100.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

## Institution ID: The National Bank of Indianapolis (1000022652)

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

Geographic Distribution: HOME PURCHASE		Geography: STATE OF INDIANA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012					Market Share (%) by Geography <sup>*</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	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>															
Indianapolis – Carmel MSA AA	281	100.00	4.51	4.63	24.96	10.32	34.88	36.65	35.65	48.40	0.85	1.95	0.91	0.84	0.80

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

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

## Institution ID: The National Bank of Indianapolis (10000022652)

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

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Indianapolis – Carmel MSA AA	1	100.00	4.51	0.00	24.96	0.00	34.88	0.00	35.65	100.00	0.16	0.00	0.00	0.00	0.33

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

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

## Institution ID: The National Bank of Indianapolis (1000022652)

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF INDIANA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% 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	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Indianapolis – Carmel MSA AA	494	100.00	4.51	1.01	24.96	3.44	34.88	15.18	35.65	80.37	0.78	0.65	0.43	0.42	0.95

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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 2000 Census information.

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

## Institution ID: The National Bank of Indianapolis (1000022652)

### Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011									
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	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Indianapolis – Carmel MSA AA	7	100.00	7.77	14.29	34.83	14.29	42.51	57.13	14.89	14.29	5.88	10.00	7.14	6.67	0.00	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

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

## Institution ID: The National Bank of Indianapolis (1000022652)

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF INDIANA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011									
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 Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Indianapolis – Carmel MSA AA	386	100.00	3.42	5.70	17.72	10.62	37.32	40.41	41.45	43.27	1.27	2.20	1.09	1.46	1.15

\* Based on 2010 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 (2011). 0.09 percent of business are located in NA geography.

## Institution ID: The National Bank of Indianapolis (1000022652)

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

Borrower Distribution: HOME PURCHASE		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011									
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans	% Families	% BANK Loans	% Families***	% BANK Loans	% Families**	% BANK Loans*	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Indianapolis – Carmel MSA AA	281	100.00	21.18	13.88	18.87	46.26	21.75	4.98	38.20	34.88	0.98	0.97	1.57	0.25	0.97	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

## Institution ID: The National Bank of Indianapolis (1000022652)

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

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share <sup>*</sup>				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>**</sup>	% BANK Loans	% Families	% BANK Loans	% Families <sup>***</sup>	% BANK Loans	% Families <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Indianapolis – Carmel MSA AA	1	100.00	21.18	0.00	18.87	0.00	21.75	0.00	38.20	100.00	0.18	0.00	0.00	0.00	0.39	

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

## Institution ID: The National Bank of Indianapolis (1000022652)

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF INDIANA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans*** *	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Indianapolis – Carmel MSA AA	494	100.00	21.18	1.62	18.87	4.06	21.75	8.92	38.20	85.40	0.95	0.26	0.23	0.34	1.52

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.2% of loans originated and purchased by bank.

## Institution ID: The National Bank of Indianapolis (1000022652)

### Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF INDIANA			Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Indianapolis – Carmel MSA AA	386	100.00	64.45	41.71	38.34	24.09	37.57	1.27	1.96

\* Based on 2010 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 - 2011).

\*\*\*\* 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 12.18% of small loans to businesses originated and purchased by the bank.

## Institution ID: The National Bank of Indianapolis (1000022652)

### Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: STATE OF INDIANA				Evaluation Period: JANUARY 4, 2010 TO JULY 16, 2012					
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Indianapolis – Carmel MSA AA	1	500	11	2,017	12	2,517	83.73	0	0
State-wide, benefiting AA	1	489	0	0	1	489	16.27	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.

**Institution ID: The National Bank of Indianapolis (1000022652)**

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: STATE OF INDIANA				Evaluation Period: JANUARY 4, 2010 TO JULY 16, 2012									
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>																	
Indianapolis – Carmel MSA AA	100.00	12	100.00	0.00	0.00	41.67	58.33	0	0	0	0	0	0	12.22	28.79	28.26	30.73

\* Population is based on 2010 U.S. Census and the AA designation based upon 2010 U.S. Census information. With the census tract map changes, the bank has had some changes to their AA in Johnson, Hamilton, and Boone Counties. Hamilton and Boone county changes are primarily census tract number changes, but the area included is similar. The portion of Johnson County included was expanded to include more of the northern portion of the county west of I-65 in 2012 AA.

## Institution ID: The National Bank of Indianapolis (1000022652)

### Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System		Geography: STATE OF INDIANA						Evaluation Period: JANUARY 4, 2010 TO JULY 16, 2012									
MA/Assessment Area:	Deposits	Branches						ATMs				Population*					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Indianapolis – Carmel MSA AA	100.00	12	100.00	0.00	0.00	41.67	58.33	15	100.00	0.00	6.67	33.33	60.00	12.22	28.79	28.26	30.73

- Population is based on 2010 U.S. Census and the AA designation based upon 2010 U.S. Census information. With the census tract map changes, the bank has had some changes to their AA in Johnson, Hamilton, and Boone Counties. Hamilton and Boone county changes are primarily census tract number changes, but the area included is similar. The portion of Johnson County included was expanded to include more of the northern portion of the county west of I-65 in 2012 AA.

