PUBLIC DISCLOSURE

November 30, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Heartland Bank
RSSD #853112

850 North Hamilton Road
Gahanna, Ohio

Federal Reserve Bank of Cleveland
Cleveland, Ohio

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it 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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INSTITUTION'S CRA RATING: Satisfactory
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Outstanding

The major factors and criteria contributing to this rating include:

- The loan-to-deposit ratio is reasonable;
- A majority of loans are made in the assessment area;
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area;
- The distribution of loans to borrowers reflects a reasonable penetration among different income levels (including low- and moderate-income);
- The distribution of loans to businesses reflects a reasonable penetration among businesses of different revenue sizes;
- There were no CRA-related complaints filed against the bank since the previous CRA examination; and,
- The bank's community development performance demonstrates an excellent responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need and availability of such opportunities in the bank's assessment area.

The previous CRA examination conducted October 15, 2012 resulted in a rating of "Satisfactory."

SCOPE OF EXAMINATION

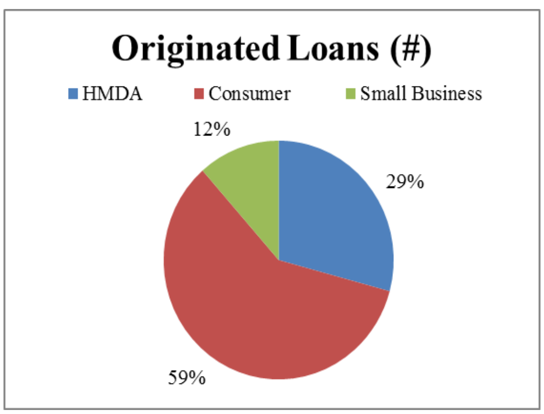
The Heartland Bank (Heartland) Community Reinvestment Act (CRA) performance was evaluated using the interagency intermediate small bank examination procedures under Regulation BB. The evaluation is based on loans originated from July 1, 2014 to June 30, 2015.

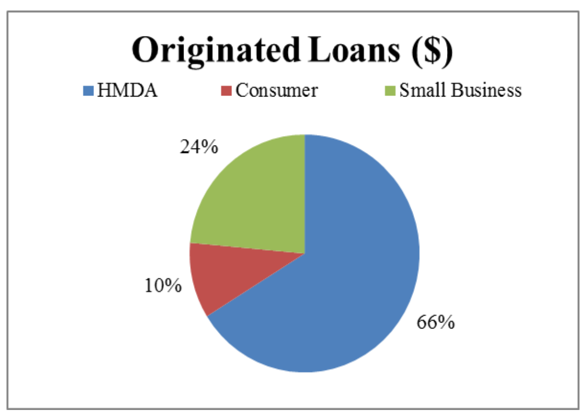
The loan products reviewed included loans reported under the Home Mortgage Disclosure Act (HMDA), consumer loans, and small business loans. HMDA loans consist of home purchase and refinance loans, while consumer loans include credit card, motor vehicle and home equity loans.

Community development activities for the period of October 16, 2012 through November 29, 2015 were also reviewed as part of this evaluation, specifically community development loans, investments, donations, and services occurring since the previous examination.

The following table and charts illustrate the volume and distribution of loans originated within Heartland's assessment area during the evaluation period.

Loan Type	Number of Loans	Dollar Amount of Loans (000s)
HMDA	236	58,483
Consumer	479	9,102
Small Business	93	20,827
Total	**808**	**88,393**





Heartland's lending performance was evaluated with equal weight given to HMDA loans and consumer loans. Small business loans were given the least weight. These considerations were determined based on the bank's loan origination levels and the concentration of loan products in the institution's portfolio. The bank originated too few home improvement and multi-family loans to perform a meaningful analysis; therefore, those products will not be discussed extensively in this evaluation.

In some cases, information for originated loans could not be provided by the bank. Therefore, the loan volumes used for borrower distribution are based on a sample of originated loans and are lower than the number of originated loans listed above.

For the purpose of this evaluation, geographic and borrower distribution received equal weight, as there were similar percentages of low- and moderate-income geographies when compared to low- and moderate-income individuals.

The size and financial condition of the institution, lending opportunities within the assessment area, and competition with other institutions were also considered in the bank's performance context.

DESCRIPTION OF INSTITUTION

Heartland is a state member bank headquartered in Gahanna, Ohio and is the sole banking subsidiary of Heartland Bancorp, also headquartered in Gahanna. As of June 30, 2015, Heartland's total assets were valued at approximately $684 million. During the previous CRA evaluation in October 2012, Heartland's total assets were approximately $571 million, an increase of 19.8%.

Heartland is a full-service retail bank, offering commercial, agricultural and consumer deposit and loan products. Customers are serviced through Heartland's main office and 11 other offices located throughout the assessment area. The main office is located in an upper-income tract in Gahanna in Franklin County. Heartland also has seven additional offices in Franklin County: two in Columbus and one in Reynoldsburg that are located in moderate-income tracts; one in Gahanna and one in Grove City in middle-income tracts; and one in Dublin and one in Westerville that are in upper-income tracts. Heartland also has three offices located in Licking County: one in Croton and one in Johnstown that are in middle-income tracts; one in Newark in a low-income tract; and one in Pickerington in Fairfield County in an upper-income tract. All of Heartland's branches have full-service automated teller machines (ATMs). In addition, Heartland has four cash-dispensing ATMs at non-bank locations (two in Franklin County, one in Pickaway County and one in Fairfield County).

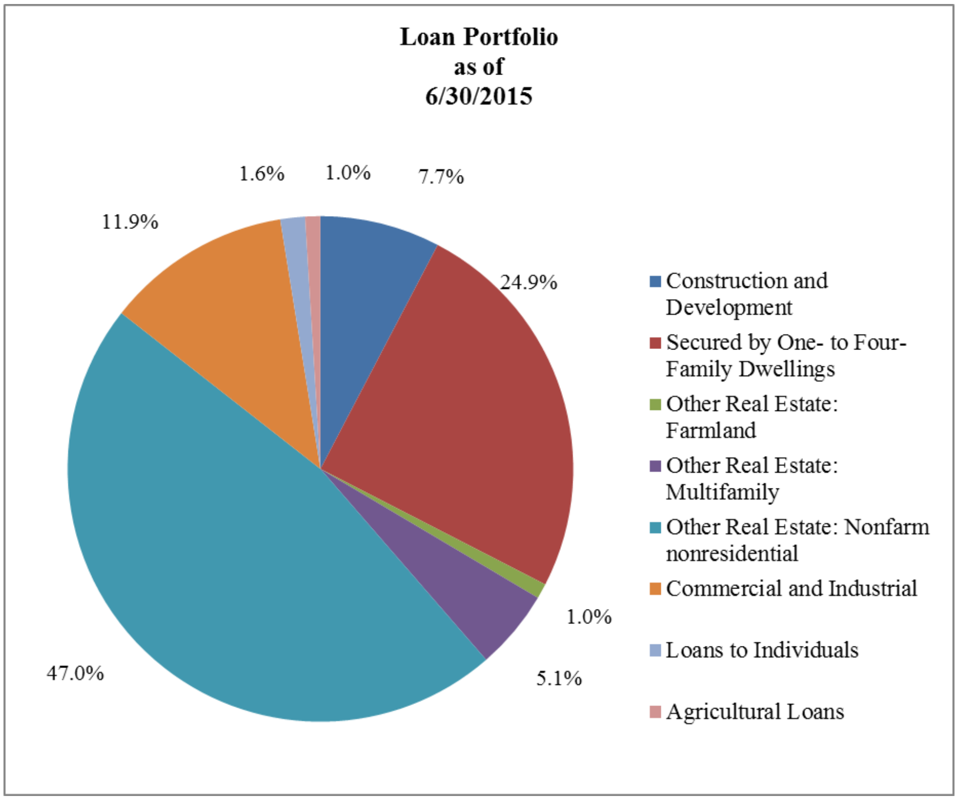
Heartland opened one branch in February 2015 located at 421 North Hill Road, Pickerington, Ohio.

The following table and chart shows the composition of Heartland's loan portfolio as of June 30, 2015.

COMPOSITION OF LOAN PORTFOLIO

Loan Type	6/30/2015		12/31/2014		12/31/2013	
	$ (000s)	Percent	$ (000s)	Percent	$ (000s)	Percent
Construction and Development	40,837	7.7%	49,941	9.9%	31,144	7.3%
Secured by One- to Four-Family Dwellings	132,277	24.9%	129,302	25.7%	127,819	29.9%
Other Real Estate: Farmland	5,101	1.0%	6,164	1.2%	1,933	0.5%
Other Real Estate: Multifamily	27,160	5.1%	33,682	6.7%	25,419	5.9%
Other Real Estate: Nonfarm Nonresidential	249,679	47.0%	223,982	44.5%	194,792	45.6%
Commercial and Industrial	63,184	11.9%	46,868	9.3%	37,229	8.7%
Loans to Individuals	8,382	1.6%	8,472	1.7%	8,961	2.1%
Agricultural Loans	5,143	1.0%	5,357	1.1%	15	0.0%
Total	*$531,763*	*100.00%*	*$503,768*	*100.00%*	*$427,312*	*100.00%*

* This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers' acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.



Heartland's investment portfolio as of June 30, 2015 was $120.5 million, which represents 17.7% of total assets. The investment portfolio is mostly made up of U.S. Treasuries and agency and municipal securities, which account for 47.6% and 43.0%, respectively. The remaining investments are interest-bearing bank balances.

There are no legal or financial constraints preventing Heartland from meeting the credit needs of its assessment area in a manner consistent with its asset size, business strategy, resources, and local economy.

DESCRIPTION OF ASSESSMENT AREA

Heartland has delineated one region in central Ohio as its assessment area for CRA purposes. The assessment area is located within the Columbus Metropolitan Statistical Area (MSA). The Columbus MSA consists of the following eight counties: Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway, and Union. Heartland's assessment area is comprised of Franklin and Licking Counties in their entireties and contiguous portions of Delaware, Fairfield, and Pickaway Counties. Those counties and census tracts excluded from the bank's assessment area are the furthest from any branch locations with little or no lending activity. Overall, Heartland's assessment area is quite expansive and contains a combination of both metropolitan and rural areas.

