



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

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Community Reinvestment Act Performance Evaluation

**First Bank Richmond, NA
Charter Number: 23570**

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NOTE: This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of First Bank Richmond, N.A. prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of January 2, 2001. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

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

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

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

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

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

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

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

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

Median Family Income (MFI) - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

Overall CRA Rating

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

The following table indicates the performance level of **First Bank Richmond, N.A. (FBR)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Bank Richmond, N.A. 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 geographic distribution of loans shows an adequate level of home purchase lending in low- and moderate-income block numbering areas (BNAs). The distribution is excellent for home refinance lending and good for small business lending in low- and moderate-income BNA’s.
- The distribution of loans to borrowers of different incomes reflects an adequate level of home mortgage lending to low- and moderate-income individuals. Lending to businesses of different sizes indicates an adequate level of lending to businesses with revenue of \$1 million or less.
- FBR has shown adequate responsiveness to the investment needs of its AAs.
- FBR provides a relatively high level of community development services. Delivery systems are accessible to geographies and individuals of different income levels in its assessment area.

Description of Institution

First Bank Richmond, N.A. (FBR) is an intrastate financial institution headquartered in Richmond, Indiana. FBR has two assessment areas (AAs), both located in the state of Indiana. FBR services Wayne County as well as a portion of Shelby County. The Shelby County AA is located in the Indianapolis MSA.

FBR operates eight offices and eight ATMs. There are seven offices and seven ATMs in the Wayne County AA. Six of the seven branch locations in the Wayne County AA have ATMs. Only the Centerville branch does not have an ATM. The bank also owns an ATM at a local grocery/retail store. The distribution of branches in the Wayne County AA shows no branches in low-, two branches in moderate-, three branches in middle-, and two branches in upper-income block numbering areas (BNAs).

There is one office and one ATM in the Shelby County AA. FBR opened its Shelbyville branch in 1999 and entered the Shelby County market. This branch operates out of a local grocery store. The branch and ATM located in the Shelby County AA are located in a middle-income census tract (CT).

Because the Shelby County branch is located in the Indianapolis MSA, FBR became a HMDA reporter following the opening of this branch. The bank began collecting HMDA information for calendar year 2000.

FBR is wholly owned by Richmond Mutual Bancorporation (RMB), a bank holding company headquartered in Richmond, Indiana. The bank holding company, RMB, is wholly owned by First Mutual of Richmond, Inc. (FMR), which is also headquartered in Richmond, Indiana. As of September 30, 2000, FMR had total assets of \$519 million.

Both the bank and the holding company have lending subsidiaries. In addition to FBR, RMB owns Bank Services, Inc., a mortgage servicing company located in Titusville, Pennsylvania. As of September 30, 2000, RMB had total assets of \$516 million. FBR owns a leasing subsidiary, First Federal Leasing, Inc., a wholesaler and servicer of small commercial leases. First Federal Leasing, Inc. had total leases of \$81 million and income of \$4.4 million as of September 30, 2000. This bank subsidiary provides a service not offered by the bank, so it increases FBR's ability to lend in its assessment areas.

FBR had \$496 million in total assets, \$389 million in net loans, and \$46 million in Tier 1 Capital as of September 30, 2000. The majority of the bank's loan portfolio is real-estate secured. Forty-nine percent (49%) of the loan portfolio is 1-4 family residential mortgage loans, 18 percent is commercial real estate loans, 2 percent is construction loans, less than 1 percent is multi-family loans, and less than 1 percent is secured by farmland. The remainder of FBR's loan portfolio includes 8 percent commercial loans, 1 percent loans to individuals, and less than 1 percent of both credit card loans and other loans. The remaining 19 percent of the bank's loan portfolio consists of commercial leases.

Unlike many financial institutions, FBR typically does not sell mortgage loans. This accounts for the high percentage of 1-4 family residential mortgage loans in the portfolio. However, FBR did sell \$10 million of brokered mortgage loans in April 2000.

In addition to traditional mortgage origination methods, FBR also offers mortgages through its brokered loan department. Applicants are referred to the department by a variety of mortgage brokers, who are located primarily in Indiana, Ohio, and Kentucky. The department offers purchase money mortgage loans, first lien home equity loans and second lien equity loans. More flexible underwriting standards are used in this department. In order to provide downpayment funds to the borrower, FBR may loan up to 100 percent of a residential property's value. Generally, another lender provides a first mortgage loan up to the traditional 80 percent loan-to-value limit. FBR provides a second mortgage loan for the difference up to 100 percent loan-to-value.

There are no financial, legal, or other factors that impede the bank's ability to meet its communities' credit needs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed home mortgage loans for the period of January 1, 2000 to December 31, 2000. The bank was not a HMDA reporter in 1999. We reviewed small business and small farm loans for the time period of January 1, 1999 to December 31, 2000. Since there was no HMDA data and it was a small time frame, we chose not to include the small business and small farm lending data for the fourth quarter of 1998 in our evaluation. Community development loans were reviewed for the time period of October 20, 1998 through January 2, 2001. FBR's last CRA evaluation dated October 20, 1998 rated the bank "Satisfactory."

Our review of investments included a review of FMB's investment portfolio and an analysis of the donations and grants made between October 20, 1998 and January 2, 2001. We considered investments and donations or grants to organizations that have community development as their primary purpose. Our evaluation of bank services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail-banking services. We analyzed the effect of changes in branch locations since our previous CRA examination. We also considered the extent and innovativeness of the bank's community development services in meeting the credit needs of its AAs.

