

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **Fifth Third Bank of Central Indiana, Indianapolis, Indiana** prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency.

The evaluation represents the agency's current assessment and rating of the institution's CRA performance based on an examination conducted as of **June 24, 1996**. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U. S. C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under 5 performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

This institution is rated **Satisfactory record of meeting community credit needs,**[@] based on the findings presented below.

COMMUNITY PROFILE

The bank's delineated community includes Marion, Hancock, Johnson, Shelby and Hamilton Counties in the Indianapolis MSA; Decatur, Fayette, Ripley and Rush Counties (not in the MSA) in Southeastern Indiana; and Ohio and Dearborn Counties in the Cincinnati MSA. According to the 1990 Census, the bank's delineated community has a population of 1,186,937. Whites represent 83.7% of the delineation's population compared to 14.4% for Blacks, 0.8% for Asians, 0.9% for Hispanics and 0.3% for all others. In total, minorities comprise 16.3% of the delineation's population.

The adjusted median family income for the delineated community is \$36,174. Income levels are classified as low-, moderate-, middle-, and upper-income, and are further defined as less than 50% of median, 50-79% of median, 80-120% of median, and 121% or more of median family income, respectively. There are a total of 262 census tracts and 28 block numbering areas (BNAs) in the delineated community. The income levels of the community's census tracts are 25 or 8.7% low-income, 67 or 23.3% moderate-income, 133 or 46.2% middle-income, and 63 or 21.9% upper-income.

Census data showed that 5.8% of the community's population resides in low-income census tracts, 21.6% in moderate-income tracts, 45.8% in middle-income tracts, and 26.8% in upper-income tracts. Approximately 2.8% of Whites reside in low-income tracts, 18.5% in moderate-income, 48.8% in middle-income, and 29.8% in upper-income; compared to minorities, 20.9% reside in low-income tracts, 37.3% in moderate-income, 30.6% in middle-income, and 11.1% in upper-income tracts. Further comparison shows that 23% of Blacks reside in low-income tracts, 39% in moderate-income, 29.4% in middle-income, and 8.6% in upper-income. The distribution for Hispanics is 7.3% low-income, 27.9% moderate-income, 40.9% middle-income, and 23.9% upper-income. Minority census tracts are defined as those in which 50% or more of the residents are minorities. There are 43 minority census tracts in the delineation, which represents 16% of all the tracts in the community.

The economy of central Indiana is growing with various economic projects which have impacted the economy; one of which was the opening of Circle Centre Mall in September 1995, in downtown Indianapolis. The mall created over 3,000 jobs. The \$11.8 million renovation of the

Murat Temple by Sunshine Promotions also has had a positive impact on the economy. In addition, the USA Group is moving its headquarters to downtown Indianapolis; this will create 450 additional jobs.

The expansion of the hotel market has also had a positive impact on central Indiana's economy. Hotel chains such as Courtyard by Marriott, Comfort Inn, Hampton Inn and the Westin are either opening or expanding in the downtown area.

The June, 1996 employment and labor statistics provided by the Indiana Department of Workforce Development (IDWD), showed that residents of the Indiana MSA were employed in the following sectors of the economy: service 26.02%, trade 25.99%, manufacturing 15.61%, government 13.43%, finance 7.41%, transportation 5.94%, construction 5.50% and mining 0.1%. These statistics reflect a 1.01% increase in total employment compared to 1995. IDWD data also showed a 3.4% unemployment rate for the Indianapolis MSA as of June, 1996, compared to 3.9% in June, 1995. The unemployment rate for the State of Indiana as of June, 1996 was 4.2%, compared to 4.6% in June, 1995. The following is a partial list of the major employers in Indianapolis:

COMPANY NAME	# OF EMPLOYEES	PRODUCT DESCRIPTION
Allison Engine Company	4,200	gas turbine engines
Allison Transmission	4,300	medium and heavy-duty automatic commercial and military transmissions
Boehringer Mannheim Corporation	1,400	medical diagnostic systems, natural and synthetic substances
Chrysler Corporation, Indianapolis Foundry Plant	950	gray iron castings and engine blocks
Eli Lilly and Company	3,000	pharmaceuticals
Ford Motor Company, Inc., Steering Systems Plant	3,300	steering gears, columns and pumps
General Motors Corporation, Metal Fabricating	3,000	sheet metal stampings
Indianapolis Newspaper, Inc.	1,400	newspaper printer
Maytag Corporation	1,100	electric and gas grill ranges and ovens
Naval Air Warfare Center	2,800	sheet metal products and assemblies
Navistar International Transportation Center	1,200	diesel truck engines
Thompson Consumer Electronics	2,000	television receivers, video cassette recorders, camcorders
United Technologies Carrier	1,200	furnace and air conditioners

The total number of housing units in the bank's community is 498,356, with 286,969 or 57.6% owner-occupied, 172,569 or 34.6% rental units, and 38,818 or 7.8% vacant. The geographic distribution of owner-occupied units is 3.5% in low-income tracts, 17.9% in moderate-income, 47% in middle-income, and 31.6% in upper-income tracts. Distribution of rental units is 9.4% low-income, 27.8% moderate-income, 45% middle-income, and 17.7% upper-income. Distribution of vacant units is 15.9% low-income, 28.7% moderate-income, 38.3% middle-income, and 17.1% upper-income tracts.

The median age of the community's housing stock is 29 years. By comparison, the median age varies from 56 years in low-income tracts to 38 years in moderate-income tracts, 30 years in middle-income tracts, and 19 years in upper-income tracts. Median housing value for the community is \$62,495. Median value varies significantly based on census tract income levels; \$27,731 in low-income tracts, \$37,015 in moderate-income tracts, \$57,920 in middle-income tracts and \$96,566 in upper-income tracts. Median gross monthly rental payments follow similar patterns with median rent for the community at \$408; median rent in low-income tracts is \$321, moderate-income tracts is \$361, middle-income tracts is \$418 and upper-income tracts is \$514.

