



Comptroller of the Currency
Administrator of National Banks

Midwestern District Office
2345 Grand Boulevard, Suite 700
Kansas City, MO 64108

December 5, 2001

CRA Decision #110
January 2002

Mr. Gary Edwards
President
Lima Bancshares, Inc.
Route 96
Lima, Illinois 62348

Re: Application to Merge White Hall National Bank, White Hall, Illinois into Lima Interim Bank, National Association, White Hall, Illinois (2001-MW-02-0033)

Dear Mr. Edwards:

This is to inform you that on today's date, the Office of the Comptroller of the Currency (OCC) approved your proposal to merge White Hall National Bank, White Hall, Illinois into Lima Interim Bank, National Association, White Hall, Illinois. The OCC also approves your proposal to reduce permanent capital by \$4,300,000.

This approval is granted based on a thorough review of all information available, including commitments and representations made in the application and the merger agreement and those of your representatives.

In connection with the application, the OCC considered the CRA record of White Hall National Bank. White Hall National Bank received a Needs to Improve CRA rating at its last CRA examination, as of May 25, 1999, primarily as a result of its limited lending activities. Lima Bancshares, Inc.'s two subsidiary banks, Wemple State Bank, Waverly, Illinois and The State Bank of Lima, Lima, Illinois each received an Outstanding CRA rating at its last examination. Lima Bancshares, Inc. represented that it intends to implement programs at White Hall National Bank similar to those which have proven to be successful at its existing bank subsidiaries. It provided a plan to improve White Hall National Bank's CRA performance as a part of the merger application. The plan includes expanding real estate lending, government guaranteed loan programs and other consumer lending activities and contacts with local government officials, local organizations, and other community contact programs. In acting on this application, we are relying on Lima Bancshares, Inc.'s representation that it will implement its plan. Under these circumstances, we find that approval of this merger is consistent with the Community Reinvestment Act.

Please refer to the "Corporate Organization" booklet for the required steps to organize an interim national bank. The steps to complete the merger are contained in the "Business Combination" booklet.

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As a reminder, the district office must be advised in writing in advance of the desired effective date for the merger, so that the OCC may issue the necessary certification letter. The effective date must follow the applicable Department of Justice injunction period and any other required regulatory approval.

The OCC will issue a letter certifying consummation of the transaction when we receive:

- 1) a Secretary's Certificate for each institution, certifying that a majority of the board of directors approved;
- 2) an executed merger agreement with Articles of Association for the resulting bank attached;
- 3) a Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained, if required.

Pursuant to 12 USC 59, a reduction in capital requires approval by shareholders owning at least two-thirds of the bank's capital stock and, if necessary, amendments to the Articles of Association.

If the merger and capital reduction are not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

If you have questions, please contact me at (816) 556-1860.

Sincerely,

-signed-

Ellen Tanner Shepherd
Licensing Manager