Data Integrity

We verified a sample of HMDA, small business, and small farm loans to determine the accuracy of data presented by the bank. We reviewed the sample of HMDA-reportable transactions to ensure the purpose, action taken, location, race, gender, applicant income, and loan size were accurately included on FBR's Loan Application Register. We reviewed the sample of small business and small farm loans to ensure the loan type, original amount, location, and gross revenue were accurately reported. We noted significant errors in key fields of HMDA, small 3 business, and small farm data during our review. FBR management performed a file review of the key fields with significant errors. They reviewed all small business and small farm loans reported during 1999 and 2000 and all HMDA loans reported during 2000. Bank personnel corrected all errors noted during this file review. Our second review of HMDA noted only minor clerical errors. A third review was performed on small business and small farm data. This review noted only minor errors. This performance evaluation is based on accurate data following FBR's file reviews.

We also reviewed community development loans, investments, donations, and services provided from October 20, 1998 through January 2, 2001. The bank submitted several loans, investments, donations, and services for our review that did not meet the definition of community development. We determined which investments, organizations, and services met the definition of community development and included those under the Lending, Investment or Service Test, respectively.

Selection of Areas for Full-Scope Review

Our analysis included full-scope examination procedures for the Wayne County AA. We performed limited-scope examination procedures in the Shelby County AA. FBR recently entered the Shelby County market with the opening of a grocery store branch and one ATM in March of 1999. Activity in the Shelby County AA has been minimal. Only 4 percent of the bank's total deposits are from within this AA. Less than 1 percent of the loans originated during this evaluation period were in this AA. In addition, only three mortgage loan applications were received in this AA. Please refer to the table in Appendix A for additional information on the scope of our review.

Ratings

FBR's overall rating and ratings assigned to each test are based primarily on the conclusions reached during our full-scope review of the Wayne County AA. When determining conclusions for the Lending Test in this AA, home mortgage loans were weighted more heavily than small loans to businesses or small loans to farms, as 1-4 family residential mortgage loans represent a larger volume of FBR's lending during the evaluation period (Note: The HMDA data is for 2000 only while the small business and small farm data is for 1999 and 2000). Of the home mortgage products, home purchase loans were weighted the heaviest and then home refinance loans. Very little weight was given to home improvement loans since they represented a small portion of the total HMDA loans reported during the evaluation period (7%).

Other

We performed two community contact interviews during our examination. We contacted two organizations in Wayne County, including one local small business development center and one realtor. Both of the contacts indicated that they felt the major credit needs of the community were being met by the local financial institutions. Each contact stated that there is a wide variety of credit programs available from local financial institutions.

Fair Lending Review

An analysis of recent HMDA, small business and small farm lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The last comprehensive fair lending examination conducted by the OCC was in October 1998. At that time, we did not find any evidence of noncompliance with fair lending laws or regulations.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Wayne County AA is adequate.

Lending Activity

Loans originated during the evaluation period reflect good responsiveness to the needs of its AA. Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.

FBR extended 479 small business, home mortgage and small farm loans totaling \$33 million in the Wayne County AA. Of these, 42 percent were home mortgage loans (one year's HMDA data), 54 percent were small business loans and 4 percent were small farm loans. Among home mortgage loan originations and purchases, 58 percent were for home purchase, 35 percent were for home mortgage refinance, and 7 percent were for home improvement.

FBR has the highest overall deposit market share (28.11%) in Wayne County. In 1999, there were nine institutions operating in this county. The small business lending data for 1999 showed FBR was ranked first of 33 lenders with 36.12 percent market share. There is no market share information available for the bank's HMDA lending. FBR first became a HMDA reporter in 2000 and aggregate lending information was not yet available during the writing of this performance evaluation. However, based on 1999 aggregate HMDA data, 201 loans would rank FBR second of 178 lenders with a market share of 6.23%.

Distribution of Loans by Income Level of the Geography

FBR's distribution of loans by income level of the geography showed that the bank's performance in the Wayne County AA is adequate. Small business lending performance is considered good and home mortgage lending is considered adequate. These loan types were weighted more heavily than small farm loans as they represent a greater percentage of the bank's loan portfolio.

Home Mortgage Loans

The overall geographic distribution of home mortgage loans is adequate in the Wayne County AA. Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases. Home purchase lending was considered adequate; however, the performance in home refinance lending was considered excellent.

Home Purchase Loans

The geographic distribution of home purchase loans is adequate in the full-scope AA. Refer to Table 2 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home purchase loan originations and purchases.

The bank originated 117 home purchase loans in Wayne County in 2000. The bank shows a low level of lending in moderate-income geographies. The bank made 15 percent of its loans in moderate-income BNAs. Twenty-six percent of the owner-occupied units in the assessment area are located in the moderate-income BNAs. However, the median housing value for the moderate-income BNAs is \$30,224. This is significantly below the median housing value for Wayne County (\$42,136) and the average selling price of homes in the past year of \$80,000 to \$90,000 (based on one of our community contacts). The value of these homes is reflective of their general state of disrepair. It is important to note that FBR has an excellent geographic distribution of both home refinance and home improvement lending in these moderate-income BNAs. The bank made no loans in the low-income BNA. FBR's lending in low-income BNAs is reasonable, considering that only 1 percent, or 209, of the owner-occupied units is located in the low-income BNA. Although there is no aggregate HMDA data available for 2000, the bank's 117 loans compared against 1999 HMDA data would rank the bank 1st with a 10.15% market share of home purchase loans. Only five lenders made six loans for all of 1999 in the low-income BNA. In the moderate-income BNAs, FBR's 18 loans would rank 7th of 59 lenders with a 5.1% market share. It is also important to note that 5 of the 6 lenders whom ranked above FBR are non-bank financial institutions.