Heartland's assessment area consists of 341 census tracts. Specifically, the assessment area contains 61 low-, 85 moderate-, 93 middle-, and 99 upper-income tracts. Three of the census tracts have an unknown income level. The bank's main office and three other branches are located in upper-income census tracts. Four additional branches are located in middle-income census tracts and three branches are located in moderate-income census tracts. The remaining branch is in a low-income tract. The majority of low- and moderate- income census tracts are concentrated in Franklin and Licking Counties.

Franklin County has the largest population of all counties in the assessment area. Columbus is the county seat of Franklin County and according to the 2010 U.S. Census Bureau Report, the population in Franklin County was 1,163,414. The population of Licking County, which is 88.6% cropland, pasture and forest, was 166,492. Delaware, Fairfield and Pickaway Counties are also mostly rural and had populations of 174,214, 146,156 and 55,698, respectively. Only a small portion of these counties are included in Heartland's delineated assessment area. Therefore, the majority of these populations do not reside within reasonable proximity to Heartland's branch offices.

Heartland's assessment area has a unique characteristic that could impact its level of lending and the provision of services extended throughout the assessment area. There are several colleges and universities located within the assessment area, including, but not limited to: The Ohio State University (OSU), DeVry University, Franklin University, Ohio Dominican University, Capital University, and Otterbein University. The majority of these schools are located in Columbus, where the majority of the assessment area's low- and moderate-income tracts are located. Undergraduate enrollment for these universities is approximately 82,000, which creates a large student population that may not be in the market for financial services, including loans. This can hinder Heartland's ability to lend to this part of the population.

There is significant banking competition within Heartland's assessment area. As of June 30, 2015, the Federal Deposit Insurance Corporation (FDIC) reported 47 insured financial institutions operating 516 branches within Delaware, Fairfield, Franklin, Licking and Pickaway Counties. The FDIC's market share report indicates that Heartland ranked tenth, holding 1.0% of the market share of deposits.[1] The following table illustrates the deposit market share for the top 10 financial institutions in the counties.

#	Financial Institution	Deposit Market Share
1	The Huntington National Bank	30.3%
2	JPMorgan Chase Bank, National Association	21.8%
3	PNC Bank, National Association	10.5%
4	Nationwide Bank	9.0%
5	Fifth Third Bank	8.1%
6	The Park National Bank	3.7%
7	KeyBank National Association	2.5%
8	U.S. Bank National Associaiton	2.3%
9	Wells Fargo Bank, National Association	1.3%
10	Heartland Bank	1.0%

Population

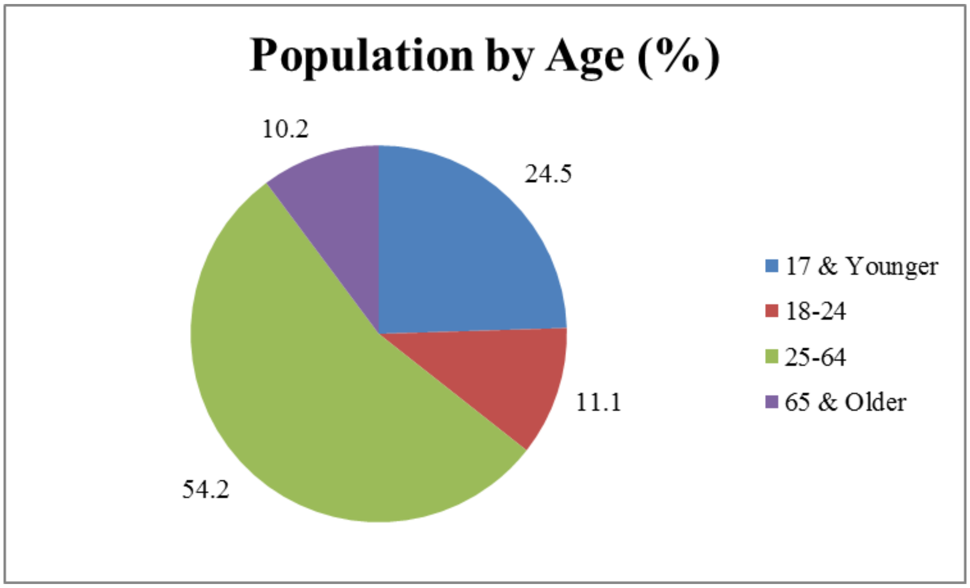
According to the U.S. Census Bureau Report, the total population in Heartland's assessment area was 1,466,588. The following table shows the 2010 and estimated 2014 population of the five counties within the bank's assessment area, as well as the estimated population change.[2] All counties in the bank's assessment area have experienced a population increase from 2010 to 2014, with Delaware and Franklin Counties experiencing the greatest increases at 8.6% and 5.8%, respectively.

County	2010 Population	2014 Population	Population Percent Change
Delaware	174,214	189,113	8.6%
Fairfield	146,156	150,381	2.9%
Franklin	1,163,414	1,231,393	5.8%
Licking	166,492	169,390	1.7%
Pickaway	55,698	56,876	2.1%
Total	**1,705,974**	**1,797,153**	

Approximately 12.6% of the assessment area population resides in low-income tracts and 21.2% reside in moderate-income tracts, while 31.2% reside in middle-income tracts and 34.2% reside in upper-income tracts.

1 http://www2.fdic.gov/sod/sodMarketBank.asp
2 American Fact Finder, http://factfinder2.census.gov

The population by age is distributed as follows:



Approximately 24.5% of the population is under 18, while approximately 65.3% of the population is between the ages of 18 and 64, the legal age to enter into a contract, and the prime ages when individuals are generally in need of loans.

Income Characteristics

According to 2010 U.S. Census data, the median family income for the assessment area was $65,211. This is above Ohio's median family income of $59,680. Based on 2015 U.S. Department of Housing and Urban Development (HUD) data, the median family income in the assessment area increased to $71,000.[3]

The assessment area contains 566,719 households, of which 351,507 were designated as families. Low- and moderate-income families represent 21.9% and 16.9% of all families in the assessment area, respectively. Approximately 10.7% of families in the assessment area are below the poverty level compared to 10.3% of families in Ohio. According to data from the Economic Research Service of the United States Department of Agriculture (USDA),[4] 2013 poverty rates for the counties in Heartland's assessment area were as follows:

3 http://www.huduser.gov/portal/datasets/il.html
4 http://www.ers.usda.gov/data-products/county-level-data-sets/poverty.aspx

County	2010 Poverty Rate	2013 Poverty Rate	Change
Delaware County	5.8%	5.6%	-3.4%
Fairfield County	11.2%	11.8%	5.4%
Franklin County	18.8%	17.7%	-5.9%
Licking County	12.4%	11.2%	-9.7%
Pickaway County	12.7%	13.6%	7.1%
Ohio	**15.8%**	**15.9%**	**0.6%**
United States	**15.3%**	**15.8%**	**3.3%**

As illustrated above, poverty rates in all counties within the assessment area were below the rates for Ohio and the U.S. In addition, three of the five counties experienced a decrease in poverty rates from 2010 to 2013.

Labor, Employment and Economic Characteristics

The following table illustrates land use in each county in the assessment area:[5]

County	Urban	Cropland	Pasture	Forest	Open Water	Bare Mines	Wetlands
Delaware	16.7%	52.6%	2.6%	25.8%	2.1%	0.3%	0.1%
Fairfield	8.3%	62.8%	4.6%	23.9%	0.5%	0.0%	0.0%
Franklin	61.1%	22.7%	1.5%	13.6%	0.9%	0.2%	0.0%
Licking	11.1%	39.4%	11.3%	37.9%	0.2%	0.0%	0.1%
Pickaway	2.9%	81.5%	5.4%	10.0%	0.1%	0.0%	0.0%

As indicated above, Franklin County is mostly urban, while the remaining counties are primarily crop and forest land.

The following table shows the five primary employment sectors (by number of persons employed in the county) and five major employers for each of the counties in the assessment area.[5]

5 http://www.development.ohio.gov/reports/reports_countytrends_map.htm

County	Primary Employment Sectors	Major Employers
Delaware	Professinal and Business Services; Trade, Transportation and Utilities; Leisure and Hospitality; Educational and Health Services; Local Government	Delaware City Schools; Emerson/Liebert; JPMorgan Chase; Kroger Co.; McGraw Hill Companies; Mettler-Toledo International; Ohio Wesleyan University; Ohio Health/Grady Memorial Hospital; Olentangy Local Schools; PPG Industries Inc.; Showa Corp/American Shows; State of Ohio
Fairfield	Trade, Transportation and Utilities; Educational and Health Services; Leisure and Hospitality; Local Government; Professinal and Business Services	Cyril Scott Co.; Fairfield County; Fairfield Medical Center; Kroger Co.; Lancaster City SchoolsMcDermott Int'l/Diamond Power; Nifco America; Pickerington Local Schools; Ralcorp/Ralston Foods; State of Ohio; Westerman Companies
Franklin	Trade, Transportation and Utilities; Professinal and Business Services; Educational and Health Services; Leisure and Hospitality; Fiancial Services	Abbott Laboratories; American Electric Power Co.; Battelle Memorial Institute; Cardinal Health, Inc.; Huntington Bancshares Inc.; JP Morgan Chase; L Brands Inc; Nationwide Mutual Insurance Co; Ohio State University; Ohio Health; Schottenstein Stores Corp; State of Ohio; The Wendy's Corporation
Licking	Trade, Transportation and Utilities; Educational and Health Services; Manufacturing; Local Government; Leisure and Hospitality	Anomatic Corp; Boeing Co.; Denison University; Licking County Government; Licking Memorial Health Systems; Newark City Schools; Owens-Corning; Park National Bank; State Farm Mutual Automobile Ins Co
Pickaway	Manufacturing; Local Government; Trade, Transportation and Utilities; Education and Health Services; State Government	ALSCO Metals Corp; Berger Health System; Circleville City Schools; E1 du Pont de Nemours & Co.; Florida Production Engineering; General Electric Co; Logan Elementary Local Schools; PPG Industries Inc; State of Ohio; Teays Valley Local Schools; TS Tech CO LTD/Trimold LLC; Wal-Mart Stores, Inc.

According to 2010 Dun and Bradstreet data, there are 73,329 businesses in the assessment area. The majority of the businesses (91.7%) have annual revenues less than $1 million.

The following table shows the 2014 and 2015 average annual unemployment rates for counties in the assessment area and reflects a decreasing trend over the two year period.