BANK PROFILE

Fifth Third Bank of Central Indiana, with \$1.1 billion in assets as of June 30, 1996, is a subsidiary of Fifth Third Bancorp, a multi-bank holding company. In addition to the main office located in downtown Indianapolis, the bank operates 16 full-service branches in Marion County; two branches in Hancock, Hamilton, Decatur, Fayette and Ripley Counties; and one branch in Dearborn County. All branch locations are served by 24-hour automated teller machines (ATMs). The bank offers a full line of products and services, including deposit, loan and trust services.

Primary competition within the bank's delineated community is provided by NBD Bank, National City Bank, Bank One, First of America, Key Bank, The Huntington National Bank of Indiana, Peoples Bank & Trust Company, Union Federal Savings Bank and First Indiana Bank, all located in downtown Indianapolis with offices throughout Central Indiana. Competition is also provided by area credit unions.

ASSESSMENT OF RECORD

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor (a) - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

Regulatory Expectation

The Statement of the Federal Financial Supervisory Agencies regarding the Community Reinvestment Act (Policy Statement) indicates that an effective CRA process must include methods to ascertain community credit needs on an ongoing basis through outreach efforts to local governments, businesses, and community members and organizations. This ascertainment effort should include a system that facilitates dialogue with these individuals and groups and enables them to communicate their concerns to an officer of the financial institution.

Scope and Findings

The examination included a review of the bank's CRA plan, the bank's call program, and director and officer involvement/affiliations with community groups and organizations. Community members were also interviewed regarding the bank's involvement in the community.

The bank encourages the involvement of directors, management and staff in community organizations. Such involvement ensures ongoing contact with a variety of community service agencies and enables continuous assessment of credit needs. Bank officers, directors and staff serve, call on, or are affiliated with civic, religious, minority, nonprofit and commercial development organizations. The following is a list of some of these organizations.

Housing-Related

- Indianapolis Neighborhood Housing Partnership (INHP)
- Local Initiatives Support Corporation (LISC)
- Indiana Housing Finance Authority (IHFA)
- Indiana Association for Community and Economic Development (IACED)
- Partners in Housing Development
- Indiana Historic Landmarks Foundation
- Indianapolis Urban League (IUL)
- Consumer Credit Counseling Service
- National Association of Real Estate Brokers (Realtists)
- Metropolitan Indianapolis Board of Realtors
- Greater Indianapolis Progress Committee
- Indianapolis Economic Development Corporation
- Eastside Community Investments
- Westside Community Development Corporation
- Riley Area Revitalization Program
- Near North Development Corporation
- BOS Community Development Corporation
- United Northwest Area Development Corporation
- Mapleton Fall Creek Housing Development Corporation
- West Indianapolis Community Development Corporation
- King Park Community Development Corporation
- Martin Luther King Community Development Corporation
- Southeast Neighborhood Development Corporation
- Concord Community Development Corporation
- Martindale Brightwood Community Development Corporation

- Forest Manor Community Development Corporation
- Fayette Community Council

Indiana Black Expo

Social Service/Counseling/Training and Education

INHP

CCCS

Marion County Cooperative Extension Service

Community Centers of Indianapolis

Occupational Industries State Council

Catholic Social Services

Pleasant Run Children's Home

Goodwill Industries

IUL

Center for Leadership Development

Overcoming Obstacles

Indianapolis Police Athletic League

United Way

- Central Indiana (Greater Indianapolis Area)

- Batesville

- Greensburg

- Shelby

- Fayette

Indianapolis Commission On African American Males

Indianapolis Black Alumni Council

Indianapolis Urban Bankers

United Negro College Fund

Central Indiana Council on Aging

Business Organizations

Small Business Administration

Indiana Small Business Development Centers

Indiana Small Business Development Corporation

Chambers of Commerce

- Indianapolis

- Batesville

- Connersville

- Greensburg

Indiana Bond Bank

Mid City Pioneer

Cambridge Capital Corporation

Indiana Statewide Certified Development Corporation

Indiana Regional Minority Supplier Development Council

Indianapolis Black Chamber of Commerce
Indiana Development Finance Authority
Indianapolis Business Development Corporation
Lynx Capital Corporation
Indiana Business Modernization & Technology Corporation
Eastside Community Fund
Indiana Department of Commerce

In addition to the preceding organizations, the bank maintains contact with local, state and federal housing, small business/farms and economic development organizations; and several churches and schools throughout the delineated community.

Call Program

The bank ascertains the needs of its delineated community through its formal call program. During 1995, a total of 2,201 call were made. Of the total, 714 were Retail, 182 Trust, 168 Administrative and 1,157 Commercial. For year-to-date 1996 (through July), a total of 1,976 calls were made. Of the total, 715 were retail, 130 Trust, 108 Administrative, 945 Commercial and 139 were mortgage-related. In addition to these calls, are calls by mortgage loan originators. The realtor calls are documented and reviewed by management. In early 1996, a CRA mortgage loan originator was hired to make calls focusing on the needs of low- and moderate-income individuals.

Credit needs ascertainment efforts have resulted in the bank's new/revised Good Neighbor Installment Loan Program [discussed under Assessment Factor (b)] and the bank's Good Neighbor Mortgage Loan Program [discussed under Assessment Factor (i)].

Conclusions

The bank's ascertainment efforts are very effective. The bank uses management and officer affiliations with numerous community, professional, civic, and local government organizations throughout the delineated community, as well as officer call programs directed at both customers and prospects to ascertain community credit needs.

Assessment Factor (c) - The extent of participation by the institution's board of directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

Regulatory Expectation

The Policy Statement states that banks are encouraged to develop a CRA plan to ensure an affirmative effort on the part of the bank to comply with the Act. It further states that the duty to coordinate and monitor the CRA process should be assigned to a senior officer or a committee charged with the responsibility to report periodically to the board of directors about the bank's CRA efforts, performance, and areas for improvement, where appropriate. An employee training program should be established which addresses information about those policies of the bank designed to help meet community credit needs including the needs of low- and moderate-income areas and small businesses. Procedures should be implemented to ensure that files are maintained, as required by the regulation, for purposes of receiving public comments and for reviewing and responding to the comments.

Regardless of how the bank organizes itself to implement its CRA plan, seeing that the institution has taken the steps necessary to help meet its community's credit needs is the responsibility of the entire organization, beginning with its board of directors and continuing through its line management. To be effective, a CRA plan must include methods to incorporate findings regarding community credit needs into the development of products and services that the bank decides to offer to help meet these needs.