Home Improvement Loans

The geographic distribution of home improvement loans is excellent in the Wayne County AA. Refer to Table 3 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home improvement loans.

The bank originated 13 home improvement loans in Wayne County in 2000. FBR does not report its home equity lending for HMDA purposes. The bank made 38 percent of the loans in moderate-income BNAs. This performance significantly exceeds the percentage of owner-occupied units in the moderate-income (26%) BNAs in the assessment area. The bank made no loans in the low-income BNA. FBR's lending performance is less than the percentage of owner-occupied units in the low-income BNA (1%). As stated above, the bank's level of lending in low-income geographies is considered reasonable, as there are only 209 owner-occupied units in this BNA. Based on the 1999 aggregate HMDA data, FBR's 13 loans would rank 6th of 35 lenders with a 4.7% market share of home improvement loans. In moderate-income tracts, FBR's 5 loans would rank 3rd of 20 lenders with a 6.5% market share. From a review of other banks' performance evaluations, we determined that most of the local banks use a home equity product instead of home improvement loans and do not report their home equity loans for HMDA purposes.

Home Mortgage Refinance Loans

The geographic distribution of home mortgage refinance loans is excellent in the full-scope AA. Refer to Table 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage refinance loans.

The bank originated 71 home mortgage refinance loans in the Wayne County AA in 2000. The bank made no loans in the low-income BNA and 30 percent of these loans in moderate-income BNAs. FBR's distribution of loans in moderate-income BNAs exceeds the percentage of owner-occupied units in those BNAs (26%). The distribution of loans in low-income geographies falls below the percentage of owner-occupied units in the AA. However, this is reasonable considering owner-occupied units total only 209 and account for 1 percent of the owner-occupied units in this AA. Based on the 1999 aggregate HMDA data, FBR's 71 loans would rank 6th of 141 lenders with a 4.0% market share of refinance loans. In moderate-income tracts, FBR's 21 loans would rank 7th of 97 lenders with a 3.6% market share.

Small Loans to Businesses

The geographic distribution of small business loans reflects a good level of lending performance in the AA. Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The percentage of small business loans made in moderate-income BNAs (45%) significantly exceeds the percentage of small businesses in these tracts within the AA (38%). However, the percentage of small business loans made in low-income geographies (1%) is less than the level of small businesses in these tracts within the AA (3%). It is important to note that if the bank had made an additional 3 loans, the percentage of lending would have met the percentage of businesses in the tracts.

FBR ranks first out of 33 lenders in the Wayne County AA with an overall market share of 36.12 percent. FBR's market share in moderate-income geographies (41.76%) exceeds its overall market share. The bank's market share in low-income geographies (17.14%) is below the bank's overall small business market share.

Small Loans to Farms

The geographic distribution of small farm loans reflects a good level of lending performance in the AA. Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to farms.

The percentage of small farm loans made in low-income geographies (11.76%) significantly exceeds the percentage of small farms in low-income BNAs (less than 1%). The bank did not extend any small farm loans in moderate-income BNAs although 5% of the small farms in the AA are located in those geographies.

Based on loans made in 1999, FBR ranks fifth out of 12 lenders in the Wayne County AA with an overall market share of 7.75 percent. None of the twelve lenders made small farm loans in low-income geographies. Only two of the lenders made a total of 4 loans in moderate-income geographies. FBR had no market share in either low- or moderate-income geographies.

Lending Gap Analysis

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

Inside/Outside Ratio

Lending inside the assessment area had a neutral impact on the overall geographic distribution conclusions. Thirty-eight percent of the home mortgage loans, small loans to businesses and farms, and CD loans originated or purchased by FBR during the evaluation period were within its AAs. Eighty-three percent (83%) of the small loans to businesses, 59 percent of the small loans to farms, and 23 percent of the bank's home mortgage loans, and 100 percent of the CD loans were extended within the bank's AAs. This analysis was performed at the bank level and includes the performance in the Shelby County assessment area.

A major factor impacting the volume of home mortgage loans extended within the bank's AAs is activity in the brokered loan department. This department originates loans primarily in Indiana, Ohio, and Kentucky. Of the bank's 911 reported HMDA loans for 2000, 717 (78.7%), were originated by the brokered loan department. A substantial majority of these brokered loans are originated outside of the bank's assessment area.

Distribution of Loans by Income Level of the Borrower

FBR's distribution of loans by income level of the borrower showed that the bank's performance in the Wayne County AA is adequate. Home mortgage lending and small business lending are considered adequate. These loan types were weighted more heavily than small farm loans as they represent a greater percentage of the bank's loan portfolio.

Home Mortgage Loans

The overall distribution of home mortgage loans by income level of the borrower is adequate in the Wayne County AA. Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loans.

Home Purchase Loans

The distribution of home purchase loans by income level of the borrower is adequate in the Wayne County AA. Refer to Table 7 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home purchase loans.