Unemployment Rates
Assessment Area: Heartland Bank

Area	Years - Annualized	
	2014	**2015**
Delaware Co.	3.2	3.0 (P)
Fairfield Co.	4.0	3.6 (P)
Franklin Co.	3.8	3.6 (P)
Licking Co.	4.1	3.8 (P)
Pickaway Co.	4.6	3.9 (P)
Columbus MSA	3.9	3.6 (P)
Ohio	**4.7**	**4.3 (P)**

Not Seasonally Adjusted

P: Preliminary as of August 2015

Housing Characteristics

According to the 2010 U.S. Census, there were 640,830 housing units in Heartland's assessment area, of which 54.3% were owner-occupied. Rental units represented 34.1% of all housing units, while 11.6% of the housing units were vacant. The owner-occupancy rate in this assessment area was below Ohio's owner-occupancy rate of 61.7%. From an income perspective, only 6.2% and 18.4% of all owner-occupied housing units were located in low- and moderate-income tracts, respectively, suggesting limited opportunity for mortgage credit in these geographies.

The median age of housing stock is 36 years old, which was lower than the statewide median age of 44 years.

The median housing value in the assessment area is $161,889, with an affordability ratio of 31.9%. The higher the affordability ratio, the more affordable a home is considered. The housing affordability ratio is calculated by dividing median family income by the median housing value. The housing stock in the assessment area is slightly less affordable than Ohio's at 34.7%. Further, based on the 2010 median family income for the MSA ($65,211), approximately 28.6% of the homes valued up to $119,518 in the assessment area would be considered affordable for low-income individuals and 66.9% of the homes valued up to $191,228 would be considered affordable for moderate-income individuals. These percentages were calculated assuming a housing expense ratio equal to 28.0% of gross income and for a 4.0% fixed rate, 30-year loan.

According to RealtyTrac,[6] the majority of counties in the bank's assessment area had lower ratios of properties in foreclosure than the national ratio. Delaware and Pickaway Counties exceeded Ohio's ratio, with Licking County just below. The table below depicts homes that were in foreclosure in October 2015 for all counties in the assessment area, Ohio and the United States.

County	Ratio of Properties Receiving Foreclosure Filings (October 2015)
Delaware	1:1,039
Fairfield	1:745
Franklin	1:818
Licking	1:912
Pickaway	1:1,169
Ohio	**1:968**
United States	**1:1,147**

According to Sperling's Best Places,[7] the following table depicts the median home cost, housing appreciation in the prior year, and cost of living for all counties in the bank's assessment area. The cost of living in the majority of counties in Heartland's assessment area is lower than the average cost of living for Ohio at 11.8%.

County	Median Home Cost	Housing Appreciation	Cost of Living
Delaware	$161,100	6.8%	5.5%
Fairfield	$143,200	6.7%	7.4%
Franklin	$119,100	6.8%	13.6%
Licking	$147,000	6.9%	7.2%
Pickaway	$124,099	7.0%	11.6%
Ohio	**$112,400**	**0.5%**	**11.8%**

The median gross rent in the assessment area was $761, with 5.6% of the rental units having rents of less than $350 a month, according to the U.S. Census. The majority of rents (58.8%) were greater than $700 per month. A little more than one-third of all housing units in the assessment area are rental units. Additionally, 45.5% of renters have rent costs greater than 30.0% of their income.

Community Contacts

Two community contact interviews were conducted to provide additional information regarding the credit needs and context to demographic and economic conditions of the local community. One contact was with a community development corporation that serves a low-income neighborhood in Franklin County.

6 www.realtytrac.com
7 http://bestplaces.net

According to the contact, poverty is high for every census tract in the area it serves. In addition, affordable housing for this area continues to be a concern, as there are a high percentage of vacant properties. Economic development is the main focus for the area. The contacted stated there is a need to help those who are unemployed, as well as those who would like to start a small business.

The second contact was with an organization that provides various community services, including, but not limited to, housing assistance, financial counseling, emergency food and shelter, home repairs, and weatherization in Licking County. The contact stated that economic conditions are stable in Licking County. While unemployment rates are low, there are still a number of people who cannot find employment. According to the contact, banks participate in various capacities related to housing projects and financial literacy training.

The following table illustrates the demographics of the Columbus MSA.

Combined Demographics Report

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	61	17.9	35,553	10.1	13,042	36.7	76,848	21.9
Moderate-income	85	24.9	73,767	21	12,600	17.1	59,300	16.9
Middle-income	93	27.3	112,240	31.9	8,374	7.5	70,750	20.1
Upper-income	99	29	129,947	37	3,577	2.8	144,609	41.1
Unknown-income	3	0.9	0	0	0	0	0	0
Total Assessment Area	**341**	**100.0**	**351,507**	**100.0**	**37,593**	**10.7**	**351,507**	**100.0**

	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	94,014	21,719	6.2	23.1	50,474	53.7	21,821	23.2
Moderate-income	143,883	64,180	18.4	44.6	59,038	41	20,665	14.4
Middle-income	202,872	116,374	33.4	57.4	68,238	33.6	18,260	9
Upper-income	199,988	145,882	41.9	72.9	40,741	20.4	13,365	6.7
Unknown-income	73	0	0	0	73	100	0	0
Total Assessment Area	**640,830**	**348,155**	**100.0**	**54.3**	**218,564**	**34.1**	**74,111**	**11.6**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	6,732	9.2	5,966	8.9	739	12.9	27	7.6
Moderate-income	13,640	18.6	12,370	18.4	1,154	20.1	116	32.6
Middle-income	21,573	29.4	19,873	29.6	1,611	28.1	89	25
Upper-income	31,152	42.5	28,865	42.9	2,165	37.8	122	34.3
Unknown-income	232	0.3	170	0.3	60	1	2	0.6
Total Assessment Area	**73,329**	**100.0**	**67,244**	**100.0**	**5,729**	**100.0**	**356**	**100.0**
	Percentage of Total Businesses:			**91.7**		**7.8**		**.5**

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	23	2.7	22	2.6	1	6.3	0	0
Moderate-income	141	16.6	136	16.3	5	31.3	0	0
Middle-income	405	47.7	398	47.8	7	43.8	0	0
Upper-income	279	32.9	276	33.1	3	18.8	0	0
Unknown-income	1	0.1	1	0.1	0	0	0	0
Total Assessment Area	**849**	**100.0**	**833**	**100.0**	**16**	**100.0**	**0**	**.0**
	Percentage of Total Farms:			**98.1**		**1.9**		**.0**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

Heartland's overall performance under the lending test is considered satisfactory. The loan-to-deposit ratio is reasonable and the bank made a majority of loans in its assessment area. The geographic and borrower distributions are also reasonable.

Heartland's performance with respect to its geographic dispersion of loans and borrower profiles received equal weighting, due to the prominence of low- and moderate-income census tracts and the concentration of low- and moderate-income persons in this assessment area. The greatest consideration, based on volume by number and dollar amount, was given to HMDA (home purchase and refinance) and consumer loans (credit cards, motor vehicle and home equity), followed by small business loans. There was an insufficient number of home improvement or multi-family dwelling loans to conduct a meaningful analysis.

Details of the bank's HMDA, consumer, and small business lending, as well as peer HMDA data, can be found in the tables in Appendix B.

Loan-to-Deposit Ratio

A financial institution's loan-to-deposit (LTD) ratio compares the institution's aggregate loan balances outstanding to its total deposits outstanding. The ratio is a measure of an institution's lending volume relative to its capacity to lend and is derived by adding the quarterly LTD ratios and dividing the total by the number of quarters.

The following table shows Heartland's quarterly LTD ratios for the last 17 quarters since the previous evaluation, along with the average LTD ratios for three local peer banks for the same period. The custom peer LTD ratio is the combined aggregate LTD ratio for all three peer banks.

Heartland Bank Loan-to-Deposit Ratios					
As of Date	**HEARTLAND BK**	**SAVINGS BK**	**DELAWARE CTY B&TC**	**ARLINGTON BK**	**CUSTOM PEER**
June 30, 2015	88.73	60.98	80.12	104.30	81.80
March 31, 2015	87.71	62.61	80.07	96.87	79.85
December 31, 2014	89.37	66.27	83.86	92.33	80.82
September 30, 2014	88.03	66.37	81.77	94.64	80.93
June 30, 2014	86.17	66.78	80.73	96.32	81.28
March 31, 2014	83.60	66.27	79.15	93.00	79.47
December 31, 2013	85.84	68.50	79.26	100.16	82.64
September 30, 2013	83.97	69.31	77.78	98.51	81.87
June 30, 2013	83.56	67.95	75.77	96.51	80.08
March 31, 2013	80.97	65.86	71.88	97.02	78.25
December 31, 2012	80.57	67.51	67.25	99.91	78.22
September 30, 2012	79.30	65.33	71.32	99.20	78.62
Deposit Ratio Average Since the Previous Evaluation	**84.82**	**66.15**	**77.41**	**80.32**	**80.32**

Heartland's LTD ratio is reasonable given the bank's size, financial condition and assessment area credit needs. The bank has averaged a LTD ratio of 84.8% over the past 12 quarters of operation, which is above the peer group average ratio of 80.3%. Heartland's quarterly LTD ratios consistently exceeded those of two peer institutions (Savings Bank and Delaware City Bank and Trust Co.) throughout this review period. Heartland's ratios have risen consistently over the review period, resulting in an increasing trend. This indicates that Heartland's loan origination volume is commensurate with its capacity to lend. Heartland's LTD ratio is considered reasonable.

Lending in the Assessment Area

Heartland's loan originations were analyzed to determine the volume of lending inside and outside its assessment area. All of the bank's loan products were considered in this analysis. As previously noted, the level of originated home equity and multi-family loans were too low to perform a meaningful analysis. However, since these loans types were originated during this review period, those details are included in the table below for purposes of this assessment.

The following table illustrates the distribution of all loans made inside and outside the bank's assessment area and show that a majority of the bank's loans were originated inside of the assessment area by both number (89.4%) and dollar amount (65.5%).