The Policy Statement also states that the bank's CRA statement should accurately reflect the types of lending and other services that the bank is willing to offer to the community. This statement must be reviewed at least annually to ensure its accuracy. The services that the bank chooses to offer should be clearly articulated and reasonably related to community needs.

Scope and Findings

Minutes of board of directors= meetings, bank policies and procedures were reviewed. In addition, management was interviewed regarding director, officer and staff involvement with CRA issues.

The bank's CRA plan is approved and updated on a annual basis. The 1996 plan was approved by the board of directors on April 11, 1996. The plan is comprehensive and was recently updated to incorporate the Lending, Service and Investment tests (including Community Development) to comply with the new regulation.

A Vice President was appointed by the board of directors as the bank's community affairs officer (CAO). CRA responsibilities are also shared with the president and members of senior management.

The bank continues to provide ongoing CRA-related training for officers and staff. During the examination, bank records indicated that training was provided four times during 1995 and twice during 1996.

An expanded CRA statement is utilized by the bank which provides a description of its CRA performance and includes the appropriate CRA notice. The board of directors reviews and approves the bank's CRA statement, at least annually, to ensure its accuracy, as evidenced by the minutes of the April 11, 1996 and May 11, 1995 board of directors meeting. In addition, procedures have been implemented to ensure that files are maintained, as required by the regulation, for purposes of receiving public comments and for reviewing and responding to the comments.

The bank also has a CRA committee in place, which is comprised of representatives of the board of directors, the president, senior management and the CAO. The committee meets quarterly; minutes of these meetings are reviewed by the board of directors.

Conclusions

Review of the bank's CRA files indicate that the board of directors is adequately involved in monitoring the bank's CRA program. Members of the board of directors are actively involved in the bank's CRA committee. Based on discussions with management, communication regarding CRA activities is channeled through the appropriate levels

within the organization; however, the board of directors' minutes do not reflect such efforts.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor (b) - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

Regulatory Expectation

The Policy Statement indicates that an effective CRA plan should include marketing and advertising programs for lending products and services that are responsive to the needs of the community and that will inform and stimulate awareness of those products and services throughout the community, including low- and moderate-income areas.

Scope and Findings

A review of marketing policies and strategies, media used, special promotions and discussions with management were conducted to assess the effectiveness of the bank's marketing efforts. In addition, advertisements placed during 1995 and year-to-date 1996 were reviewed, and loan distribution was analyzed to evaluate the effectiveness of the bank's marketing program. The content of advertisements, bank-wide campaigns and the choice of media is supplemented with cooperation and assistance from the holding company

The bank markets its products and services through newspapers, its officer call program, community outreach efforts, limited radio and television, direct mail and lobby brochures. Review of the media used to advertise credit products revealed that a variety of newspapers, radio and television stations were used to advertise the bank's products throughout the delineated community.

The print media utilized to advertise the bank's products/services includes The Indianapolis Recorder, a weekly publication that serves Metropolitan Indianapolis with a circulation of 20,000; Indianapolis Register, a monthly publication that serves Metropolitan Indianapolis with a circulation of 25,000; Indiana Lawyer, a bi-weekly publication that serves state wide readers with a circulation of 7,000; Indianapolis Business Journal, a weekly publication that serves Metropolitan Indianapolis with a circulation of 18,000; Indianapolis CEO, a monthly publication that serves Metropolitan Indianapolis with a circulation of 30,000 copy; Indiana Business Magazine, a monthly

publication that serves state-wide readers with a circulation of 28,400.

The media used includes those that target minority audiences. Consumer credit products are marketed primarily through newspaper advertisements. According to advertising data provided during the examination, advertising efforts were distributed as follows:

<u>1995</u>		
Deposits	15.8%	
Loans		7.5%
Loans & Deposits	4.0%	
Goodwill*		72.7%
 <u>1996 (year-to-date)</u>		
Deposits	33.5%	
Loans		30.1%
Loans & Deposits	9.9%	
Goodwill*		26.5%

*Goodwill includes Image and CRA advertising.

As the preceding information indicates, the bank has increased the amount of credit-related advertising during 1996.

Fifth Third Bank offers a variety of special credit-related products that were designed to meet the credit needs of all segments of the delineated community. The following is an example of some of these programs:

Fifth Third Good Neighbor Program - provides flexible, affordable mortgage loans for low- and moderate-income individuals.

Fifth Third Good Neighbor Installment Loan Program - provides flexible terms, reduced rates, no out-of-pocket costs and a broader view of credit for home improvement, second mortgage, auto and appliance loans.

Fresh Start Loan Program - provides automobile loans for individuals who need special financing due to a less than satisfactory credit history or no credit history.

Fifth Third Good Neighbor Secured Visa & MasterCard - credit cards secured by a Fifth Third savings account. These products are targeted to individuals who would like to establish or re-establish a credit history.

LoanQuick - an unsecured installment loan that has a fixed term and no prepayment penalties. It offers same-day approval on loans up to \$3,000.

Student Banking - provides installment loan and credit cards upon qualification to full-time students.

Conclusions

The bank uses a wide variety of outreach efforts to stimulate awareness of the bank’s products and services within the delineated community, including low- and moderate-income and minority areas. The bank’s marketing and special credit-related products offered are effective, reach all segments of the delineated community and are responsive to identified community credit needs. Records are maintained and reviewed internally to ensure compliance with applicable consumers compliance laws and regulations.

Assessment Factor (i) - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

Scope and Findings

The bank’s financial reports and portfolio of loans were reviewed, including special loan programs such as the Good Neighbor Program and other special loan programs.