An analysis of the 117 home purchase loans originated during 2000 shows the bank extended 2 percent of its home purchase loans to low-income borrowers and 12 percent to moderate-income borrowers. The percentage of loans to both low- and moderate-income borrowers falls significantly below the AA demographics for low- (21%) and moderate-income (22%) families in the assessment area. While the bank's lending performance to low-income borrowers appears low, the reader must keep in mind that there are factors that make it difficult for low- and moderate-income individuals to qualify for a home purchase loan. Based on discussions with a local realtor, the average selling price for a single family home is \$80,000 to \$90,000. A low-income family has a maximum income of \$23,000 and a moderate-income family has a maximum of \$36,800 in Wayne County. This would make it difficult for low- and moderate-income individuals to qualify for a home purchase loan. It should also be noted that almost 15 percent of the households in the AA are living below the poverty level (See comments in Market Profile in Appendix B for further details). These factors, to some extent, mitigate the bank's low lending levels. Based on the 1999 aggregate HMDA data, FBR's 117 loans would rank 1st of 109 lenders with a 10.2% market share of home purchase loans. For loans to low-income borrowers, FBR's 3 loans would rank 6th of 35 lenders with a 2.9% market share. For loans to moderate-income borrowers, FBR's 14 loans would rank 8th of 42 lenders with a 5.1% market share. FBR's lending performance is also mitigated by the high level of competition from large banks and non-bank lenders, which dominate the market for home purchase loans to low- and moderate-income borrowers.

Home Improvement Loans

The distribution of home improvement loans by income level of the borrower is adequate in the Wayne County AA. Refer to Table 8 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home improvement loans.

The bank made 13 home improvement loans during 2000 in this assessment area. The bank made 15 percent of these loans to low-income borrowers and 8 percent of these loans to moderate-income borrowers. The bank's lending performance to low- and moderate-income borrowers is significantly less than the percentage of low- and moderate-income families residing in the AA (21% and 22%, respectively). The high poverty level would again be a mitigating factor here. Based on the 1999 aggregate HMDA data, FBR's 13 loans would rank 6th of 35 lenders with a 4.7% market share of home improvement loans. For loans to low-income borrowers, FBR's 2 loans would rank 5th of 11 lenders with a 7.69% market share. For loans to moderate-income borrowers, FBR's 1 loan would rank 9th of 18 lenders with a 1.4% market share. This performance is also mitigated by the high level of competition from large banks and non-bank lenders, which dominate the market for home improvement loans to low- and moderate-income borrowers.

Home Mortgage Refinance Loans

The distribution of home mortgage refinance loans by income level of the borrower is adequate in the full-scope AA. Refer to Table 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage refinance loans.

An analysis of the 71 home mortgage refinance originations in 2000 shows the bank extended 4 percent of its home mortgage refinance loans to low-income borrowers and 13 percent of its home mortgage refinance loans to moderate-income borrowers. FBR's lending to low- and moderate-income individuals is well below the percentage of low- (21%) and moderate-income (22%) families in the AA. As mentioned earlier with regard to home purchase loans, there are factors that make it difficult for low-income individuals to qualify for a home refinance loan that, to some extent, mitigate this low level of lending. See comments in Market Profile in Appendix B for further details. Based on the 1999 aggregate HMDA data, FBR's 71 loans would rank 6th of 141 lenders with a 4.0% market share of refinance loans. For loans to low-income borrowers, FBR's 3 loans would rank 17th of 61 lenders with a 1.4% market share. For loans to moderate-income borrowers, FBR's 9 loans would rank 11th of 67 lenders with a 2.4% market share. Once again, FBR's performance is mitigated by the high level of competition from large banks and non-bank lenders, which dominate the market for refinance loans to low- and moderate-income borrowers.

Small Loans to Businesses

The distribution of small loans to businesses by income level of the borrower is adequate in the full-scope AA. Refer to Table 10 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.

FBR made 80 percent of its small business loans to businesses with revenue of \$1 million or less. FBR's lending to businesses with revenue less than \$1 million is below the level of these businesses in the AA. Businesses with revenue of \$1 million or less comprise 88 percent of all businesses in the AA.

FBR ranks first of 33 lenders in the Wayne County AA with a market share of 47.96% in lending small loans to businesses with revenues of less than \$1 million. The bank's market share of small loans to businesses with revenues of less than \$1 million exceeds its overall small business market share of 36.12 percent.

Small Loans to Farms

The distribution of small loans to farms by income level of the borrower is adequate in the full-scope AA. Refer to Table 11 in the 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.

FBR made 82 percent of its small farm loans to farms with revenue of \$1 million or less. FBR's lending to farms with revenue less than \$1 million is below the level of these farms in the AA. Farms with revenue of \$1 million or less comprise 98 percent of all farms in the AA.

FBR ranks fourth out of 33 lenders in the Wayne County AA with an overall market share of 7.94 percent in lending small loans to farms with revenues of less than \$1 million. The bank's market share for these loans slightly exceeds its overall small farm market share of 7.75 percent.

Community Development Lending

Community development lending had a positive impact on lending test conclusions for the Wayne County AA. Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

FBR extended one community development loan in the Wayne County AA totaling \$800,000. The loan funds were used for affordable housing. This was a construction loan to renovate a vacant elementary school into a 25-unit Section 42 housing facility for low-income senior citizens. To qualify for residence, seniors must make 60 percent or less of the area median family income. FBR extended various other loans with community development characteristics that have already been considered in the evaluation of home mortgage loans and small loans to businesses.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusions for the Wayne County AA. FBR has flexible mortgage products. The bank makes direct residential first mortgage loans with a loan-to-value of up to 90 percent without requiring Private Mortgage Insurance (PMI) or any other form of credit enhancement for qualified borrowers. FBR also originates first mortgage loans with a loan-to-value of 80 percent and will lend an additional 15 percent on a second mortgage without requiring PMI for qualified borrowers. As mentioned in the Description of Institution section, FBR also originates indirect mortgage loans through its Brokered Loan Department where the bank will finance up to 100 percent of the home's loan-to-value. FBR allows borrowers to finance closing costs in any amount as long as the loan-to-value does not exceed bank maximums, as described above. FBR also allows closing costs to be paid by the seller. Specific information regarding the number and dollars of lending under these programs was unavailable.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Lending Test in the Shelby County AA is weaker than the bank's overall "Low Satisfactory" performance under the Lending Test. However, FBR's low lending levels in this AA had no impact on the overall Lending Test rating. This is a new AA for the bank and while the grocery store branch is a full-service branch, only three home loan applications were received in the AA during the evaluation period. FBR did not extend any home mortgage loans in the Shelby County AA. Two small loans to businesses were made during the evaluation period. Both of these loans were made in moderate-income BNAs to businesses with revenues of less than \$1 million. No small loans to farms were made during this period. Refer to Tables 1 through 11 in Appendix C 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 is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Wayne County AA is adequate. Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