Lending Inside and Outside the Assessment Area

Loan Type - Description	Inside				Outside				Total	
	#	%	$(000s)	%	#	%	$(000s)	%	#	$(000s)
CC - Credit Card	226	91.5	873	93.5	21	8.5	60	6.5	247	934
HE - Home Equity	90	90.9	5,019	87.2	9	9.1	736	12.8	99	5,756
MV - Motor Vehicle	117	88.0	2,023	83.9	16	12.0	389	16.1	133	2,413
Total Consumer-related	**433**	**90.4**	**7,916**	**87.0**	**46**	**9.6**	**1,186**	**13.0**	**479**	**9,102**
CV - Home Purchase - Conventional	140	87.0	24,985	75.4	21	13.0	8,172	24.6	161	33,157
HI - Home Improvement	16	88.9	358	95.5	2	11.1	17	4.5	18	375
MF - Multi-Family Housing	1	50.0	1,000	6.8	1	50.0	13,748	93.2	2	14,748
RF - Refinancing	48	87.3	9,329	91.4	7	12.7	874	8.6	55	10,203
Total HMDA-related	**205**	**86.9**	**35,672**	**61.0**	**31**	**13.1**	**22,811**	**39.0**	**236**	**58,483**
SB - Small Business	84	90.3	14,281	68.6	9	9.7	6,546	31.4	93	20,827
Total Small Bus.-related	**84**	**90.3**	**14,281**	**68.6**	**9**	**9.7**	**6,546**	**31.4**	**93**	**20,827**
TOTAL LOANS	**722**	**89.4**	**57,869**	**65.5**	**86**	**10.6**	**30,543**	**34.5**	**808**	**88,412**

Geographic Distribution of Lending

Heartland's geographic distribution of lending is reasonable. While this analysis revealed some gaps in the institution's levels of lending throughout its assessment area, the bank is impacted by a large collegiate population. In particular, there were 39 low-, 43 moderate-, 27 middle-, and 37 upper-income tracts with no lending. The following chart depicts the total loans originated by each tract income level and the number and percentage of census tracts with no lending activity.

Total Loan Types Originated in Assessment Area by Tract Income Level					
Geographies	**Low-Income**	**Moderate-Income**	**Middle-Income**	**Upper-Income**	**Total**
# ($%) of Tracts in Assessment Area	61 (17.9%)	85 (24.9%)	93 (27.3%)	99 (29.1%)	338
# (%) of Total Originated Loans	42	125	284	271	722
# (%) of Tracts with Lending	22 (36.1%)	42 (49.4%)	66 (71.0%)	62 (62.6%)	192
# (%) of Tracts without Lending	39 (63.9%)	43 (50.6%)	27 (29.0%)	37 (37.4%)	146

The chart indicates that Heartland is penetrating the middle- and upper-income tracts at a slightly higher rate than the moderate-income tracts and much higher than the low-income tracts. The majority of the bank's branches are located in middle- and upper-income tracts. Considering that Heartland holds 1.0% of the market share in the area, combined with the significant amount of banking competition, it may be more difficult to extend loans, especially in those census tracts that are furthest away from the bank's branch locations.

The Ohio State University (OSU) also has locations in low- and moderate-income tracts, which is comprised primarily of college students. This would also result in a decreased demand for consumer loans in these census tracts. Owner-occupied housing is also limited in the low- and moderate-income tracts, which limits the ability to originate HMDA loans.

In addition to traditional bank products, Heartland originates loans through flexible lending programs. These types of programs can allow financial institutions to address the credit needs of low- and moderate-income borrowers in a safe and sound manner. During the review period, Heartland originated the following number and dollar amount of loans through flexible loan programs:

	Number of Originations	Total Loan Amounts
Government Lending Programs		
-SBA	112	$79,227,181
-Guaranteed Farm Loans/Farmer Mac	8	$351,644
Helping Hands		
-Mortgage Program	1	$84,075
-Consumer Loan Program	5	$28,599

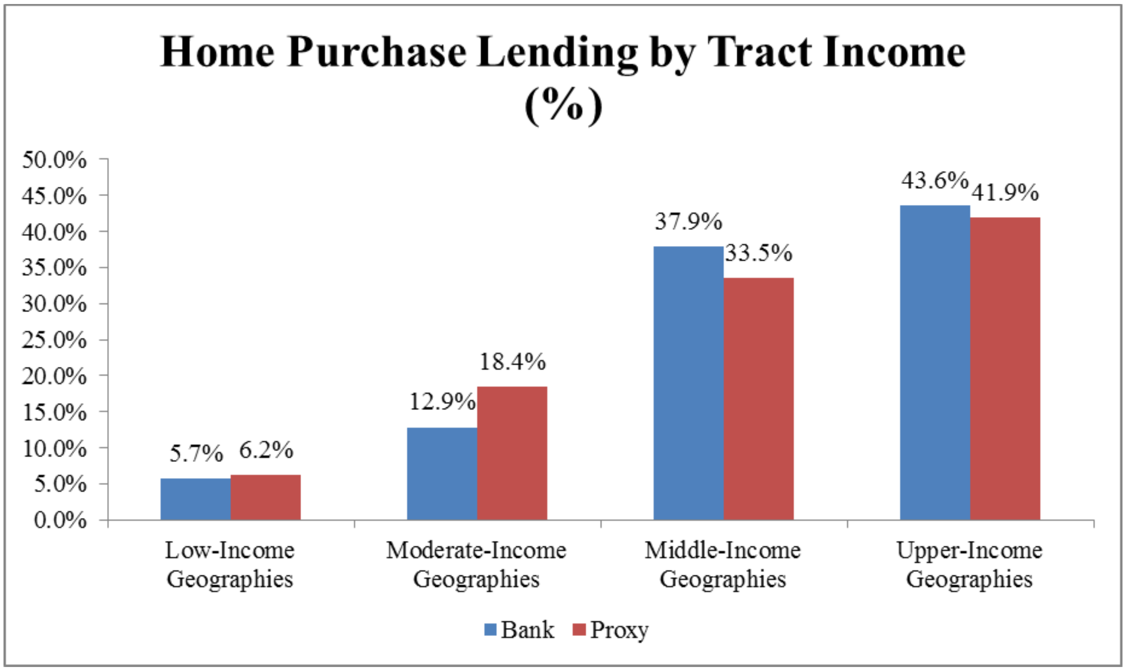
Given these factors, the overall geographic distribution of loans is considered reasonable. Refer to the tables in Appendix B for additional information.

HMDA Lending

Heartland originated a total of 205 HMDA loans in the assessment area, which is comprised of 140 home purchase (68.3%), 48 refinance loans (22.0%), 16 home improvement (7.8%) and one multi-family loan. Of the 205 loans, 15 were made in low-, 26 were made in moderate-, 76 were made in middle-, and 88 were made in upper-income census tracts. Heartland's performance was compared to the number of owner-occupied housing units in the assessment area (proxy). Peer lending data was also considered in addition to poverty levels, housing affordability, percentage of rental and vacant units, presence of a university, competition and general economic conditions in the assessment area, which could limit lending opportunities. Overall, the geographic distribution of HMDA lending is considered excellent.

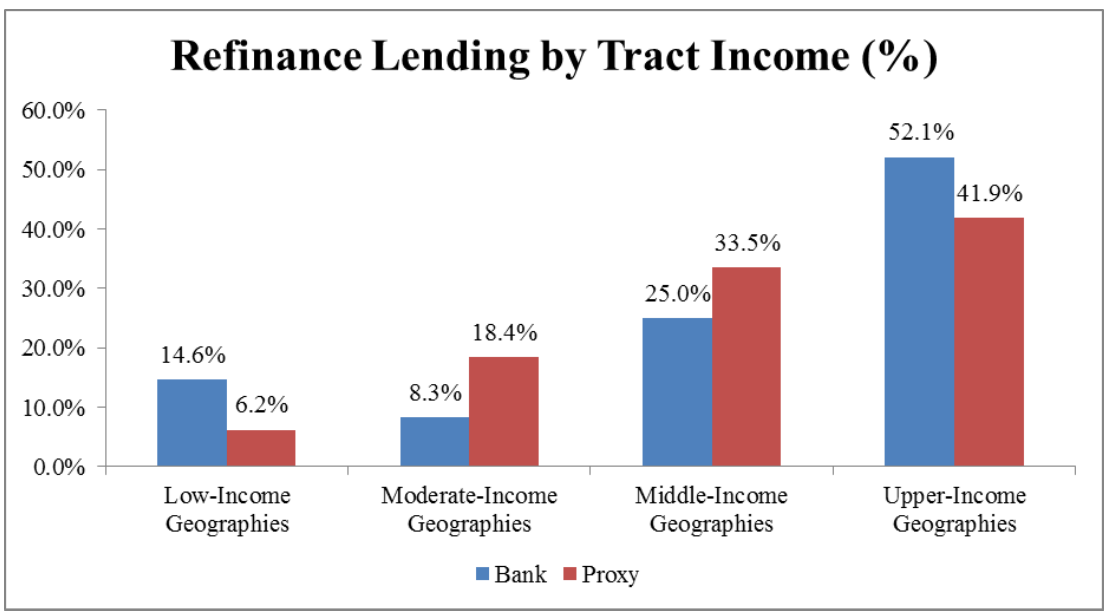
Home Purchase Lending

As shown in the chart below, the bank performed near proxy in low-income tracts and slightly below in moderate-income tracts, while performing above proxy in both middle- and upper-income tracts. When comparing the bank to peer data, the bank was near or above peer in all income census tracts. The high percentage of rental vacant units in low- and moderate-income tracts may contribute to the lower lending levels in the low- and moderate-income tracts. Heartland's geographic distribution of home purchase loans is considered excellent.



Refinance Lending

As shown in the chart below, Heartland performed well above proxy in low- and upper-income tracts and significantly below proxy in moderate-income tracts and slightly below in middle-income tracts. When compared to peer, the bank was well above peer in low- and upper-income tracts and below peer for moderate- and middle-income tracts. As previously mentioned, the high percentage of rental properties and vacant units in moderate-income tracts may contribute to the lower lending levels here. Heartland's geographic distribution of refinance loans is considered good.