A review of the March 31, 1996 Uniform Bank Performance Report (UBPR) revealed the following regarding the bank’s net loan and leases to deposit ratio, and net loans and leases to assets ratio:

Net Loans & Leases to Deposits				Net Loans & Leases to Assets			
Bank	Peer	Bank Percentile	% Variation from Peer	Bank	Peer	Bank Percentile	% Variation from Peer
123.29	79.73	88th	54.63	71.44	64.47	66th	10.81

As the preceding chart indicates, the bank had a net loans and leases to deposits ratio of 123.29%, and a net loans and leases to assets ratio of 71.44%. The bank’s net loans and leases to deposits ratio places the bank at the 88th percentile compared to its peers, and the bank’s net loans and leases to assets ratio places the bank at the 66th percentile compared with its peers. The bank’s net loans and leases to deposits ratio represented a 54.63% variance between the bank and its peer median loan-to-deposit ratio of 79.73%. A substantial portion of the bank’s relatively high net loans and leases to deposits ratio is largely attributed to the bank’s high degree of leasing activity. Without the bank’s leasing activity, the net loans and leases to deposits ratio would fall to 100.37%. Similarly, the bank’s net loans and leases to assets ratio represented a 10.81% variance between the bank and its peer median loan-to-asset ratio of 64.47%. Without the bank’s leasing activity, the net loans and leases to assets ratio would fall to 58.09%, which is below peer.

Comparing the bank’s current lending activity since it converted to a state member bank is not a valid comparison because of the bank’s merger activity since that time, as well as the subsequent changes to the delineated community the bank serves. The following chart

compares the bank's loan distribution since the June 30, 1995 Consolidated Report of Condition. This analysis encompasses the bank's performance since acquiring its present organizational structure and current delineated community. This is discussed in detail under Category III - Geographic Distribution of Lending.

TRENDS IN LOAN DISTRIBUTION				
LOAN TYPE	DOLLAR AMOUNT OUTSTANDING (000's)		PERCENT OF TOTAL LOANS	
	June 30, 1996	June 30, 1995	June 30, 1996	June 30, 1995
REAL ESTATE				
Construction	0	2,895	0.00%	0.39%
Agricultural	8,802	10,567	1.16%	1.43%
Home Equity	23,495	14,406	3.10%	1.95%
Residential (1-4 family)	105,761	141,906	13.94%	19.20%
Junior Liens	13,277	9,164	1.75%	1.24%
Multifamily	0	0	0.00%	0.00%
Commercial	12,736	15,537	1.68%	2.10%
AGRICULTURAL	9,755	9,986	1.29%	1.35%
COMMERCIAL/INDUSTRIAL	210,355	197,930	27.73%	26.78%
CONSUMER				
Open-end Credit	13,426	10,023	1.77%	1.36%
All Other	201,099	217,855	26.51%	29.48%
MUNICIPAL	898	1,419	0.12%	0.19%
LEASE FINANCING	159,063	107,419	20.97%	14.53%
OTHER	0	0	0.00%	0.00%

As the preceding chart indicates, the bank's loan portfolio consists mainly of commercial/industrial loans (27.73%), consumer credit (26.51%), lease financing receivables (20.97%), and residential 1-4 family real estate (13.94%) loans. The overall distribution of loan types as a percentage of their composition of the bank's portfolio has changed significantly for home equity loans (increased by 63.09%), lease financing receivables (increased by 48.08%) and residential 1-4 family (decreased by 25.47%) since June 30, 1995. According to management, the increases in home equity loans and lease financing are the result of business decisions to increase the bank's lending activity for these two product types. The decrease in residential 1-4 family lending is the result of a decline in consumer demand, and mirrors a general industry decline. This decline is primarily a function of demand (driven by the interest rate environment) and not the result of a decision to decrease the bank's volume of lending for this loan type.

According to the UBPR dated March 31, 1996, the bank's portfolio, as compared to peer, is illustrated in the following chart:

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS	0.05	2.80
Construction/Development	19.88	24.49
1 - 4 Family Residential	2.46	2.76
Home Equity	3.16	17.94
Other Real Estate	1.32	0.22
Farmland	0.00	1.51
Multi-family	1.84	15.26
Commercial	23.09	50.55
TOTAL REAL ESTATE		
LOANS TO INDIVIDUALS	30.10	19.13
CREDIT CARD LOANS	1.45	1.56
COMMERCIAL & INDUSTRIAL LOANS	27.83	18.71
AGRICULTURAL LOANS	1.37	0.19
MUNICIPAL LOANS	0.15	0.63
LEASE FINANCING	17.47	0.25
OTHER LOANS*	0.00	0.91
*Excludes Financial Institution Loans, Acceptances of Other Banks, and Foreign Office Loans and Leases.		

When comparing the bank's loan portfolio with its peers, the single largest difference is that the bank has 17.47% of its portfolio in lease financing receivables versus 0.25% for its peers. As mentioned previously, the bank's large amount of leasing activity had a significant impact on the net loans and leases to deposits ratio. Other differences between the bank's portfolio and that of its peers were that the bank had more loans to individuals (30.10% bank versus 19.13% peer), and also had more commercial and industrial loans (27.83% bank versus 18.71% peer). Overall, the bank had less loans secured by real estate than that of its peers (23.09% bank versus 50.55% peer).

The bank's trend in commercial/industrial and agricultural lending reflects a continued effort to make a wide range of loans to small businesses, and low dollar amount loans to small farms. A detailed breakdown of the number and amount of loans currently outstanding is included in the following charts:

NONFARM NONRESIDENTIAL REAL ESTATE SECURED				
Original Amounts	June 1996		June 1995	
	#	and \$	#	and \$
With original amounts of \$100,000 or less	1	\$26,000	2	\$55,000
With original amounts of more than \$100,000 through \$250,000	0	\$0	0	\$0
With original amounts of more than \$250,000 through \$1,000,000	0	\$0	1	\$845,000

COMMERCIAL AND INDUSTRIAL LOANS				
Original Amounts	June 1996		June 1995	
	#	and \$	#	and \$
With original amounts of \$100,000 or less	562	\$59,455,000	539	\$49,771,000
With original amounts of more than \$100,000 through \$250,000	112	\$21,223,000	108	\$17,925,000
With original amounts of more than \$250,000 through \$1,000,000	104	\$49,966,000	83	\$40,212,000

AGRICULTURAL LOANS TO SMALL FARMS		
Loan Type	June 1996 Number of Loans	June 1995 Number of Loans
Loans secured by farmland having original amounts of \$100,000 or less	131	154
Loans to finance agricultural production and other loans to farmers having original amounts of \$100,000 or less	341	466

The preceding charts demonstrate that a significant portion of the bank's loan portfolio continues to be lending to small businesses. The bank also makes agricultural-related loans. These lending efforts are consistent with the credit needs of the delineated area.