FBR's investment and grant activity in the Wayne County AA is adequate in light of the limited investment opportunities available (See comments in Market Profile in Appendix B for further details). FBR made \$123,500 of qualified investments during the evaluation period and has \$876,950 in prior period investments still outstanding. Financial institutions may provide grant funding, deposit funds, own a membership share, or purchase investments in community development organizations to receive credit under the investment test.

During this evaluation period, FBR invested \$122,500 and holds a 49 percent equity stake in a project which rehabilitated a vacant warehouse in a moderate-income BNA in the Wayne County AA. This project helped to revitalize this area by providing several new jobs for low- and moderate-income individuals. Currently, there are three businesses meeting the small business definition that occupy the renovated space. The bank also provided a \$1,000 donation to a local food bank.

FBR has three prior period investments totaling \$876,950 outstanding. One investment totaling \$803,188 was to purchase tax credits for the Section 42 housing project, which provides affordable housing for low- and moderate-income individuals. The tax credits provided equity for the project, which in turn decreased the financing costs as well as the tenants' rents. FBR also invested in economic revenue bonds with a remaining balance of \$67,562. These bonds financed the expansion of a local dairy, which served to stabilize a moderate-income area. This provided 25 new jobs to low- and moderate-income individuals and saved approximately 86 jobs in the community. FBR also invested \$6,200 in a state Certified Development Corporation. This corporation is certified by the SBA to provide 504 loans to expanding businesses in Indiana.

Conclusions for Area Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Investment Test in the Shelby County AA is weaker than the bank's overall Low Satisfactory performance under the Investment Test. However, FBR's lack of qualified investments in this AA did not impact the overall Investment Test rating. FBR did not make any qualified investments in the Shelby County AA during the evaluation period. Our contact with the OCC's District Community Affairs Officer and a review of available large bank performance evaluations from the AA revealed that there are limited opportunities for investment in Shelby County. Refer to Table 12 in Appendix C 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 is rated High Satisfactory. Based on the full-scope review of the Wayne County AA, the bank's performance is good.

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FBR's delivery systems are accessible to geographies and individuals of different income levels in its assessment area. In addition to the main office, FBR operates five full-service branch facilities and seven automated teller machines (ATMs) in this assessment area. The bank also operates one motor branch, which is a support facility. The motor bank is a drive-up facility located in a moderate-income census tract. Although customers can only conduct deposit transactions at the motor bank, the main office is only four blocks from the motor bank. ATMs are located at all branch locations, except for the Centerville branch, which is located in a middle-income census tract.

The bank opened two branches and two ATMs in the Wayne County AA during this evaluation period. One branch was opened in a moderate-income tract and the other in an upper-income tract. One ATM was opened in a moderate-income tract and the other in a middle-income tract. The bank closed one ATM during this evaluation period, which was located in a gas station in an upper-income tract. The closing of this ATM did not adversely affect the accessibility of the bank's delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.

The distribution of the bank's locations is favorable when compared to the distribution of the population of the assessment area. Although the bank has no branches and no ATMs in low-income tracts, only 1 percent of the assessment area's population lives in low-income tracts. It should also be noted that the assessment area has only one low-income tract, and that the bank has two branches and one ATM in upper-income tracts that are directly adjacent to this tract. Twenty-eight and one half percent (28.5%) of the bank's branches and 33 percent of the bank's ATMs are in moderate-income tracts as compared to 32 percent of the AA's population. This distribution of branches and ATMs compares favorably to the percentage of the population living in moderate-income geographies.

All offices, with the exception of the motor bank (a drive-up facility), provide full banking services. The bank offers numerous loan and deposit products. Loan products include various mortgage and business loans, consumer loans, and check cards.

Branch hours offer reasonable access and convenience, and do not vary in a way that inconveniences any portion of its assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Lobby hours vary at each location based on the market, and range from 7:00 a.m. to 7:00 p.m. Four of the branches offer expanded weekend hours, including two that are open on Sunday. One of these branches is in a moderate-income tract and another branch is in an upper-income tract directly adjacent to a low-income tract. The bank offers expanded hours equally in the low- and moderate-income census tracts compared to the hours in the middle- and upper-income census tracts.

FBR offers some alternative delivery systems to expand the availability of retail bank services to all areas of the AA. In addition to their ATM network, the bank offers 24-hour telephone banking to its customers, which allows them to check balances, transfer funds and make loan payments from all income geographies. The bank also offers on-line banking, a computer-based banking service that can be accessed via computer terminals in individual homes and businesses in all income areas. Wire transfer services are also available to all income geographies. FBR did not have any information to show how low- and moderate-income individuals or geographies benefited from the telephone and/or on-line banking alternative delivery system. Therefore, we could not place significant weight on these alternative systems when drawing our CRA performance conclusions.

