

PUBLIC DISCLOSURE

June 22, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Centier Bank
Certificate Number: 12854

1500 119th Street
Whiting, Indiana 46394

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

The following table indicates the performance level of Centier Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>CENTIER BANK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

were considered under this test as well as qualifying investments purchased prior to this evaluation that are still outstanding.

The types of qualified investments held by the bank directly respond to the needs of community development, affordable housing, and small businesses. These are the primary needs within the assessment areas according to community contacts made and various community needs assessments conducted during the evaluation period.

During the current evaluation period, Centier purchased \$32,624,253 in new, qualified investments. A majority of the investments were tax anticipation warrants. School warrants supported the educational systems where a majority of the students are low- or moderate-income. The purchase of such investments assists the school systems in meeting budgetary needs, which are essential in continuing the daily operations of the school systems, and providing sound buildings in which the students can receive their education. Other City warrants provide emergency funding to meet current expenses, securing the continued operation of the City. Also, Centier is a sponsoring institution in a crime prevention foundation. The \$3 million investment is used by the Foundation to support a crime stoppers program for low- and moderate-income seniors residing in senior housing facilities located in Allen, St. Joseph, Marshall, and Tippecanoe Counties. These funds currently provide safe, secure residences to 918 individuals in the bank's assessment areas. The bank began participating in this program in 2013.

Centier also invested \$5,348,000 in two school corporation tax anticipation warrants in 2015 where a majority of students receive free or reduced-price meals. As these warrants benefit the broader statewide area, including the bank's assessment areas, they are included in the total dollar amount of new investments previously mentioned but not within the following table.

Prior period investments had an outstanding balance of \$2,564,913 as of the date of this evaluation. Therefore, qualifying community development investments totaled \$35,189,166. These investments represented 1.17 percent of total assets, 13.55 percent of total security investments, and 10.88 percent of total equity capital as of March 31, 2015. The following table shows the number and dollar volume of the bank's qualifying grants and investments outstanding for each year during the evaluation.

Product Innovation

The institution originated no flexible or innovative loans in this assessment area during the evaluation period.

Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies and Low-Income Persons and Small Businesses

The institution exhibits an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.

INVESTMENT TEST – NON-MSA

Investment and Grant Activity

Centier has an adequate level of qualified community development investments in this assessment area. During the evaluation period, the bank made 14 qualified donations totaling \$5,788. The donations were made to different groups that provide services to low- or moderate-income persons and areas and that promote job growth/economic development. **A \$500,000 investment was made in 2013 benefitting a crime prevention foundation. The yield from this investment is used by the Foundation to support 71 low- and moderate-income seniors residing in a senior housing facility located in Plymouth.**

The following table shows the number and dollar volume of the bank’s qualifying grants and investments outstanding for each year during the evaluation period.

Qualified Investments – IN Non-MSA												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0	0	0
2012*	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	1	500	0	0	0	0	0	0	1	500
2014	0	0	0	0	0	0	0	0	0	0	0	0
YTD 2015	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	1	500	0	0	0	0	0	0	1	500
Grants/Donations	0	0	11	3	3	3	0	0	0	0	14	6
Total	0	0	12	503	3	3	0	0	0	0	15	506

Source: Bank Records *July 9, 2012 through December 31, 2012

INVESTMENT TEST – LAFAYETTE MSA

Investment and Grant Activity

Centier has an adequate level of qualified community development investments in this assessment area. During the evaluation period, the bank made 21 qualified donations totaling \$11,218. The donations were made to different groups that provide services to low- or moderate-income persons and areas, promote job growth/economic development, and affordable housing. A \$1 million investment was purchased in 2013 benefitting a crime prevention foundation. The yield from this investment is used by the Foundation to support 120 low- and moderate-income seniors residing in a senior housing facility located in Lafayette.

The following table shows the number and dollar volume of the bank’s qualifying grants and investments outstanding for each year during the evaluation period.