Management indicated that bank policy is to offer flexible income guidelines, lower down payment requirements, optional down payment financing and less stringent than average marketplace debt-to-income standards. The bank offers the Good Neighbor Program, which is its own affordable housing program designed for low- and moderate-income

applicants. The program provides up to 97% financing of the property's value and closing costs for the purchase. The program has various options such as: 3% minimum down payment requirements of which 2% may be a gift; fixed rates with a 30-year amortization; market pricing (3/2 option is market rate minus 0.125%); and qualifying ratios are raised up to 33% for housing payment and 40% total debt-to-income. Through the Good Neighbor Program, the bank has originated 95 loans for \$4,599,956 since December of 1994.

Conclusions

The bank is a diversified lender, offering products suited for residential, commercial, agricultural and consumer purposes. Lending activity has increased steadily and is reflective of market demands, according to community representatives. The bank also provides a substantial amount of lease financing. The bank's loan-to-deposit ratio of 123.29% exceeds its peer average and indicates that the bank is active in pursuing and originating loans, as well as providing lease financing. The bank originates loans consistent with its CRA statement of credit and the needs within the community.

Assessment Factor (j) - The institution's participation in governmentally insured, guaranteed or subsidized loan programs for housing, small business or small farms.

Scope and Findings

The bank's use of government loan programs was reviewed. Loan programs reviewed included: Federal Housing Administration (FHA), Small Business Administration (SBA), Veterans Administration (VA), the bank's participation in the Federal Home Loan Bank of Indianapolis Affordable Housing Program (FHLB-AHP) and student loans.

PARTICIPATION WITH GOVERNMENT/SUBSIDIZED LOAN PROGRAMS				
PROGRAM	CURRENTLY OUTSTANDING		SINCE PREVIOUS EXAMINATION	
	NUMBER	DOLLAR AMOUNT	NUMBER	DOLLAR AMOUNT
Small Business Administration (SBA)	12	\$1,005,139	35	\$7,630,087
Federal Housing Administration (FHA)	all loans are sold to the secondary market		16	\$1,169,000
Veterans Administration (VA)	all loans are sold to the secondary market		11	\$1,025,000
Federal Home Loan Bank AHP	1	\$125,000	1	\$125,000
Student loans	1168	\$1,580,748	*	*

* - information not available

An analysis of loan samples reviewed during the examination verified that internally, the

bank has instituted flexible income guidelines, lower down payment requirements, optional down payment financing and less stringent debt-to-income standards [See Assessment Factor (i)].

Conclusions

The bank's performance is consistent with the need for these type of products in its community. The bank offers and extends a variety of products which provide flexibility in lending, and accommodates participants in the credit process who may not have otherwise qualified for loans. There were no credit needs mentioned by community representatives which the bank cannot serve with its current products.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Regulatory Expectation

Reasonableness of Community Delineation

The regulation requires state member banks to prepare, and at least annually review, a delineation of the local community or communities that comprise its entire community, without excluding low- and moderate-income neighborhoods. Maps are required to be used to portray community delineations. The regulation requires Federal Reserve System examiners to review the reasonableness of the delineations.

The regulation states that a local community shall consist of the contiguous areas surrounding each office or groups of offices, including any low- and moderate-income neighborhoods in those areas. In preparing its delineation, a bank may use any one of the three methods, as stipulated in the regulation: (1) existing boundaries, such as those of a Metropolitan Statistical Area or counties in which the bank's office or offices are located; (2) the bank's effective lending territory, which is defined as that local area or areas where it makes a substantial portion of its loans and all other areas equidistant from its offices; or (3) any other reasonably delineated local area that meets the purposes of CRA and does not exclude low- and moderate-income areas.

Scope and Findings

The distribution of the bank's loans, and the servicing abilities of its branch system were reviewed in conjunction with local demographics to determine the reasonableness of the bank's delineated community.

The bank has defined its community as eleven contiguous counties in central and southern Indiana. The delineated community includes Marion, Hancock, Johnson, Shelby, Hamilton, Decatur, Fayette, Ripley, Rush, Ohio and Dearborn Counties. The delineated community includes a portion of the Indianapolis MSA, a portion of the Cincinnati MSA and 28 Block Numbering Areas (BNAs). There are 262 census tracts in the community, including 90 low- and moderate-income census tracts. Two of the 28 BNAs are low- and moderate-income BNAs. The delineation also includes 43 minority census tracts. This method of delineation is consistent with method number one described above.

A review of the minutes of the board of directors meetings evidenced that the delineated

community was approved on an annual basis, the most recent approval was April 11, 1996.

Conclusions

A review of the geographic distribution of HMDA data for 1995 and year-to-date 1996, the distribution of branches throughout the community, and the examination sample of loans selected during this examination in conjunction with local demographics support the reasonableness of the delineation.

Assessment Factor (e) - The geographic distribution of the institution's credit extensions, credit applications and credit denials.

Regulatory Expectation

The Policy Statement states that the services that the bank chooses to offer should be distributed within the bank's community in a fair and nondiscriminatory manner, in keeping with the bank's general approach to its business.

Scope and Findings

A review of the bank's 1994 and 1995 HMDA data, 1996 Loan Application Register (LAR), and the examination sample of loans and denied applications was performed to determine the distribution of loans within the delineated community. Also reviewed were loans originated through the bank's participation in special loan programs.

A review of the 1995 HMDA data revealed that 539 of a total 1,214 HMDA originations (44.40%) were within the bank's delineated community. In 1994, 463 of a total 645 HMDA originations (71.78%) were within its delineated community. Management gave two reasons for the lower percentage of lending within the delineated community in 1995. First, the bank has steadily increased its volume of indirect home improvement lending and a higher percentage of these loans are secured by property located outside of the bank's delineated community. Second, as a result of the bank's 1995 merger with its affiliate, the delineated community now consists of a larger rural area. The bank's lending in this rural area is not included in HMDA data.