Community Development Services

FBR provides a relatively high level of community development services in the Wayne County AA. FBR provides many services through the participation of many of its employees. These employees offer financial expertise as officers, board members, loan committee members and instructors for a variety of community development programs. Examples include:

FBR offers a low-cost deposit product specifically geared toward low- and moderate-income individuals. This account only requires a \$100 minimum deposit and has a \$2 monthly service charge.

Federal Home Loan Bank (FHLB) of Indianapolis - Affordable Housing: The FHLB designs and implements affordable housing programs for member institutions. The bank's President/CEO is a member of the Affordable Housing planning committee. This committee oversees and distributes the funds to affordable housing projects from FHLB Indianapolis profits.

Richmond Redevelopment Commission: The Commission funds projects in the city's Tax Increment Financing (TIF) district. Funds are used to develop areas in low- and moderate-income districts and the Urban Enterprise Zone. The bank's Executive Vice President is the President of the Commission.

Wayne County Revolving Loan Fund: The Board of Directors of the Wayne County Revolving Loan Fund analyzes and administers funds for business start-up and expansion in Wayne County that create jobs in the area. A prerequisite is that job creation is gauged toward lower wage jobs. The bank's Executive Vice President is a Board member of the Wayne County Revolving Loan Fund.

Main Street Richmond: This nonprofit organization works to revitalize and promote the downtown area of Richmond, which is located in a moderate-income BNA. Through this organization, loan funds are available to fix-up property in the downtown area and to aid small businesses. A bank Senior Vice President acts as the Board President of this organization.

City of Richmond Revolving Loan Fund: The purpose of this revolving loan fund is to provide loan funds to small businesses creating jobs, as well as funds, specifically for low- and moderate-income individuals. A bank Senior Vice President is the Vice-Chairman of this fund.

Economic Development Corporation of Wayne County: This corporation recruits and retains industry in Wayne County creating and maintaining jobs within the county. The majority of the businesses targeted meet the Small Business Administration's definition of small business by either sales or number of employees. Most of these jobs pay hourly wages and are held by low- and moderate-income individuals. A bank Vice President is a Board Member of the corporation.

Dublin Senior Housing, LP: This organization assists in developing low-income housing for Senior Citizens. FBR sponsored this grant and is responsible for monitoring and compliance to ensure that developments meet low- and moderate-income guidelines. A bank Vice President acts as a liaison with the FHLB of Indianapolis for Affordable Housing Organization grants that the project receives.

Urban Enterprise Association (UEA): The UEA is a State-designated area of poverty and an area in need of investment and redevelopment. The UEA Board manages funds from Inventory Tax Abatements used to revitalize depressed areas. A current project of the UEA is a senior housing development for low- and moderate-income seniors. An Assistant Vice President of the bank sits on the UEA Board.

United Way of Whitewater Valley: The United Way sponsors educational projects, emergency services, health care and youth and family activities, a majority of which are geared to low- and moderate-income families and individuals. A Senior Vice President and a Vice President of the bank serve on the finance committee and act as Board members. The Board oversees funding and the direction of the United Way and its programs.

Habitat for Humanity: The Habitat provides affordable housing for low- and moderate-income individuals and families. A Vice President of the bank acts as a FHLB Liaison and works with Habitat to monitor previous Affordable Housing Grants and compliance for homes constructed under those grants.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Shelby County AA is weaker than the bank's overall "High Satisfactory" performance under the Service Test. However, FBR's branch distribution in this AA did not impact the overall Service Test rating. FBR has only one branch in a middle-income census tract and has had minimal deposit activity in the AA since its branch was opened in 1999. Refer to Table 13 in Appendix C 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).

Time Period Reviewed	Lending Test : January 1, 1999 to December 31, 2000 Investment Test: October 20, 1998 to January 2, 2001 Service Tests: October 20, 1998 to January 2, 2001	
Financial Institution	Products Reviewed	
First Bank Richmond, NA (FBR) Richmond, Indiana	HMDA, Small Business, Small Farm & Community Development	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>None</i>	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Wayne County Shelby County (Indianapolis MSA #3480)	Full-Scope Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews
Wayne CountyB-2

**Wayne County AA
Market Profile**

Demographic Information for Full-Scope Area: FBR - Wayne County AA						
Demographic Characteristic	#	Low % of #	Mod % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	19	5.26	31.58	57.89	5.26	0.00
Population by Geography	71,951	1.43	32.21	58.83	7.53	0.00
Owner-Occupied Housing by Geography	18,650	1.12	25.55	64.91	8.42	0.00
Business by Geography	2,622	2.75	38.37	47.33	11.56	0.00
Farms by Geography	328	0.30	5.18	92.68	1.83	0.00
Family Distribution by Income Level	19,785	21.31	21.50	23.15	34.04	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	8,469	2.51	40.85	51.12	5.52	0.00
Median Family Income	28,669	Median Housing Value		42,136		
HUD Adjusted Median Family Income for 2000	46,000	Unemployment Rate		2.6%		
Households Below Poverty Level	14.96%					

Description of Wayne County AA:

The Wayne County AA, which includes all of Wayne County, consists of nineteen BNAs, of which one (5%) is low-income, six (32%) are moderate-income, eleven (58%) are middle-income, and one (5%) is upper-income.

The population of this AA is 71,951 people. One percent (1%) of the population resides in the low-income BNA, 32 percent live in moderate-income BNAs, 59 percent live in middle-income BNAs, and 8 percent reside in upper-income BNAs in the AA. Based on the 2000 HUD adjusted Nonmetropolitan Median Family Income of \$46,000, the percentage breakdown of families in the AA by income level is 21 percent low-income, 22 percent moderate-income, 23 percent middle-income, and 34 percent upper-income. A low-income family has a maximum income of only \$23,000. In addition, almost 15 percent of the households in the AA are living below the poverty level. These factors may make it difficult for low-income individuals to qualify for a home purchase loan.

