



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

January 3, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Merchants Bank, National Association
Charter Number 2234**

**200 East Jackson Street
Muncie, IN 47305**

**Comptroller of the Currency
8777 Purdue Road, Suite 105
Indianapolis, Indiana 46268**

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.

INSTITUTION'S CRA RATING

First Merchants Bank is rated Satisfactory.

The lending test is rated satisfactory.

The community development test is rated satisfactory.

The primary factors supporting First Merchants Bank's rating include:

- A reasonable average loan to deposit ratio during the evaluation period
- A substantial majority of First Merchants Bank's commercial and installment loans within the bank's assessment area
- A reasonable penetration of loans to borrowers of different income levels and businesses of different sizes
- Reasonable dispersion of commercial and consumer loans throughout the assessment areas (AAs)
- Satisfactory responsiveness to community development needs through community development loans and qualified investments

SCOPE OF EXAMINATION

We evaluated First Merchants Bank, National Association (FMB) under the Intermediate Small Bank performance standards, which are comprised of a lending test and community development test. The lending test evaluates a bank's record of helping to meet the credit needs of its assessment area through its lending activities. The community development test evaluates a bank's community development lending, qualified investments, and community development service activities.

Using the bank generated reports of all loan originations for the period January 1, 2004 through June 30, 2006, we determined the bank's primary credit products by dollar and by number to be commercial and consumer loans. We based our lending test conclusions on a sampling of 120 loans originated during the analysis period. The evaluation period for the community development test is December 1, 2003 to December 31, 2006. This test includes a review of the investments, services, and loans provided in the bank's assessment areas that meet the definition of community development (CD).

The bank has three assessment areas (AAs) and a full scope review was performed on all three AAs; however, more emphasis was placed on Delaware County, also referred to as the Muncie Metropolitan Statistical Area (MSA), because the location of the bank's main office and the majority of the bank's loans and deposits are located in this area.

There is no affiliate activity considered in this evaluation.

DESCRIPTION OF INSTITUTION

First Merchants Bank is an intrastate institution headquartered in Muncie, Indiana. FMB has three assessment areas, all of which are located in the state of Indiana. FMB serves Delaware County also referred to as the Muncie MSA; Hamilton County also referred to as the Indianapolis MSA; and Henry County also referred to as the Non-MSA. The bank operates a total of 19 full-service facilities, offering all lending and deposit products and services in all three AAs. Additionally, there are 19 automated teller machines (ATMs) located in this area; all ATMs take deposits.

FMB is wholly owned by First Merchants Corporation (FMC), which is headquartered in Muncie, Indiana. In addition to FMB, FMC owns seven other community banks as well as an insurance company, a title insurance company, and a trust company. As of June 30, 2006, FMC had total assets of approximately \$3.4 billion.

As of June 30, 2006, FMB had \$967 million in total assets, \$639 million (66 percent of total assets) in total loans, and \$70 million in Tier 1 capital. The loan portfolio was 64 percent real estate secured. Thirty-one percent of the loan portfolio was 1-4 family residential loans, 25 percent commercial real estate, five percent construction loans, two percent multifamily loans, and approximately one percent secured by farmland.

The remainder of the loan portfolio included 24 percent commercial loans, nine percent loans to individuals, one percent agricultural loans, and less than one percent other loans.

FMB's strategic goal is to be the "financial service provider of choice" for its market area. The bank provides a broad range of retail consumer and commercial banking products and services in the form of loans, deposits, and safe deposit services in a community bank atmosphere. The bank also partners with its corporate affiliates to make other financial services, such as trust, cash management, and insurance services available to its customers. The bank's goal is to employ technology to deliver these services where appropriate, but to continue to rely primarily on the use of the branch banking system to provide products and services. The focus of the bank's loan function is to maintain a strong credit culture while reviewing opportunities to reach new markets and maintaining a commitment to community involvement.

There are no legal, financial, or other constraints that could impair the bank's ability to meet the credit needs of the community. The last CRA examination was October 27, 2003, at which the bank received a Satisfactory rating.