The bank's HMDA data is displayed in the following charts. The data is analyzed based upon the income classification of the census tract in which the property securing the loan is located. The data shows the total number of originations (all loan products) within the delineation; originations as a percentage of applications, as a percentage of total originations, and as a percentage of total applications. The corresponding aggregate data for the delineation is also displayed for comparison purposes.

The following chart reveals that the bank originated 50.56% of the total loan applications received from low-income areas in 1995. These applications represented

24.05% of all HMDA applications received. The total originations (90) represented 17.18% of the total HMDA originations by the bank. The bank's performance was similar to the delineation aggregate.

Low Income	109	71.71	24.17	27.64	55.40	18.04	22.28
Moderate Income	72	86.75	15.96	15.09	64.69	17.06	18.05
Middle Income	63	86.30	13.97	13.27	70.15	16.83	16.42
Upper Income	207	85.54	45.90	44.00	76.05	48.07	43.25
Total	451	82.00	100.0	100.0	82.09	100.0	100.0

The preceding chart reveals that the bank originated 71.71% of the total applications received from low-income area in 1994. These applications represented 27.64% of all HMDA applications received. The total originations (109) represented 24.17% of the total HMDA originations by the bank. The bank exceeded aggregate in percentage of originations in low-income areas to total originations, and percentage of loan applications in low-income areas to total applications received. The bank significantly exceeded aggregate percentage of applications approved.

The bank originated 86.75% of the total applications received from moderate-income areas in 1994. These applications represented 15.09% of all HMDA loan applications received. The total originations (72) represented 15.96% of the total HMDA originations by the bank. These figures indicate that the bank received less applications as a percentage of total applications than aggregate, and had less originations as a percentage of total originations than aggregate; however, the bank exceeded aggregate in percentage of applications approved in moderate-income areas.

The bank originated 86.30% of the total applications received from middle-income areas in 1994. These applications represented 13.27% of all HMDA applications received. The total originations (63) represented 13.97% of the total HMDA originations by the bank. These figures indicate that the bank received less applications, as a percentage of total applications than aggregate, and had less originations, as a percentage of total originations than aggregate; however, the bank exceeded aggregate in percentage of applications approved in middle-income areas.

The bank originated 85.54% of the total applications received from upper-income areas in 1994. These applications represented 44% of all HMDA applications received. The total originations (207) represented 45.90% of the total HMDA

originations by the bank. These figures were similar to aggregate performance, except that the bank significantly exceeded aggregate in the percentage of applications approved in upper-income areas.

When comparing the bank's lending activity from 1995 with lending activity from 1994, the following changes were apparent. The bank originated 524 HMDA-reportable loans in 1995, which represented a 16.19% increase from 1994. Management stated that the

increase in lending was directly attributable to the bank's April 1995 merger with its affiliate. The analysis of the geographic distribution of loans revealed that the level of lending in low-income areas declined by 19 loans in 1995; however, the level of lending in moderate-income areas increased by 17 loans. Thus, the bank's aggregate level of lending in low- and moderate-income areas remained fairly constant.

The bank's level of lending to middle-income areas also remained fairly constant. An increase of 33.33% was noted in the 1995 level of lending in upper-income areas. The bank originated 276 loans in upper-income areas in 1995, which was 69 more loans than originated in 1994. Loans secured by property located in low- and moderate-income areas comprised 40.13% of the bank's total HMDA originations in 1994. During 1995, loans secured by property located in low- and moderate-income areas comprised 34.16% of the bank's total HMDA originations, representing a 14.88% decline from the previous year. Conversely, loans secured by property located in upper-income areas comprised 45.90% of the bank's total HMDA originations in 1994. During 1995, loans secured by property located in upper-income areas comprised 52.67% of the bank's total HMDA originations, representing a 14.75% increase from the previous year. This percentage increase is due primarily to an increase in lending to upper-income areas rather than a decrease in lending in low- and moderate-income areas.

Changes were also noted in the percentage of applications which resulted in loans. During 1994, 82.00% of all applications resulted in loans. During 1995, 70.81% of all applications resulted in loans, a decrease of 11.19%. Applications from low-income areas showed the greatest change, with 71.71% approved in 1994 and only 50.56% approved in 1995, a decrease of 21.15%. Applications from moderate-income areas were also impacted significantly, declining 14.39% from an 86.75% approval rate in 1994 to a 72.36% approval rate in 1995. Applications from upper-income areas were least affected, declining only 5.54% from an 85.54% approval rate in 1994 to an 80.00% approval rate in 1995. Management stated that the increase in the denial rate was primarily due to the bank's increased involvement with indirect home improvement lending during 1995. Due to the indirect nature of the loans, the approval rate was lower for this product than any other HMDA reportable loan product.

A review of the examination loan sample revealed the following geographic distribution:

LOAN TYPE	TOTAL SAMPLED	WITHIN THE LOCAL DELINEATED COMMUNITY	PERCENT OF TOTAL
APPROVED			
Real Estate	21	20	95.24
Home Equity Lines	21	19	90.48
Installment (Direct)	41	36	87.80
Installment (Indirect) Auto	62	31	50.00

Installment (Indirect) HIP	10	10	100.00
Single Payment	11	8	72.73
Commercial/Agricultural	26	24	92.31
TOTAL APPROVED	192	148	77.08
DENIED			
Real Estate	10	9	90.00
Home Equity Lines	20	14	70.00
Installment (Direct)	29	26	89.66
Installment (Indirect) Auto	105	57	54.29
Installment (Indirect) HIP	10	5	50.00
Single Payment	0	0	0.00
Commercial/Agricultural	20	14	70.00
TOTAL DENIED	194	125	64.43

As illustrated in the preceding chart, 77.08% of all approved and 64.43% of denied credit applications reviewed during this examination were within the bank's delineated community.

Discussions with management revealed that the bank performs a limited geographic analysis of its lending activity; however, it was not available for review during this examination.

The bank's participation in special loan programs was reviewed for geographic distribution. The bank has either made a loan, letter of credit, or participated in a tax credit investment for each of the following projects, all of which are located in low- or moderate-income areas: transitional housing for the homeless; renovation of affordable rental units; creation of 29 affordable rental units; affordable apartments for seniors; and expansion of home for special needs children. For more details regarding these programs, see Assessment Factor (h).