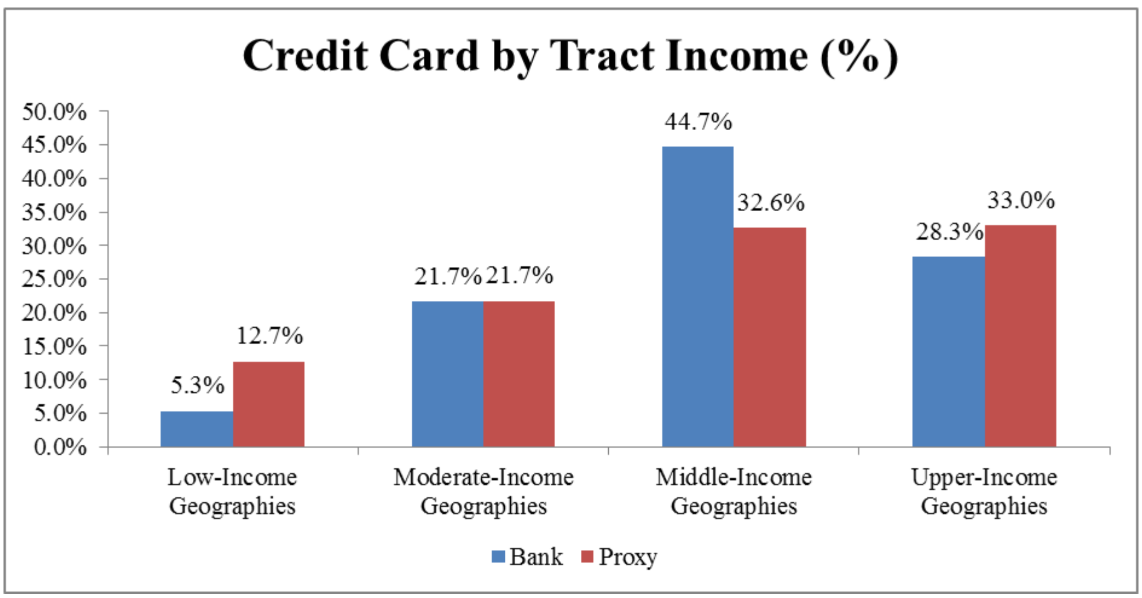


Consumer Lending

Heartland originated a total of 433 consumer loans in the assessment area during the evaluation period, which is comprised of 226 (52.2%) credit cards, 117 (27.0%) motor vehicles and 90 (20.8%) home equity loans. Of the 433 loans, 17 were made in low-, 85 in moderate-, 171 in middle-, and 160 in upper-income census tracts. Heartland's performance was compared to the number of households in the assessment area (proxy) for credit cards and motor vehicles and the number of owner-occupied housing units in the assessment (proxy) for home equity loans. Poverty levels, housing affordability, percentage of rental and vacant units, presence of a university, competition, and general economic conditions in the assessment area were also considered, which could limit lending opportunities. Overall, the geographic distribution of consumer lending is considered good.

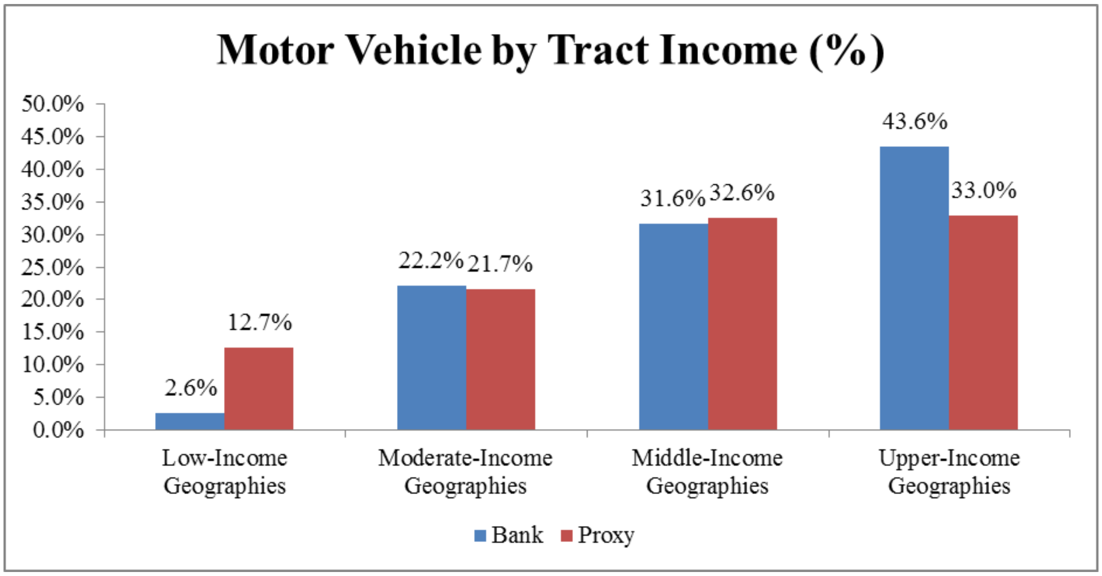
Credit Card Lending

As shown in the chart below, Heartland performed well below proxy in low-income tracts, at or well above proxy for moderate- and middle-income tracts, and slightly below for upper-income tracts. A lower percentage (12.7%) of households in low-income tracts could limit lending in this area. Heartland's geographic distribution for credit card lending is considered good.



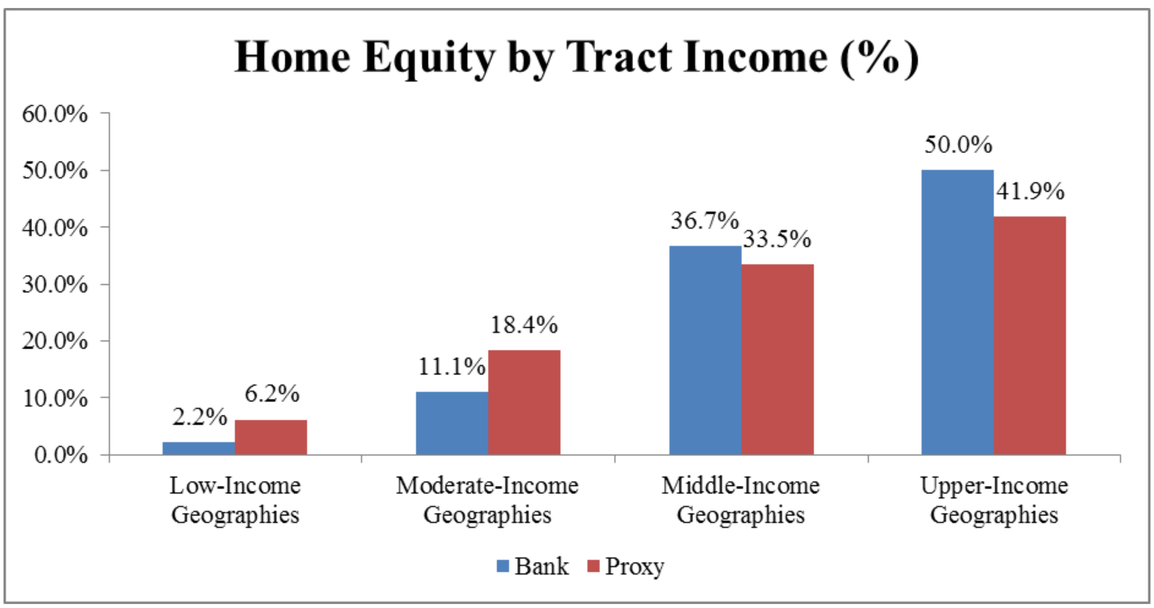
Motor Vehicle Lending

As shown in the following chart, Heartland performed well below proxy in low-income tracts, slightly above or similar to proxy in moderate- and middle-income tracts, and well above in upper-income census tracts. As mentioned previously, the lower percentage of households in low-income geographies could limit lending in this area. Heartland's geographic distribution for motor vehicle lending is considered good.



Home Equity Lending

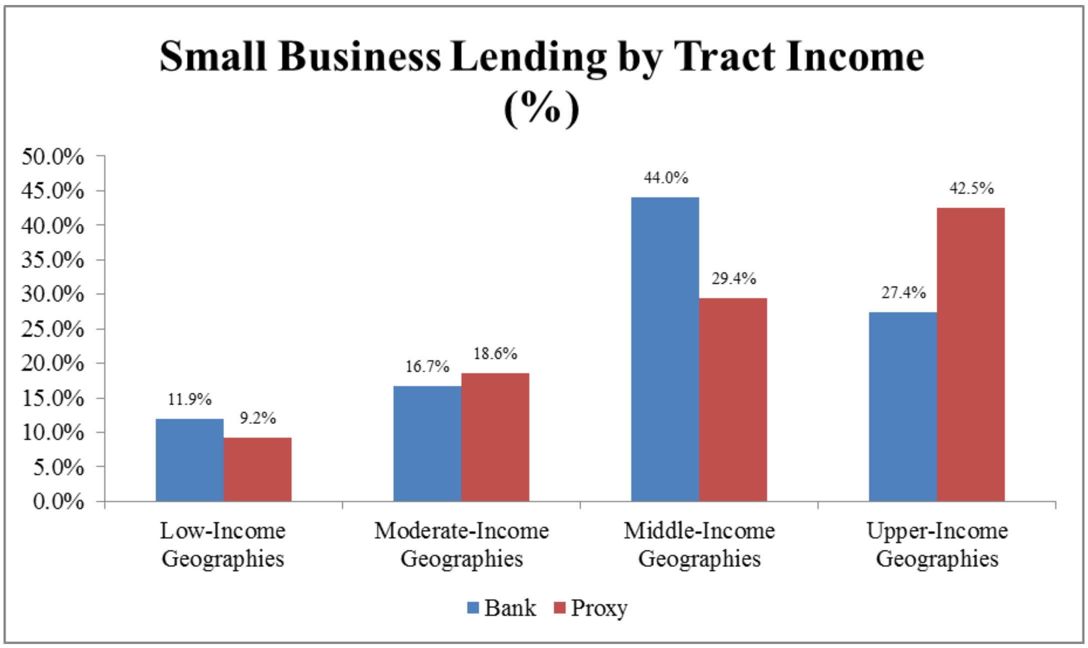
As shown in the chart below, the bank performed below proxy in low- and moderate-income tracts and above proxy in middle- and upper-income tracts. The lack of available housing in low- and moderate-income tracts due to high rental and vacant units may contribute to minimal lending in these areas. Heartland's geographic distribution for home equity lending is considered good.



Small Business Lending

Heartland originated 84 small business loans in the assessment area during the review period. Of the 84 loans, 10 were made in low-, 14 in moderate-, 37 in middle-, and 23 were made in upper-income tracts. Heartland's performance was compared to the number of businesses within the assessment area (proxy).

As shown in the graph below, the bank's performance of lending was above proxy in low- and middle-income tracts, slightly below in moderate-income tracts, and well below in upper-income tracts. Overall, Heartland's geographic distribution for small business loans is considered excellent.