DESCRIPTION OF ASSESSMENT AREAS

FMB's AAs meet the requirements of the CRA and do not arbitrarily exclude low or moderate-income geographies. FMB has three AAs covering 63 census tracts within the state of Indiana.

Assessment Area #1 – Muncie MSA

This AA is located in MSA#5280 which includes all of Delaware County. The bank's main office is located in this AA.

FMB is the market leader holding 40 percent of deposits and is the largest bank in total assets headquartered in the AA. There are seven other banks with offices in the AA. The bank's main competitors are smaller community financial institutions, branches of larger institutions headquartered elsewhere, and credit unions.

There are 51,032 housing units within the assessment area. Of this total, 62 percent are owner occupied, 30 percent are renter occupied, and eight percent are vacant. Thirty-one percent of all owner occupied homes are located in low- or moderate- income census tracts.

There are a total of 6,430 businesses located in the assessment area. Of this total, one percent is located in low-income tracts, 30 percent in moderate-income tracts, 32 percent in middle-income tracts, and 33 percent in upper-income tracts. Small businesses (gross revenues of less than \$1 million) make up 67 percent of the businesses in the assessment area.

Assessment Area #2 - Indianapolis MSA

This AA is located in MSA#3480, which includes all of Hamilton County.

FMB holds only two percent of deposits in this AA. There are 21 other banks with offices in this AA. The bank's main competitors are branches of larger institutions headquartered elsewhere, institutions of similar asset size, and credit unions.

There are 69,478 housing units within the assessment area. Of this total, 77 percent are owner occupied, 18 percent are renter occupied, and five percent are vacant. Only nine percent of all owner occupied homes are located in moderate-income census tracts.

There are 17,203 businesses located in the assessment area. Of this total, none are located in low-income tracts, five percent in moderate-income tracts, 21 percent in middle-income tracts, and 74 percent in upper-income tracts. Small businesses (gross revenue of less than \$1 million) make up 66 percent of the businesses in the assessment area.

Assessment Area #3 – Non-MSA

This AA includes the following census tracts in Henry County: 9761.00, 9763.00, 9765.00, 9755.00, 9756.00, 9757.00, 9758.00, 9759.00, 9760.00, 9764.00, and 9766.00.

FMB holds only 11 percent of deposits in this AA. There are four other banks with offices in this AA. The bank's main competitors are savings banks and other state, non-Federal Reserve member institutions.

There are 17,058 housing units within the assessment area. Of this total, 72 percent are owner occupied, 22 percent are renter occupied, and six percent are vacant. Nineteen percent of all owner occupied homes are located in moderate-income census tracts.

There are 2,043 businesses located in the assessment area. Of this total, none are located in low-income tracts, 16 percent in moderate-income tracts, 84 percent in middle-income tracts, and none are located in upper-income tracts. Small businesses (gross revenue of less than \$1 million) make up 67 percent of the businesses in the assessment area.

Unemployment

Unemployment in Delaware County is generally higher than state and national averages. As of June 30, 2006, Delaware County's unemployment rate is 6.2 percent, while the state average is 5 percent and national average is 4.6 percent. As of June 30, 2006, the Indianapolis MSA unemployment rate is 4.6 percent and the Non-MSA is 5.8 percent.

Community Contact

Type of Loan	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Consumer Loans	55	91.67%	5	8.33%	60	\$858	92.95%	\$65	7.05%	\$923
Commercial Loans	44	73.33%	16	26.67%	60	\$9,020	58.61%	\$6,370	41.39%	\$15,390
Totals	99	82.50%	21	17.50%	120	\$9,878	60.55%	\$6,435	39.45%	\$16,313

Source: Sample of 120 commercial and consumer loan originations - January 1, 2004 to June 30, 2006

Distribution of Loans by Income Level of the Borrower

Commercial Loans

Overall, the borrower distribution of FMB's commercial loans reflects a reasonable penetration. The bank's performance of lending to businesses of different sizes in the Muncie MSA is reasonable compared to the area's demographic data, while the bank's performance of lending to businesses of different sizes in the Indianapolis MSA and the Non-MSA is more than reasonable compared to the area's demographic data. Our analysis placed more emphasis on the Muncie MSA, as 68 percent of the bank's commercial loans originated within the Muncie MSA.