Qualified Investments – Lafayette MSA												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0	0	0
2012*	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	1	1,000	0	0	0	0	0	0	1	1,000
2014	0	0	0	0	0	0	0	0	0	0	0	0
YTD 2015	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	1	1,000	0	0	0	0	0	0	1	1,000
Grants/Donations	1	1	15	7	5	3	0	0	0	0	21	11
Total	1	1	16	1,007	5	3	0	0	0	0	22	1,011

Source: Bank Records *July 9, 2012 through December 31, 2012

Responsiveness to Credit and Community Development Needs

The institution exhibits adequate responsiveness to credit and community economic development needs. The bank has made donations that support low- and moderate-income services, economic development, and affordable housing. In addition, the bank invested in an entity that provides services to low- and moderate-income individuals.

Community Development Initiatives

The bank does not have innovative or complex investments to support community development initiatives. Donations have been used to support several entities providing services to low- or moderate-income persons and areas, business development, and affordable housing.

INVESTMENT TEST – SOUTH BEND-MISHAWAKA MSA

Investment and Grant Activity

Centier has an adequate level of qualified community development investments and grants in this assessment area. Applicable donations and investments funded since the previous evaluation were considered, as well as qualifying investments purchased prior to this evaluation and currently outstanding. These investments directly respond to the primary needs the assessment areas according to community contacts and based on reviews of CRA performance evaluations conducted during the evaluation period and in the assessment areas.

During the evaluation period, the bank funded \$3,554,000 in three new investments and provided 53 grants for a total of \$3,582,963 in new investments and donations. The \$28,963 in donations were made to groups that provide services to low- or moderate-income persons and areas and promote job growth/economic development.

The following table shows the number and dollar volume of the bank’s qualifying grants and investments outstanding for each year during the evaluation.

Qualified Investments – South Bend-Mishawaka IN-MI MSA												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0	0	0
2012*	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	1	1,000	0	0	0	0	0	0	1	1,000
2014	1	9	0	0	0	0	0	0	0	0	1	9
YTD 2015	0	0	1	2,545	0	0	0	0	0	0	1	2,545
Subtotal	1	9	2	3,545	0	0	0	0	0	0	3	3,554
Grants/Donations	1	0	36	25	16	4	0	0	0	0	53	29
Total	2	9	38	3,570	16	4	0	0	0	0	56	3,583

Source: Bank Records

Below are notable examples of the bank’s qualified investment activities:

- In 2015, the bank purchased a Mishawaka school district bond issue totaling \$2.5 million, which supported the educational system where a majority of the students are low- or moderate-income. The purchase of such investments assists the school systems in meeting budgetary needs, which are essential in continuing the daily operations of the school systems, and providing sound buildings in which the students can receive their education.

- In 2013 the bank purchased a \$1 million investment in a crime prevention foundation. The yield from this investment is used by the Foundation to support 130 low- and moderate-income seniors residing in a senior housing facility located in Mishawaka.

Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies and Low-Income Persons and Small Businesses

The institution exhibits an adequate record of serving the credit needs of the most economically disadvantaged areas of the assessment area, low-income individuals and small businesses, consistent with safe and sound banking practices. This is evidenced by the level of community development loans, and the bank’s lending to low-income borrowers and to smaller businesses through flexible loan programs.

INVESTMENT TEST – FORT WAYNE MSA

Investment and Grant Activity

Centier has a poor level of qualified community development investments in this assessment area. During the evaluation period, the bank made 11 qualified donations totaling \$5,879. The donations were made to groups that provide services to low- or moderate-income persons and areas and that promote job growth/economic development. A \$500,000 investment was purchased in 2013 benefitting a crime prevention foundation. The yield from this investment is used by the Foundation to support 191 low-and moderate-income seniors residing in a senior housing facility located in Fort Wayne. Additionally, the bank made its initial investment of \$9,000 in a CRA Qualified Investment Fund. The project will provide affordable housing in this assessment area. Recent community contacts indicated that affordable housing is a need in this assessment area as well as services for low- and moderate-income persons.

The following table shows the number and dollar volume of the bank’s qualifying grants and investments outstanding for each year during the evaluation.

Qualified Investments - Fort Wayne MSA												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0	0	0
2012 *	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	1	500	0	0	0	0	0	0	1	500
2014	1	9	0	0	0	0	0	0	0	0	1	9
YTD 2015	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	1	8	1	500	0	0	0	0	0	0	2	508
Grants/Donations	2	1	5	4	3	1	1	0	0	0	11	6
Total	3	9	6	504	3	1	1	0	0	0	13	514

Source: Bank Records