Conclusions

The geographic distribution of the bank's credit applications and originations is reasonable. The majority of 1994 and 1995 originations were within the delineated community. During 1994, the bank was above aggregate in lending to low-income areas and below aggregate in lending to moderate-income areas. During 1995, the bank was below aggregate in lending to both low- and moderate-income areas. The number of loans the bank made to low- and moderate-income areas has remained relatively constant, while lending to upper-income areas has increased. The bank's percentage of applications which resulted in loans decreased significantly during the review period, with the greatest impact on applications from low-income areas. The bank's participation in special loan programs to promote affordable housing in low-income areas has contributed significantly to the bank's lending efforts.

Assessment Factor (g) - The institution's record of opening and closing offices and providing services at offices.

Scope and Findings

A review of the bank's branch opening and closing policy, and minutes of the board of directors meetings, interviews with branch personnel, an assessment of the services provided by the branches, and hours of operation were conducted to measure the bank's performance in this category.

The bank has a branch opening and closing policy, which was approved by the board of directors on April 11, 1996. The policy outlines branch closing, relocation and consolidation procedures to ensure that the community is appropriately notified, and the impact on the community and services to customers are analyzed.

Since the bank became a member of the Federal Reserve System, it has not closed any offices; however, one proprietary automated teller machine (ATM) was closed. This ATM was not located in a low- and moderate-income census tract or BNA.

The bank has opened six full-service branch offices since the previous examination. On April 24, 1995, the bank merged with its affiliate. This merger added seven branch offices in southern Indiana. In addition, there are five sites which have received approval as branches. Since the previous examination the bank has also installed eight new ATMs.

The bank has 28 branches, 27 full service ATMs, and 4 cash dispensing ATMs located within its community. Two of the branches are located in low-income census tracts and three branches are located in moderate-income tracts. The bank's normal hours of operation are Monday- Friday 8:00 a.m. to 5:30 p.m. (Lobby); Monday- Thursday 8:00 a.m. to 5:00 p.m., Friday 8:00 a.m. to 6:00 p.m., Saturday 8:00 a.m. to 12:00 p.m. (drive-in). The bank has nine branches in grocery stores which are open seven days-a-week.

Conclusions

The bank's policy appears sufficient to maintain a reasonable level of service to the entire delineated community. Discussions with management, branch personnel and community representatives during visits determined that the bank delivers services to all geographies within the bank's delineated community, including low- and moderate-income areas.

IV. DISCRIMINATION OR OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor (d) - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

Scope and Findings

The bank's CRA statement indicates that the following types of credit are available to members of its community:

Fifth Third Good Neighbor Mortgage Loan Program - discussed under Assessment Factor (i).

Real Estate Loans - secured by a lien on real property to purchase, refinance or finance the

construction of single or multi-family dwellings. Also available for commercial, small business and industrial properties.

Construction and Land Development Loans - provides residential loans for dwellings with one to four units.

Second Mortgage Loans - secured by the borrower's equity in their homes and can be used for any purpose.

FHA/VA Loans - government guaranteed loans offering no or low down payment to qualified borrowers.

Fifth Third Good Neighbor Installment Loan Program - discussed under Assessment Factor (b).

Home Improvement Loans - unsecured loans, up to \$7,500, for the purpose of improving residential property.

Fixed Rate and Variable Rate Installment Loans - provide customers with a way to borrow money and repay it in monthly installments at a competitive interest rate.

Automobile Loans - secured by the car title, and can be extended up to a 60-month maturity with a down payment.

Fresh Start Loan Program - discussed under Assessment Factor (b).

Rehabilitation Loans - made to improve existing single or multi-family residential property.

Student Loans - unsecured government-guaranteed made to post-secondary students for educational purposes. Loans made under the PLUS program help parents obtain a tuition loan on behalf of their dependent children.

Government Assistance Business Loans - made in conjunction with government loan programs like the SBA 7A Business Loans and the SBA 504 Loan Program.

Commercial, Industrial and Small Business Loans - either short- or long-term, secured or unsecured loans to businesses.

Leases - an alternative to purchasing capital equipment or automobiles.

Fifth Third Good Neighbor Secured Visa and MasterCard - discussed under Assessment factor (b).

Fifth Third Select Visa and MasterCard - credit card cards which can be used to make purchases or cash advances.

CheckCard Plus - a MasterCard that features overdraft protection, that allows customers access to their checking account without writing a check.

Overdraft Protection - offers three types of overdraft protection: Fifth Third Ready Reserve, which automatically deducts funds in the form of a cash advance from a Fifth Third Select Visa or MasterCard; savings overdraft protection from a Fifth Third Savings Account; and CheckCard Plus, which is described above.

LoanQuick - discussed under Assessment Factor (b).

Fifth Third Equity Line - a large authorized personal line of credit secured with equity income which allows customers to authorize their own loan by writing a check up to their credit limit.

In addition to providing a wide array of credit products, the bank offers numerous trust and investment services.

A review of the bank's CRA files and loan applications revealed that the bank originates credit consistent with those listed in its CRA statement. The bank actively marketed and originated the types of loans listed in its CRA statement. Further, there were no practices detected during the examination to discourage applications for the types of credit listed in the bank's CRA statement.

Conclusions

The bank's CRA statement accurately lists the types of credit available to members of the delineated community. Credit products, including participation in government loan programs, have been actively solicited, marketed and originated in the delineated community, including loans to low- and moderate-income and/or minority applicants/neighborhoods. The credit products offered by the bank are consistent with those identified as needed within the community, and the bank's performance is considered adequate.

Assessment Factor (f) - Evidence of prohibited discriminatory or other illegal credit practices.

Scope and Findings

The bank's loan forms, policies, procedures and outstanding complaints were reviewed, and loan officers were interviewed. Recent real estate, consumer installment and open-end revolving loans, a sample of commercial loans, as well as rejected loan applications were reviewed for compliance with the applicable fair housing and fair lending laws and regulations.

There was no evidence of prohibited acts or practices. The bank has a second review procedure that is HMDA-focused and limited to applications from minorities, individuals over the age of 62, individual females and, applicants for the Good Neighbor Mortgage

Loan or Good Neighbor Installment Loan programs. The second review procedure is not effective as it only applies to certain applications.