Muncie MSA

The bank's performance of lending to businesses of different sizes is reasonable compared to the area's demographic data. Sixty-five percent of the number of business loans (91 percent of the dollars) originated in the assessment area during 2004 through 2006 were made to small businesses. Demographic data shows that 65 percent of the businesses in the AA are small businesses. Small businesses have annual gross revenues of less than \$1 million. The following table displays the distribution originated by business loans among businesses of different sizes within the AA:

Borrower Distribution to Businesses in Muncie AA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	65.18%	5.78%	29.03%	100.00%
% of Bank Loans in AA by #	65.00%	25.00%	10.00%	100.00%
% of Bank Loans in AA by \$	91.05%	5.91%	3.03%	100.00%

Source: Sample of 20 commercial loan originations - January 1, 2004 to June 30, 2006

Indianapolis MSA

The bank's performance of lending to businesses of different sizes is more than reasonable compared to the area's demographic data. Eighty-five percent of the number of business loans (86 percent of the dollars) originated in the assessment area during 2004 through 2006 were made to small businesses. Demographic data shows that 65 percent of the businesses in the AA are small businesses. The following table displays the distribution originated by business loans among businesses of different sizes within the AA:

Borrower Distribution to Businesses in Indianapolis MSA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	64.81%	5.93%	29.26%	100.00%
% of Bank Loans in AA by #	85.00%	15.00%	0.00%	100.00%
% of Bank Loans in AA by \$	85.85%	14.15%	0.00%	100.00%

Source: Sample of 20 commercial loan originations - January 1, 2004 to June 30, 2006

Non-MSA

The bank's performance of lending to businesses of different sizes is more than reasonable compared to the area's demographic data. Eighty-five percent of the number of business loans (67 percent of the dollars) originated in the assessment area during 2004 through 2006 were made to small businesses. Demographic data shows that 65 percent of the businesses in the AA are small businesses. The following table displays the distribution originated by business loans among businesses of different sizes within the AA:

Borrower Distribution to Businesses in Non-MSA				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailable	Total
% of AA Businesses	65.13%	4.13%	30.74%	100.00%
% of Bank Loans in AA by #	85.00%	15.00%	0.00%	100.00%
% of Bank Loans in AA by \$	66.52%	33.48%	0.00%	100.00%

Source: Sample of 20 commercial loan originations - January 1, 2004 to June 30, 2006

Consumer Loans

Overall, the borrower distribution of FMB's consumer loans reflects a reasonable penetration. The bank's distribution of consumer loans in the Muncie MSA and the Non-MSA is reasonable compared to the area's demographic data, while the bank's distribution of consumer loans in the Indianapolis MSA is more than reasonable compared to the area's demographic data. Our analysis placed more emphasis on the Muncie MSA, as 53 percent of the bank's consumer loans originated within the Muncie MSA.

Muncie MSA

The distribution of consumer loans reflects reasonable penetration for originating consumer loans to individuals of different income levels (including low- and moderate-income). The percentage of loans originated to low-income borrowers (17 percent) is below the percentage of assessment area households designated as low-income (26 percent). It should be noted that in the Muncie MSA that 15 percent of the population is below the poverty level and three percent require public assistance. Many individuals within these income levels do not have the financial capacity to obtain a loan. The bank's performance of originating consumer loans to moderate-income borrowers (30 percent) is more than favorable compared to the percentage of assessment area households (16 percent). The following table displays the distribution of consumer loan originations among borrowers of different income levels within the assessment area:

Borrower Distribution of Consumer Loans in Muncie MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	25.58%	16.59%	16.34%	29.57%	18.10%	17.16%	39.98%	36.68%

Source: Sample of 20 consumer loan originations - January 1, 2004 to June 30, 2006