Of the 29,586 housing units in the assessment area, 18,650, or 63 percent of the homes are owner-occupied. Approximately 1 percent of the owner-occupied units is located in the AA's low-income tract. Twenty-six percent (26%) of the owner-occupied units are located in moderate-income BNAs, 65 percent are located in middle-income tracts, and the remaining 8 percent are in upper-income BNAs. Thirty percent (30%), or 8,937, of the housing units are rental-occupied while the remaining 1,999 units (7 percent) are vacant. The median housing price for the nonmetropolitan areas of Indiana is \$42,136 and the average age of homes is approximately 47 years old.

Demographic data from Dun & Bradstreet indicate there are 2,622 businesses in the AA. Eighty-eight percent (88%), or 2,303, of these businesses have gross revenues of less than \$1 million, 9 percent have revenues over \$1 million, with the revenues of the remaining 3 percent of the businesses unknown. Three percent (3%) of the businesses are located in the low-income BNA, 38 percent are located in moderate-income BNAs, 47 percent are in middle-income BNAs, and 12 percent are in upper-income BNAs of the AA.

Demographic data from Dun & Bradstreet indicate there are 328 farms in the AA. Ninety-eight percent (98%), or 323, of these farms have gross revenues of less than \$1 million, less than 1 percent have revenues over \$1 million, with the revenues of the remaining 1 percent of the farms unknown. Less than 1 percent of the farms are located in low-income BNAs, 5 percent are in moderate-income BNAs, 93 percent are in middle-income BNAs, and 2 percent are in upper-income BNAs of the AA.

The primary industry in the AA is manufacturing. Major employers in the Wayne County AA include Belden Wire and Cable, Dana Corporation, Shrock Cabinet Company, ALCOA, Mosey Manufacturing, Primex Plastics, Convenience Store Distributing Company, Landis Plastics, Cigna, Hill's Pet Nutrition, Color-Box, and Transilwrap Manufacturing Company.

Unemployment in the Richmond area is moderate. As of October 2000, Wayne County's unemployment rate was 2.6 percent compared to 2.1 percent for the state of Indiana and 3.6 percent nationally.

There is a high level of competition in the financial services market in the Wayne County AA. Based on FDIC branch information as of June 30, 1999, there are seven commercial banks and two savings institutions with 33 offices in Wayne County. This includes two large regional banks and a number of independent local financial institutions. The major competitors in this assessment area include Bank One, Indiana, National Association; Firststar Bank, National Association; Harrington Bank, FSB; People's Trust Company; Peoples Loan & Trust Bank; The Union County National Bank of Liberty; Wayne Bank and Trust Company; and West End Savings Bank. FBR ranks first in deposits out of the nine financial institutions with a market share of 28.11 percent. Based on market share reports, there is also a high level of loan competition from non-bank lenders.

We performed two contacts in this AA during the examination, one with a realtor and one with a local small business development center. The realtor indicated that the local economy is fairly good and that there has been recent commercial and residential development. He stated that the average sales price of a single family home is between \$80,000 - \$90,000. This contact felt that there is a wide variety of credit programs available from the local institutions. The small business development center contact indicated that there are a wide variety of loan programs that his small start-up business clients use. He felt that all lenders in the AA are meeting the community's credit needs.

We contacted the OCC's District Community Affairs Officer to determine the level and types of investment opportunities available in the AA. We also reviewed available performance evaluations from other financial institutions in the AA to determine the level and types of investments other local financial institutions have made. We determined that there are limited investment opportunities available in the Wayne County AA.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the bank include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. 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 11. 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.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings -
Compares the percentage distribution of the number of the banks branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 14. 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 the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME		Evaluation Period: 01/01/1999 TO 12/31/2000										
MSA/Assessment Area	% of Rating Area Deposits in AA*	Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Scope												
Wayne County Indiana	96.20	201	12,756	261	19,921	17	1,031	1	800	480	34,508	99.58
Limited Scope												
Shelby County Indiana	3.80	0	0	2	305	0	0	0	0	2	305	0.41

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Evaluation Period: 01/01/2000 TO 12/31/2000														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank**	Market Share by Geography**					Total Home Purchase Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
Wayne County Indiana	1.12	0.00	25.55	15.38	64.91	61.54	8.42	23.08	NA	0.00	0.00	0.00	0.00	0.00	117	100.00
Limited Scope																
Shelby County Indiana	0.00	0.00	43.57	0.00	56.43	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0	0.00

* Deposit Data as of June 30, 1999

**2000 Market Rank and Market Share information was not available for 2000 as of the writing of this performance evaluation. FBR was not a HMDA reporter in 1999.

*** Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/2000 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Improvement Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope																
Wayne County Indiana	1.12	0.00	25.55	38.46	64.91	53.85	8.42	7.69	NA	0.00	0.00	0.00	0.00	0.00	13	100.00
Limited Scope																
Shelby County Indiana	0.00	0.00	43.57	0.00	56.43	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0	0.00

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/2000 TO 12/31/2000						
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope																
Wayne County Indiana	1.12	0.00	25.55	29.58	64.91	61.97	8.42	8.45	NA	0.00	0.00	0.00	0.00	0.00	71	100.00
Limited Scope																
Shelby County Indiana	0.00	0.00	43.57	0.00	56.43	0.00	0.00	0.00	NA	0.00	0.00	0.00	0.00	0.00	0	0.00

* 2000 Market Rank and Market Share information was not available for 2000 as of the writing of this performance evaluation. FBR was not a HMDA reporter in 1999.

** Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

*** Refinance loans within an MSA/AA as a % of all refinance loans in the rating area.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL BUSINESS										Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans		
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**	
Full Scope																	
Wayne County Indiana	2.75	1.15	38.37	45.21	47.33	37.16	11.56	16.48	1	36.12	17.14	41.76	21.76	43.88	261	99.24	
Limited Scope																	
Shelby County Indiana	0.00	0.00	52.31	100.00	47.69	0.00	0.00	0.00	16	1.06	0.00	3.66	0.35	0.00	2	0.76	

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL FARM										Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans Small Farm Loans		
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total***	
Full Scope																	
Wayne County Indiana	0.30	11.76	5.18	0.00	92.68	82.35	1.83	5.88	5	7.75	0.00	0.00	6.56	100.00	17	100.00	
Limited Scope																	
Shelby County Indiana	0.00	0.00	9.30	0.00	90.70	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0.00	

* Based on 1999 Aggregate Small Business Data only. Market rank is for all income categories combined.

** Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

*** Small Farm loans within an MSA/AA as a % of all Small Farm loans in the rating area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HMDA HOME PURCHASE										Evaluation Period: 01/01/2000 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*					Total Home Purchase Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope																
Wayne County Indiana	21.31	2.56	21.50	11.97	23.15	25.64	34.04	59.83	NA	0.00	0.00	0.00	0.00	0.00	117	100.00
Limited Scope																
Shelby County Indiana	21.86	0.00	25.88	0.00	26.48	0.00	25.78	0.00	NA	0.00	0.00	0.00	0.00	0.00	0	0.00

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/2000 TO 12/31/2000						
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*					Total Home Improvement Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope																
Wayne County Indiana	21.31	15.38	21.50	7.69	23.15	7.69	34.04	69.23	NA	0.00	0.00	0.00	0.00	0.00	13	100.00
Limited Scope																
Shelby County Indiana	21.86	0.00	25.88	0.00	26.48	0.00	25.78	0.00	NA	0.00	0.00	0.00	0.00	0.00	0	0.00

*.Market Rank and Market Share information was not available for 2000 as of the writing of this performance evaluation. FBR was not a HMDA reporter in 1999.

** As a percentage of loans with borrower income information available.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/2000 TO 12/31/2000						
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*					Total Loans	
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope																
Wayne County Indiana	21.31	4.23	21.50	12.68	23.15	36.62	34.04	46.48	NA	0.00	0.00	0.00	0.00	0.00	71	100
Limited Scope																
Shelby County Indiana	21.86	0.00	25.88	0.00	26.48	0.00	25.78	0.00	NA	0.00	0.00	0.00	0.00	0.00	0	0

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL BUSINESS										Evaluation Period: 01/01/1999 TO 12/31/2000						
MSA/Assessment Area	Businesses With Revenues of \$1 million or less		% Distribution of Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Business Loans								
	% Business****	% Bank Loans*****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$ 1 Million or Less	#	% of Total							
Full Scope																
Wayne County Indiana	87.83	80.08	82.38	9.96	7.66	36.12	47.96	261	99.24							
Limited Scope																
Shelby County Indiana	86.92	100.00	0.00	100.00	0.00	1.06	1.64	2	0.76							

* Market Rank and Market Share information was not available for 2000 as of the writing of this performance evaluation. FBR was not a HMDA reporter in 1999.

** As a percentage of loans with borrower income information available.

*** The market consists of all other Small Business reporters in FBR's assessment area and is based on 1998 Aggregate Small Business Data Only

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

*****Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 19% of small loans to businesses reported by FBR.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL FARM		Evaluation Period: 01/01/1999 TO 12/31/2000							
MSA/Assessment Area	Businesses With Revenues of \$ 1million or less		% Distribution Loans by Original Amount Regardless of Farm Size			Market Share*		Total Small Farm Loans	
	% Farms**	% Bank Loans***	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$ 1 Million or Less	#	% of Total
Full Scope									
Wayne County Indiana	98.48	82.35	88.24	5.88	5.88	7.75	7.94	17	100.00
Limited Scope									
Shelby County Indiana	97.67	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Evaluation Period: 10/20/1998 TO 1/02/2001							
MSA/Assessment Area	Prior Period Investments****		Current Period Investments		Total Investment			Unfunded Commitments*****	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Scope									
Wayne County Indiana	3	877	1	124	4	1,001	100.00	0	0
Limited Scope									
Shelby County Indiana	0	0	0	0	0	0	0.00	0	0

* The market consists of all other Small Farm reporters in FBR's assessment area and is based on 1999 Aggregate Small Business Data Only

** As a Percentage of Farms with known revenues.

*** As a percentage of loans with borrower income information available.

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

***** "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																	
Evaluation Period: 10/20/1998 TO 1/02/2001																	
MSA/Assessment Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Branch Closings	# of Branch Openings	Net gain(+) / loss(-) of branches due to openings/closings				% of the Population with Each Geography*			
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope																	
Wayne County Indiana	96	7	88	0.00	28.57	42.86	28.57	0	2	0	+1	0	+1	1.43	32.21	58.83	7.53
Limited Scope																	
Shelby County Indiana	4	1	12	0.00	0.00	100.00	0.00	0	1	0	0	+1	0	0.00	50.50	49.50	0.00

* The percentage of the population in the MSA/AA that resides in these geographies.