Borrower Distribution of Lending

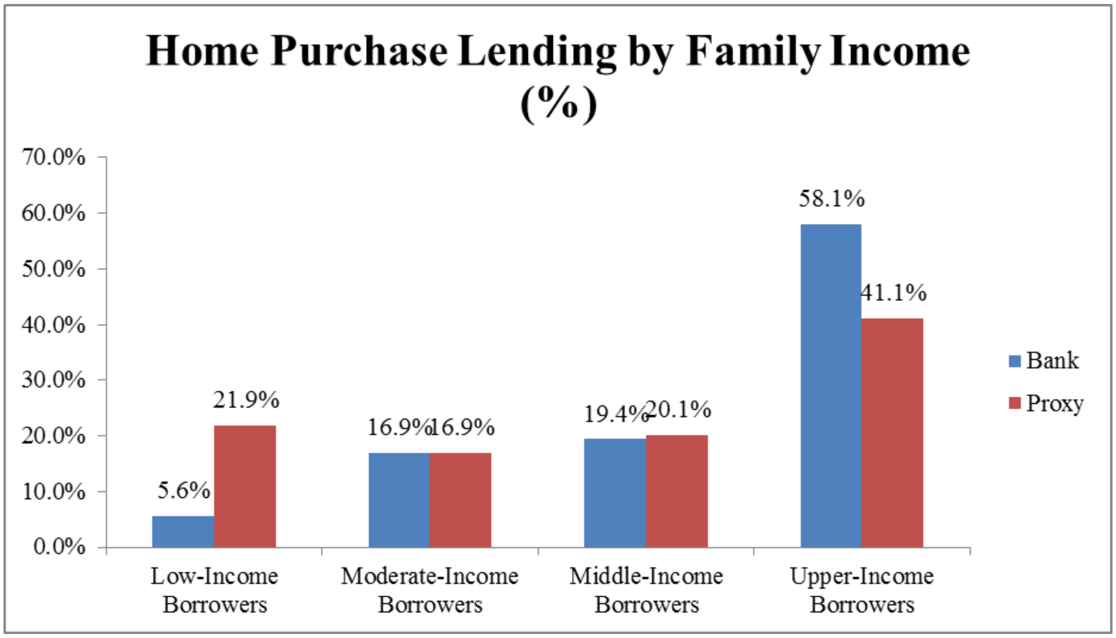
The distribution of loans is considered reasonable based on borrower's income and for businesses of different revenue sizes. Most businesses within the bank's assessment area have annualized revenues less than $1 million.

HMDA Lending

Of the 205 HMDA loans in the assessment area, 12 were to low-, 28 to moderate-, 41 to middle-, and 98 to upper-income borrowers. Twenty-six loans were to borrowers of unknown income. Heartland's performance was compared to the income levels of families in the assessment area (proxy). Peer lending data, the percent of households below poverty, the presence of a university, competition, and general economic conditions in the assessment area, which could limit lending opportunities, were also considered. Overall, the borrower distribution of loans for HMDA lending is considered good.

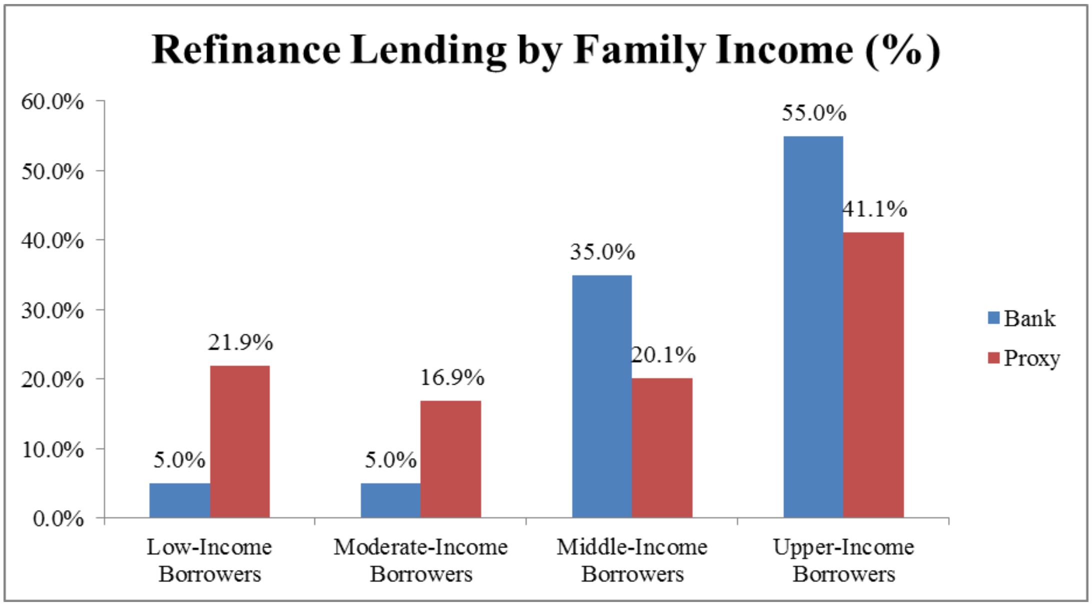
Home Purchase Lending

As shown in the chart below, Heartland performed well below proxy in lending to low-income borrowers, equal to or slightly below proxy for moderate- and middle-income borrowers, and significantly above proxy lending to upper-income borrowers. Peer data for the low-income borrowers was well below proxy, as well. While lending to low-income borrowers is below the percentage of low-income families in the assessment area, it should be noted that only 28.6% of homes in the assessment area would be affordable for low-income borrowers. Respectively, 10.7% of families are below the poverty level. Given these factors, Heartland's borrower distribution of home purchase loans is considered good.



Refinance Lending

As shown in the following chart, Heartland performed well below proxy lending to low- and moderate-income borrowers and above proxy for lending to middle- and upper-income borrowers. The bank performed similarly when comparing bank data to peer data. Considering the factors previously stated under home purchase lending, Heartland's borrower distribution of home refinance loans is considered adequate.

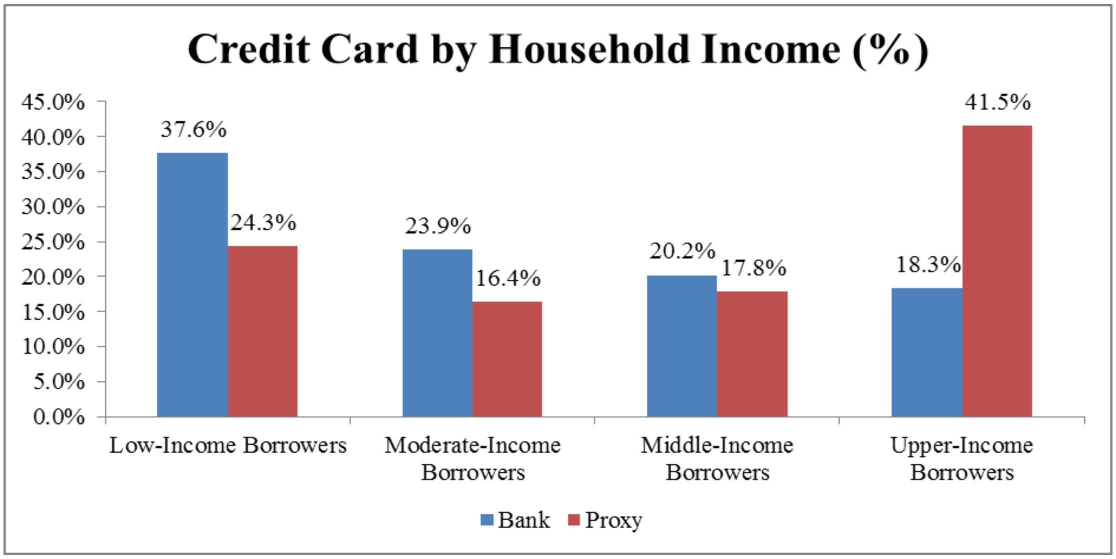


Consumer Lending

There were a total of 433 consumer loans originated, for which 309 had a borrower income. Of these 309 loans, 80 were to low-, 83 were to moderate-, 66 were to middle-, and 80 were to upper-income borrowers. Overall, Heartland's borrower distribution of consumer lending to borrowers of different income levels is considered excellent.

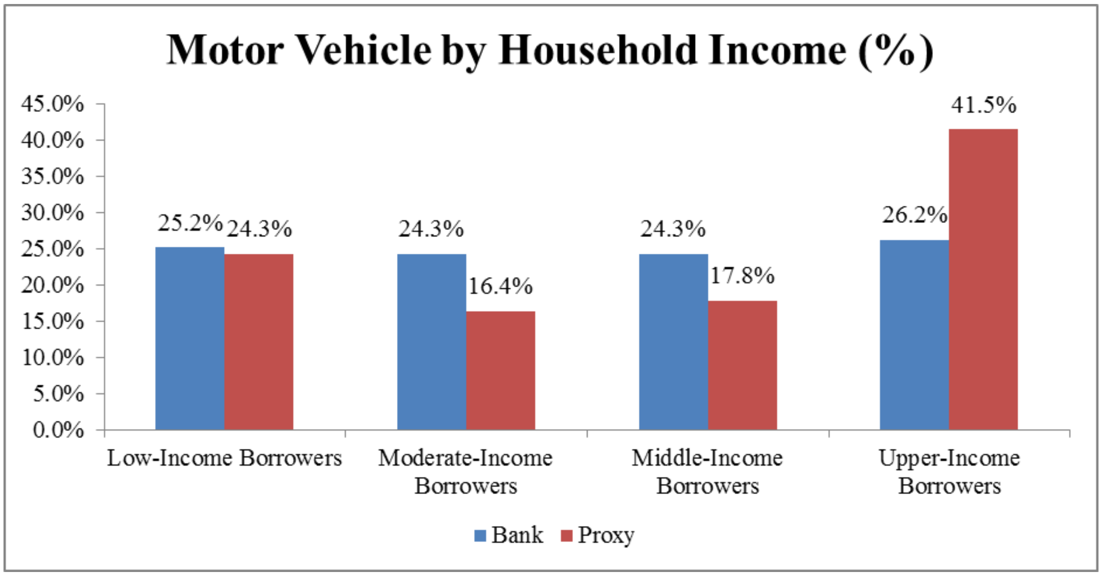
Credit Card Lending

As shown in the chart below, the bank performed above the proxy for low-, moderate-, and middle-income borrowers. The bank's lending to upper-income borrowers was significantly below proxy. The borrower distribution for credit card lending to borrowers of different income levels is considered excellent.