Detailed review of the bank's 1994 and 1995 HMDA data, as illustrated in the following charts, showed that White applicants, who comprise 82.75%¹ of the population of the Indianapolis MSA, represented 88.59% of 1994 applicants and 91.83% of 1995 applicants. By comparison, Blacks, who comprise 15.22% of the MSA residents, represented 9.09% of 1994 applicants and 6.4% of 1995 applicants. Hispanics, who comprise 0.92% of the community population, represented 0.58% of 1994 applicants and 0.54% of 1995 applicants.

1995 Racial Composition of Fifth Third Bank Loan Applications and Originations Compared to the Population in the Delineation						
Racial Category	Delineation Population	% of Total Population	# of Applications	% of Apps to Total	# of Originations	% of Origs to Total
American Indian	2,288	0.20	6	0.82	3	0.57
Asian	9,534	0.85	3	0.41	3	0.57
Black	170,242	15.22	47	6.40	21	3.96
Hispanic	10,307	0.92	4	0.54	3	0.57
White	925,823	82.75	674	91.83	500	94.34
Other	679	0.06	0	0.00	0	0.00
Totals	1,118,873	100.00	734	100.00	530	100.00

1994 Racial Composition of Fifth Third Bank Loan Applications and Originations Compared to the Population in the Delineation						
Racial Category	Delineation Population	% of Total Population	# of Applications	% of Apps to Total	# of Originations	% of Origs to Total
American Indian	1,885	0.21	3	0.58	3	0.70

¹ These population figures are for the Indianapolis MSA only and differ from the population figures noted in the Community Profile that include nonMSA information.

Asian	8,466	0.95	4	0.77	4	0.93
Black	168,548	18.98	47	9.09	33	7.71
Hispanic	8,850	1.00	3	0.58	1	0.23
White	699,584	78.78	458	88.59	385	89.95
Other	658	0.07	2	0.39	2	0.47
Totals	887,991	100.00	517	100.00	428	100.00

The bank's origination rates during 1994 and 1995 were consistent with the ethnic make-up of the community. The primary reasons for denying White, Black and Hispanic applicants during 1994 and 1995 were credit history and debt-to-income ratio.

Conclusions

Review of the examination loan sample and HMDA data revealed no evidence of prohibited discriminatory practices.

V. COMMUNITY DEVELOPMENT

Assessment Factor (h) - The institution's participation, including investments, in local community development or redevelopment projects or programs.

Scope and Findings

The bank's loan and investment portfolio, management's involvement in and knowledge of community development-related activities within the delineated community, and comments from members of the delineated community were reviewed.

The bank provides support for community development through direct participation in community development activities. Participation in the community has included investments and loans, municipal bond purchases, participation in loan pools and donations. Examples of the bank's participation are discussed below.

Housing-Related Projects

Fifth Third Bank Good Neighbor Program - discussed under Assessment Factor (i).

Housing for the homeless - the bank funded a construction loan for the rehabilitation of transitional housing rental units for the homeless.

The bank is a limited partner in a renovation project for affordable and historic rental-housing in the Riley area of Indianapolis.

The Spirit of Partnership Program - in association with the Indianapolis Housing

Partnership (INHP), a nonprofit housing services agency, Fifth Third Bank and five other banks developed a program linking banks with neighborhoods through urban churches. The INHP works through 28 churches to provide home ownership training and counseling to prepare people for homeownership. This community outreach program provides mortgages to urban neighborhoods.

The bank invested, through the purchase of low-income and historic tax credits, in a project to convert a building in Indianapolis into affordable apartments for seniors and an innovative child care center.

The bank provided financing assistance in the form of a letter of credit for the purchase and renovation of a facility which enables Marion County to accommodate local children, as well as children from other Indiana communities.

INHP's Good Neighbor Program - This program is offered primarily in low- and moderate-income census tracts within Marion County. It requires a 75% loan-to-value first mortgage from participating local lenders and a 25% second mortgage from INHP. Underwriting is flexible and PMI is not required.

The bank provided a line of credit to a community development corporation for the renovation of properties located in Indianapolis. The renovated town homes help to meet the need for affordable rental units.

During 1995, the bank purchased \$10,049,000 of public funds, and during 1996 the bank invested \$8,734,000 in public funds.

Conclusions

The bank's community development activities are considered strong. The bank has made a commitment to the community's development and revitalization through its direct and indirect financing of projects and programs that are beneficial to the residents of the delineated community. The bank provides local government with support through funding of various bond issues. The bank also supports community development through active participation with numerous community development organizations.

Assessment Factor (k) - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

The bank's financial condition and local economic conditions were reviewed to assess the ability of the bank to meet community credit needs. There are no apparent factors relating to the bank's financial condition and size, or local economic conditions that would prevent the bank from meeting community credit needs.

Assessment Factor (I) - Any other factors that, in the regulatory authority's judgement, reasonably bear upon the credit needs of its entire community.

Scope and Findings

The bank participated in several educational and development projects that indirectly contribute to the community's credit needs. They include:

Black Expo - the nation's largest African-American gathering which attracts more than 300,000 visitors each year to conferences, workshops and exhibits presented over a five-day period. During the most recent expo (July, 1996) the bank sponsored a small business seminar **A Gateway to Excellence: Bonding and Lending Professional Services.**@

Putting all the Pieces Together - developed specifically for the small business owner, it includes information about applying for loans and types of corporations, as well as a glossary of business terms.

Money Management for Low Income Families - a financial management and counseling program through Purdue University's Cooperative Extension Service.

Lynx Capital Corporation - the bank is an investor in this minority enterprise and small business investment corporation. LYNX was created in 1991 through the auspices of the Indianapolis Chamber of Commerce with an initial investment of \$2.5 million to boost minority business activity.

Project Help Greensburg Indiana - the bank provided a grant to help fund this community initiative, which provides assistance to low income senior citizens and the disabled.

Education and Technology - in partnership with the Corporation for Education Technology (CET), the bank funded the development of computer software to teach banking and money management skills to school age children.

Contributions, donations and support for 1995 totaled \$93,431 and \$113,425 year-to-date 1996.