Indianapolis MSA

The distribution of consumer loans reflects a more than reasonable penetration for originating consumer loans to individuals of different income levels (including low- and moderate-income). The percentage of loans originated to low-income borrowers (65 percent) is significantly above the percentage of assessment area households designated as low-income (10 percent). The bank's performance of originating consumer loans to moderate-income borrowers (20 percent) is more than favorable compared to the percentage of assessment area households (10 percent). The following table displays the distribution of consumer loan originations among borrowers of different income levels within the assessment area:

Borrower Distribution of Consumer Loans in Indianapolis MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	10.18%	65.00%	9.96%	20.00%	14.89%	10.00%	64.96%	5.00%

Source: Sample of 20 consumer loan originations - January 1, 2004 to June 30, 2006

Non-MSA

The distribution of consumer loans reflects reasonable penetration for originating consumer loans to individuals of different income levels (including low- and moderate-income). The percentage of loans originated to low-income borrowers (15 percent) is less than the percentage of assessment area households designated as low-income (22 percent). It should be noted that in the Non-MSA that 8 percent of the population is below poverty level and 4 percent require public assistance. The bank's performance of originating consumer loans to moderate-income borrowers (15 percent) is slightly less than the percentage of assessment area households (18 percent). The following table displays the distribution of consumer loan originations among borrowers of different income levels within the assessment area:

Borrower Distribution of Consumer Loans in Non-MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	22.42%	15.00%	17.78%	15.00%	21.72%	35.00%	38.07%	35.00%

Source: Sample of 20 consumer loan originations - January 1, 2004 to June 30, 2006

Geographic Distribution of Loans

Commercial Loans

Overall, the geographic distribution of FMB's commercial loans reflects a satisfactory dispersion. The geographic distribution of businesses is reasonable in the Muncie MSA, Indianapolis MSA, and Non-MSA compared to the area's demographic data.

Muncie MSA

The geographic distribution of loans to businesses is reasonable. The percentage of loans in the low-income tract (15 percent) exceeds the demographics (2 percent); however, the percentage of loans in the moderate-income tract (15 percent) is below the demographics (35 percent). Our scope was limited to a sample of 20 loans, and according to bank reports, the bank originated approximately 35 percent of consumer loans in the moderate-income tract between January 1, 2004 and June 30, 2006. The following table displays the geographic distribution of commercial loans within the assessment area:

Geographic Distribution of Commercial Loans in Muncie MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	1.57%	15.00%	34.54%	15.00%	31.07%	35.00%	32.82%	35.00%

Source: Sample of 20 commercial loan originations - January 1, 2004 to June 30, 2006

Indianapolis MSA

The geographic distribution of loans to businesses is reasonable. The percentage of

loans in moderate-income tracts exceeds the demographics. The following table displays the geographic distribution of commercial loans within the assessment area:

Geographic Distribution of Commercial Loans in Indianapolis MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	0%	0.00%	5.29%	10.00%	20.68%	25.00%	74.03%	65.00%

Source: Sample of 20 commercial loan originations - January 1, 2004 to June 30, 2006

Non-MSA

The geographic distribution of loans to businesses is reasonable. The percentage of loans in moderate-income tracts exceeds the demographics. The following table displays the geographic distribution of commercial loans within the assessment area:

Geographic Distribution of Commercial Loans in Non-MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	0%	0.00%	17.65%	25.00%	82.35%	75.00%	0.00%	0.00%

Source: Sample of 20 commercial loan originations - January 1, 2004 to June 30, 2006

Consumer Loans

Overall, the geographic distribution of FMB's consumer loans reflects a satisfactory dispersion. The geographic distribution of consumer loans is reasonable in the Muncie MSA, while the geographic distribution of consumer loans is more than reasonable in the Indianapolis MSA and the Non-MSA compared to the area's demographic data. Our analysis placed more emphasis on the Muncie MSA, as 53 percent of the bank's consumer loans originated within the Muncie MSA.