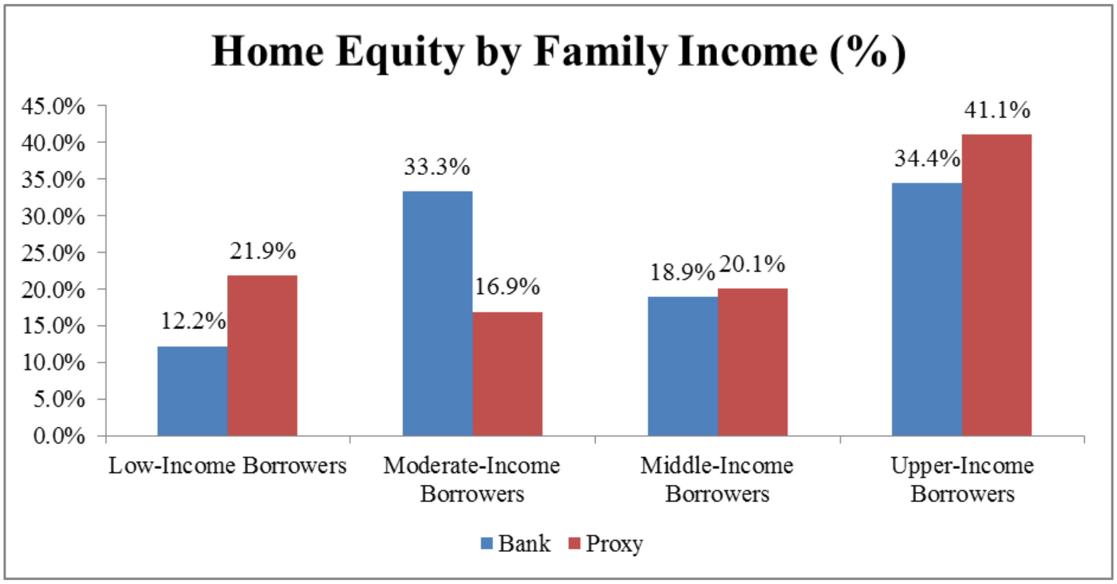
Motor Vehicle Lending

As shown in the chart below, the bank performed above the proxy for lending to low-, moderate-, and middle-income borrowers. The bank's lending to upper-income borrowers was below proxy. The borrower distribution for motor vehicle lending to borrowers of different income levels is considered excellent.



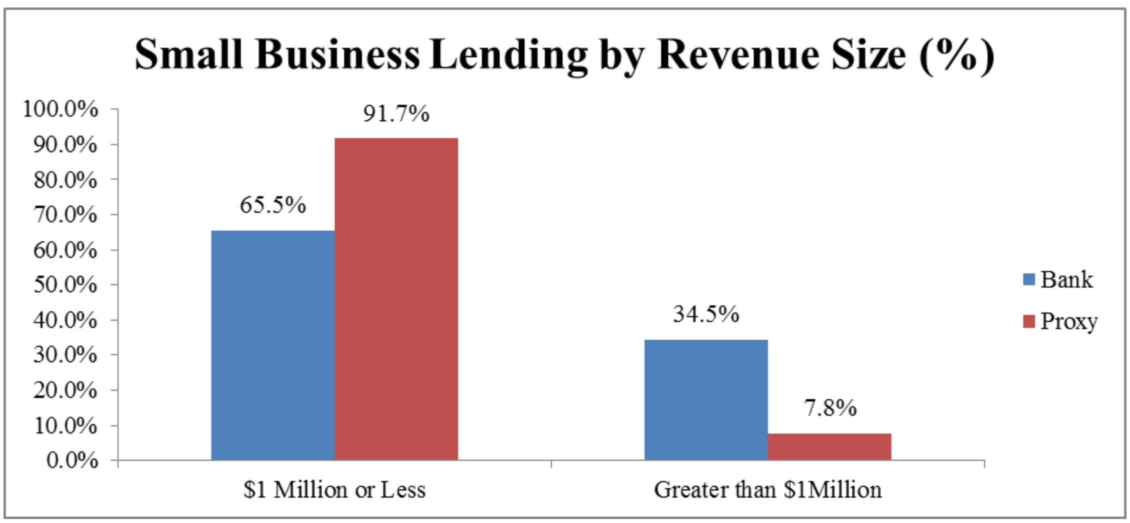
Home Equity Lending

As shown in the following chart, Heartland was significantly below proxy for lending to low-income borrowers, but significantly above proxy for lending to moderate-income borrowers. Heartland was similar to proxy for lending to middle-income borrowers and below proxy for lending to upper-income borrowers. Comparable factors under HMDA lending were considered for home equity, as well. While lending to low-income borrowers is below the percentage of low-income families in the assessment area, only 28.6% of homes in the assessment area would be affordable for low-income borrowers. Respectively, 10.7% of families are below the poverty level. Given these factors, Heartland's borrower distribution of home equity loans is considered good.



Small Business Lending

Heartland originated 84 small businesses loans in the assessment area for which business revenues were reported. Of these 84 loans, 55 (65.5%) were to small businesses with revenues of $1 million or less. Businesses with revenues less than $1 million accounted for 91.7% of businesses. Loan amount was also considered in addition to revenue, as smaller loans are generally commensurate with the borrower needs of smaller businesses. Of the 84 total small business loans originated within the assessment area, 65.5% of the loans were for loan amounts of $100,000 or less. The following chart depicts Heartland's small business lending. Overall, the distribution of loans based on the revenue size for small business lending is considered good.



Response to Consumer Complaints

No CRA-related complaints were filed against Heartland during this evaluation period.

Fair Lending or Other Illegal Credit Practices Review

No evidence of discriminatory or other illegal credit practices was noted during this evaluation.

Community Development Test

Heartland Bank is rated outstanding under the Community Development Test. The bank's community development performance demonstrates excellent responsiveness to the community development needs of its assessment area through community development lending, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

Community Development Lending

Heartland demonstrated an excellent responsiveness to the community development needs of the assessment area through community development loans. The bank originated 23 community development loans that benefited the assessment area during the evaluation period totaling $4,934,525. The loans supported revitalizing and stabilizing low- and moderate-income neighborhoods, providing affordable housing to low- and moderate-income individuals, and economic development.

Qualified Investments

Heartland demonstrated an adequate responsiveness to community development investment needs for its assessment area. During the evaluation period, the bank invested in a mortgage-backed security pool of home loans to low- and moderate-income borrowers in the assessment area. The amount of the investment was approximately $819,308. Heartland also had two outstanding mortgage-backed securities from a previous evaluation period, which were both paid off during the review period. The book value for one was $974,703 and the other was $54,712.

In addition, Heartland made qualified donations in the amount of $2,814 to support three organizations that provide community services targeted to low- and moderate-income individuals.

Community Development Services

Heartland demonstrated an excellent responsiveness to community development services. Heartland's officers and staff members provided approximately 478 hours to the community by engaging in activities that promoted or facilitated affordable housing, services for low- and moderate-income individuals, and economic development.

Financial Education

Heartland provided financial education through partnerships with local schools, organizations, and businesses. In addition, Heartland hosts a free financial summit annually in Columbus and many of the attendees are low- and moderate-income individuals. Examples of financial literacy topics covered included managing debt, budgeting, financial management, buying your first home, investing, and the loan process.

Board and Committee Memberships

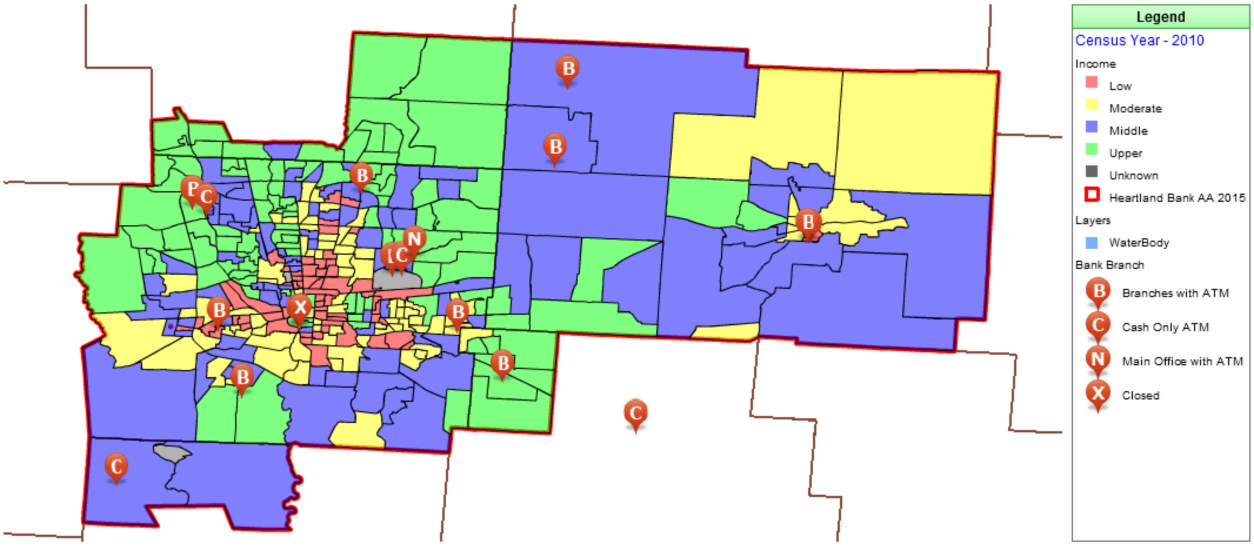
Heartland's employees provided financial expertise through their involvement with community development organizations throughout the assessment areas. Board and committee membership positions were held at organizations that provide legal services to low-income residents, assistance with affordable housing within the assessment area, and financial education to low- and moderate-income minorities.

Technical Assistance

The institution's employees provided technical assistance to community development and non-profit organizations. Examples of technical assistance included tax preparation, economic development, and providing financial literacy training.

APPENDIX A

ASSESSMENT AREA MAP



APPENDIX B

LENDING TABLES

HMDA Loan Distribution Table

	HMDA							
	By Tract Income				By Borrower Income			
Income Categories	**#**	**%**	**\$(000s)**	**%**	**#**	**%**	**\$(000s)**	**%**
	Home Purchase							
Low	8	5.7%	617	2.5%	7	5.0%	387	1.5%
Moderate	18	12.9%	3,043	12.2%	21	15.0%	1,908	7.6%
Low/Moderate Total	26	18.6%	3,660	14.6%	28	20.0%	2,295	9.2%
Middle	53	37.9%	8,526	34.1%	24	17.1%	2,580	10.3%
Upper	61	43.6%	12,799	51.2%	72	51.4%	17,053	68.3%
Unknown	0	0.0%	0	0.0%	16	11.4%	3,057	12.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	140	100.0%	24,985	100.0%	140	100.0%	24,985	100.0%
	Refinance							
Low	7	14.6%	1,347	14.4%	2	4.2%	126	1.4%
Moderate	4	8.3%	542	5.8%	2	4.2%	157	1.7%
Low/Moderate Total	11	22.9%	1,889	20.2%	4	8.3%	283	3.0%
Middle	12	25.0%	1,175	12.6%	14	29.2%	1,417	15.2%
Upper	25	52.1%	6,265	67.2%	22	45.8%	5,921	63.5%
Unknown	0	0.0%	0	0.0%	8	16.7%	1,708	18.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	48	100.0%	9,329	100.0%	48	100.0%	9,329	100.0%
	Home Improvement							
Low	0	0.0%	0	0.0%	3	18.8%	19	5.3%
Moderate	4	25.0%	17	4.7%	5	31.3%	27	7.5%
Low/Moderate Total	4	25.0%	17	4.7%	8	50.0%	46	12.8%
Middle	10	62.5%	329	91.9%	3	18.8%	9	2.5%
Upper	2	12.5%	12	3.4%	4	25.0%	234	65.4%
Unknown	0	0.0%	0	0.0%	1	6.3%	69	19.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	16	100.0%	358	100.0%	16	100.0%	358	100.0%
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	1,000	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	1,000	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	1	100.0%	1,000	100.0%	1	100.0%	1,000	100.0%
	HMDA Totals							
Low	15	7.3%	1,964	5.5%	12	5.9%	532	1.5%
Moderate	26	12.7%	3,602	10.1%	28	13.7%	2,092	5.9%
Low/Moderate Total	41	20.0%	5,566	15.6%	40	19.5%	2,624	7.4%
Middle	76	37.1%	11,030	30.9%	41	20.0%	4,006	11.2%
Upper	88	42.9%	19,076	53.5%	98	47.8%	23,208	65.1%
Unknown	0	0.0%	0	0.0%	26	12.7%	5,834	16.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	205	100.0%	35,672	100.0%	205	100.0%	35,672	100.0%

*Information based on 2010 ACS data

Consumer Loan Distribution Table

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Credit Card							
Low	12	5.3%	57	6.5%	41	18.1%	155	17.8%
Moderate	49	21.7%	180	20.6%	26	11.5%	97	11.1%
Low/Moderate Total	61	27.0%	237	27.1%	67	29.6%	252	28.8%
Middle	101	44.7%	382	43.7%	22	9.7%	71	8.1%
Upper	64	28.3%	255	29.2%	20	8.8%	73	8.4%
Unknown	0	0.0%	0	0.0%	117	51.8%	478	54.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	226	100.0%	873	100.0%	226	100.0%	873	100.0%
	Home Equity							
Low	2	2.2%	90	1.8%	11	12.2%	428	8.5%
Moderate	10	11.1%	415	8.3%	30	33.3%	1,639	32.7%
Low/Moderate Total	12	13.3%	505	10.1%	41	45.6%	2,067	41.2%
Middle	33	36.7%	1,714	34.2%	17	18.9%	924	18.4%
Upper	45	50.0%	2,800	55.8%	31	34.4%	2,003	39.9%
Unknown	0	0.0%	0	0.0%	1	1.1%	25	0.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	90	100.0%	5,019	100.0%	90	100.0%	5,019	100.0%
	Motor Vehicle							
Low	3	2.6%	26	1.3%	28	23.9%	235	11.6%
Moderate	26	22.2%	293	14.5%	27	23.1%	394	19.5%
Low/Moderate Total	29	24.8%	319	15.8%	55	47.0%	630	31.1%
Middle	37	31.6%	477	23.6%	27	23.1%	399	19.7%
Upper	51	43.6%	1,228	60.7%	29	24.8%	545	27.0%
Unknown	0	0.0%	0	0.0%	6	5.1%	449	22.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	117	100.0%	2,023	100.0%	117	100.0%	2,023	100.0%
	Consumer Loan Totals							
Low	17	3.9%	173	2.2%	80	18.5%	819	10.3%
Moderate	85	19.6%	887	11.2%	83	19.2%	2,130	26.9%
Low/Moderate Total	102	23.6%	1,060	13.4%	163	37.6%	2,949	37.3%
Middle	171	39.5%	2,573	32.5%	66	15.2%	1,393	17.6%
Upper	160	37.0%	4,283	54.1%	80	18.5%	2,622	33.1%
Unknown	0	0.0%	0	0.0%	124	28.6%	952	12.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	433	100.0%	7,916	100.0%	433	100.0%	7,916	100.0%

CRA Loan Distribution Table

	SMALL BUSINESS				SMALL FARM			
Income Categories	**#**	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
	By Tract Income							
Low	10	11.9%	6,571	46.0%	0	0.0%	0	0.0%
Moderate	14	16.7%	1,354	9.5%	0	0.0%	0	0.0%
Low/Moderate Total	24	28.6%	7,925	55.5%	0	0.0%	0	0.0%
Middle	37	44.0%	5,316	37.2%	0	0.0%	0	0.0%
Upper	23	27.4%	1,040	7.3%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	84	100.0%	14,281	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total $1 Million or Less	55	65.5%	10,916	76.4%	0	0.0%	0	0.0%
Over $1 Million	29	34.5%	3,365	23.6%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	84	100.0%	14,281	100.0%	0	0.0%	0	0.0%
	By Loan Size							
$100,000 or less	55	65.5%	1,423	10.0%	0	0.0%	0	0.0%
$100,001 - $250,000	17	20.2%	2,657	18.6%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	9	10.7%	4,140	29.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	3	3.6%	6,061	42.4%	0	0.0%	0	0.0%
Total	84	100.0%	14,281	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	39	70.9%	985	9.0%	0	0.0%	0	0.0%
$100,001 - $250,000	8	14.5%	1,271	11.6%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	5	9.1%	2,600	23.8%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	3	5.5%	6,061	55.5%	0	0.0%	0	0.0%
Total	55	100.0%	10,916	100.0%	0	0.0%	0	0.0%

*Information based on 2010 ACS data

Peer Group HMDA Loan Distribution Table

	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	835	3.15%	86,084	1.85%	1,964	7.4%	160,870	3.47%
Moderate	3,618	13.63%	377,814	8.14%	5,059	19.05%	603,841	13.01%
Low/Moderate Total	*4,453*	*16.77%*	*463,898*	*10.0%*	*7,023*	*26.45%*	*764,711*	*16.48%*
Middle	9,129	34.38%	1,335,435	28.78%	5,214	19.64%	811,584	17.49%
Upper	12,965	48.83%	2,840,875	61.21%	8,830	33.26%	2,154,888	46.43%
Unknown	3	0.01%	657	0.01%	5,483	20.65%	909,682	19.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	*26,550*	*100.0%*	*4,640,865*	*100.0%*	*26,550*	*100.0%*	*4,640,865*	*100.0%*
	Refinance							
Low	579	4.13%	52,740	2.5%	1,036	7.38%	80,740	3.82%
Moderate	2,157	15.37%	200,717	9.51%	2,100	14.96%	209,176	9.91%
Low/Moderate Total	*2,736*	*19.5%*	*253,457*	*12.0%*	*3,136*	*22.35%*	*289,916*	*13.73%*
Middle	4,832	34.43%	603,712	28.59%	2,676	19.07%	336,858	15.96%
Upper	6,465	46.07%	1,254,119	59.4%	5,393	38.43%	1,047,673	49.62%
Unknown	0	0.0%	0	0.0%	2,828	20.15%	436,841	20.69%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	*14,033*	*100.0%*	*2,111,288*	*100.0%*	*14,033*	*100.0%*	*2,111,288*	*100.0%*
	Home Improvement							
Low	73	5.27%	5,142	4.35%	139	10.04%	3,301	2.79%
Moderate	223	16.1%	8,084	6.83%	254	18.34%	11,189	9.46%
Low/Moderate Total	*296*	*21.37%*	*13,226*	*11.18%*	*393*	*28.38%*	*14,490*	*12.25%*
Middle	465	33.57%	32,518	27.48%	277	20.0%	16,277	13.76%
Upper	624	45.05%	72,578	61.34%	609	43.97%	68,085	57.54%
Unknown	0	0.0%	0	0.0%	106	7.65%	19,470	16.46%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	*1,385*	*100.0%*	*118,322*	*100.0%*	*1,385*	*100.0%*	*118,322*	*100.0%*
	Multi-Family							
Low	34	20.48%	56,194	8.02%	0	0.0%	0	0.0%
Moderate	35	21.08%	137,912	19.68%	0	0.0%	0	0.0%
Low/Moderate Total	*69*	*41.57%*	*194,106*	*27.7%*	*0*	*0.0%*	*0*	*0.0%*
Middle	60	36.14%	281,155	40.12%	0	0.0%	0	0.0%
Upper	37	22.29%	225,565	32.19%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	166	100.0%	700,826	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	*166*	*100.0%*	*700,826*	*100.0%*	*166*	*100.0%*	*700,826*	*100.0%*
	HMDA Totals							
Low	1,521	3.61%	200,160	2.64%	3,139	7.45%	244,911	3.23%
Moderate	6,033	14.32%	724,527	9.57%	7,413	17.59%	824,206	10.89%
Low/Moderate Total	*7,554*	*17.93%*	*924,687*	*12.21%*	*10,552*	*25.04%*	*1,069,117*	*14.12%*
Middle	14,486	34.38%	2,252,820	29.75%	8,167	19.38%	1,164,719	15.38%
Upper	20,091	47.68%	4,393,137	58.02%	14,832	35.2%	3,270,646	43.2%
Unknown	3	0.01%	657	0.01%	8,583	20.37%	2,066,819	27.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	*42,134*	*100.0%*	*7,571,301*	*100.0%*	*42,134*	*100.0%*	*7,571,301*	*100.0%*

APPENDIX C

GLOSSARY OF TERMS

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

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

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

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

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

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

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

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

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

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

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

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

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

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.