Muncie MSA

The geographic distribution of consumer loans is reasonable. The distribution of consumer loans to low-income tracts is slightly below the demographics. Our scope was limited to a sample of 20 loans, and according to bank reports, the bank originated approximately 2 percent of consumer loans in the low-income tracts between January 1, 2004 and June 30, 2006. The distribution of consumer loans in moderate-income tracts is similar to the demographic data. The following table displays the geographic distribution of consumer loans within the assessment area:

Geographic Distribution of Consumer Loans in Muncie MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	1.17%	0.00%	30.08%	30.00%	35.53%	60.00%	33.22%	10.00%

Source: Sample of 20 consumer loan originations - January 1, 2004 to June 30,, 2006

Indianapolis MSA

The geographic distribution of consumer loans is more than reasonable. The distribution of consumer loans to moderate-income tracts exceeds the demographics. The following table displays the geographic distribution of consumer loans within the assessment area:

Geographic Distribution of Consumer Loans in Indianapolis MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	0.00%	0.00%	5.10%	30.00%	16.98%	40.00%	77.92%	30.00%

Source: Sample of 20 consumer loan originations - January 1, 2004 to June 30,, 2006

Non-MSA

The geographic distribution of consumer loans is more than reasonable. The distribution of consumer loans to moderate-income tracts exceeds the demographics. The following table displays the geographic distribution of consumer loans within the assessment area:

Geographic Distribution of Consumer Loans in Non-MSA				
Census Tract	Low	Moderate	Middle	Upper

Income Level								
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
% of Total	0%	0.00%	19.47%	35.00%	80.53%	65.00%	0.00%	0.00%

Source: Sample of 20 consumer loan originations - January 1, 2004 to June 30, 2006

Lending Gap Analysis

Reports and maps detailing FMB's lending activity over the evaluation period for commercial loans and consumer loans were reviewed to identify gaps in the geographic distribution of these loans. No unexplained conspicuous gaps were identified in the three AAs.

Responses to Complaints

Since our last examination, the bank has not received any CRA related complaints.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Community Development Test

Overall, FMB demonstrates satisfactory responsiveness to the community development needs in the Muncie MSA, but weaker in the Indianapolis MSA and Non-MSA. As previously noted, more emphasis is focused on the Muncie MSA as the majority of deposits and loan originations are generated in this area, and the bank's main office is also located in the Muncie MSA. Therefore, the weaker performance in the Indianapolis MSA and Non-MSA did not significantly impact the bank's community development test rating.

Community Services – Muncie MSA

Community services in the Muncie MSA are satisfactory. During this evaluation, fifteen officers/employees of the bank provided technical financial assistance to sixteen organizations that meet the definition of community development. These officers/employees provided financial assistance as board members, members of finance committees, treasurer positions, speakers/instructors on financial topics, and provided assistance for financial services. A majority of the organizations served provided services in a variety of ways to primarily low- and -moderate income individuals. Some of the organizations provided affordable housing, economic development, and stabilization/revitalization to the community.

Community Services – Indianapolis MSA and Non-MSA

Community services in the Indianapolis MSA are weak. During the evaluation period, the bank did not have any community services in the Indianapolis MSA.

However, community services in the Non-MSA are satisfactory. In the Henry County AA, located in the Non-MSA, three officers/employees provide service by being the treasurer of an organization and being board members that provide services to low-and-moderate income individuals and promote economic development.

Community Development Lending – Muncie MSA

Community development lending in the Muncie MSA is satisfactory. During the evaluation period, FMB originated forty-three loans to thirty-four organizations totaling \$24.1 million. A majority of these loans benefited distressed census tracts in Delaware County. The majority of the projects include affordable housing projects that will benefit low-to-moderate income individuals. There were also two organizations that provided shelter for woman and children. Other organizations include four groups that provide economic development by promoting job growth and two organizations to revitalize/stabilize downtown Muncie.

Community Development Lending – Indianapolis MSA and Non-MSA

Community development lending in the Indianapolis MSA is less than satisfactory, while community development lending in the Non-MSA is satisfactory. During the evaluation period, FMB originated three loans to one organization totaling \$243,850 in the Non-MSA; however, no community development loans were originated to benefit the Indianapolis MSA. It should be noted that opportunities in the Non-MSA are somewhat limited.

Qualified Investments/Charitable Contributions – Muncie MSA

Qualified investments in the Muncie MSA are strong.

Current Period Investments

The bank did not have any current period investments in the AA; however, the bank has prior period investments (detailed below) that have a continuing positive impact on the community.

Prior Period Investments

The bank's prior-period qualified investments were \$1,702,250 and have a continuing positive impact on the community.

- FMB purchased \$1,702,250 Delaware County Redevelopment District Tax Increment Revenue Bonds. The proceeds of these bonds were for the Park One Redevelopment Area and the redevelopment of Morrison Road. This area is targeted for redevelopment in accordance with provisions of the state code of Indiana. The project provides for the revitalization and stabilization of this area through improved infrastructure and job creation and retention. Although the project is located in an upper-income census tract in the Muncie MSA, it is adjacent to two low-income census tracts. The project helps the small businesses in this area by financing improvements which otherwise would have required additional taxes from the businesses. Several businesses have located

in adjacent areas due to improved access provided by this development. These retail businesses provide permanent jobs for low- and moderate- income individuals. Also, the initial tenant in the Park One Redevelopment Area is Save-A-Lot. Save-A-Lot built a large distribution center in the area that employs approximately 117 people and serves stores in five states. The majority of the jobs provided are for low-and-moderate income individuals.

Charitable contributions in the Muncie MSA are strong. FMB had \$74,859 in charitable contributions to thirteen organizations during the evaluation period. The majority of the organizations were focused on aiding low- to moderate- income individuals.

Qualified Investments/Charitable Contributions – Indianapolis MSA and Non-MSA
Qualified investments in the Indianapolis MSA and Non-MSA are weak. The bank did not have any qualified investments in the Non-MSA.

Qualified investments in the Indianapolis MSA were limited to a \$200 charitable contribution to an organization that provides winter clothing and toys to low-and-moderate income children.

Banking Services – Muncie MSA

Banking services in the Muncie MSA are satisfactory. FMB's delivery systems are accessible to all geographies and individuals of different income levels in the AA. Twenty-seven percent of FMB's branches and ATMs located in the Muncie MSA are in low-to-moderate income geographies. The bank has 36 percent of ATM's and branches in upper income census tracts that are adjacent to low-income census tracts. Services, including business hours, do not vary in a way that inconveniences low- or moderate- income individuals. Branch hours offer reasonable access and convenience.

The bank offers 24-hour access to its customers through telephone banking and Internet banking products. These free products allow customers to check balances, transfer funds, make loan payments, apply for mortgage-related loans, and perform other related transactions. Bill payment is also available at no cost.

FMB did not have any information to show how low- and moderate- income individuals or geographies benefited from these alternative delivery systems. Therefore, we could not place significant weight on these systems when drawing our conclusions.

Banking Services – Indianapolis MSA and Non-MSA

Banking services in the Indianapolis MSA and Non-MSA are satisfactory. FMB's delivery systems are accessible to all geographies and individuals of different income levels in both of the AAs. The bank does not have any branches or ATMs located in a low or moderate income tract for either AA. It is noted that both AAs do not have low income census tracts, and the Indianapolis MSA only has one moderate income census tract and the Non-MSA only has three moderate income tracts. However, the bank does have one branch and ATM in the Indianapolis MSA that is located in an upper income tract, which is adjacent to a moderate income tract.

Services, including business hours, do not vary in a way that inconveniences low- or moderate- income individuals. Branch hours offer reasonable access and convenience.

The bank offers 24-hour access to its customers through telephone banking and Internet banking products. These free products allow customers to check balances, transfer funds, make loan payments, open deposit accounts, apply for mortgage-related loans, and perform other related transactions. Bill payment is also available at no cost.

FMB did not have any information to show how low- and moderate- income individuals or geographies benefited from these alternative delivery systems. Therefore, we could not place significant weight on these systems when drawing our conclusions.