



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

June 03, 2009

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

FCN Bank, National Association  
Charter Number: 5629

501 Main Street  
Brookville, IN 47012

Office of the Comptroller of the Currency

Louisville Field Office  
9200 Shelbyville Road Suite 505  
Louisville, KY. 40222-5134

**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: This institution is rated Satisfactory.**

**Multistate Metropolitan Area Name: Cincinnati-Middletown, OH, KY, IN MSA**

**Rating: Satisfactory**

**State Name: Indiana Rating: Satisfactory**

FCN Bank, N.A. (FCN) has a **Satisfactory** record of meeting community credit needs. The major factors supporting the bank's rating include:

- FCN is responsive to its community's credit needs as a majority of their loans were originated within the bank's assessment area (AA). Ninety-seven percent of the loans sampled were made inside the bank's AA.
- The distribution of loans reflects a satisfactory penetration among borrowers of different income levels and businesses of different sizes given the demographics of the AA. Our loan analysis demonstrates FCN makes a reasonable number of loans to low- and moderate-income borrowers in both AAs.
- The overall geographic distribution of loans reflects reasonable dispersion throughout the AA and is commensurate with a satisfactory rating. Dispersion of residential real estate loans in the Cincinnati-Middletown Metropolitan Statistical Area AA was especially good.
- The bank's quarterly average loan-to-deposit ratio is reasonable and has kept pace with the growth of the bank during the evaluation period.

## Scope of Examination

We performed full-scope reviews on both of FCN's assessment areas. One AA is located in the Cincinnati-Middletown, OH-KY-IN Metropolitan Statistical Area #17140 (MSA) and the other in the Indiana Non-MSA. Conclusions regarding the bank's lending performance are based on loans originated between January 1, 2007 and March 31, 2009. Our analysis is based on residential real estate loans and a sample of business loans originated during the evaluation period. As part of our examination, we conducted a data integrity review of the Home Mortgage Disclosure Act (HMDA) and found the data to be reliable.

This Performance Evaluation assesses FCN's record of meeting the credit needs of the community in which it operates. We evaluated the bank's lending record under the Interstate Small Bank performance criteria. The criteria consists of several tests which help evaluate a bank's record of meeting the credit needs of its assessment areas through its lending activities.

The overall rating for FCN Bank N.A., under each lending test, is the consolidation of conclusions reached for each full-scope assessment area. When consolidating AA conclusions into overall ratings, more weight was given to the MSA AA than the non-MSA AA given a majority of FCN's loans and branches are located in the MSA AA. When determining conclusions for the lending tests, residential real estate loans were weighted more heavily than business loans. This weighting is reflective of the bank's respective lending volumes.

## Description of Institution

FCN Bank, N.A. (FCN) is a full-service interstate bank 100 percent owned by FCN Banc Corp, a one-bank holding company, headquartered in Brookville, Indiana. As of March 31, 2009, the bank had \$284 million in total assets, \$234 million in deposits, \$175 million in loans and \$31 million in Tier One capital. The bank offers traditional banking products and services. The bank operates five branches and one drive-thru location in five Indiana and Ohio counties. FCN built one branch since our last examination. The bank's main office and drive-thru facility is located in Brookville, Indiana (Franklin County). The Everton branch is located north of Brookville in Fayette County. The Batesville branch is located in Franklin/Ripley County in the Batesville Community. The Sunman Branch is located south of Brookville in Sunman, Indiana (Ripley County). In October 2007, FCN opened another branch in Harrison, OH (Hamilton County). All locations have Automated Teller Machines (ATM) except the main office. The drive-thru office is located approximately one block away from the main office and has an ATM. An additional standalone ATM is located in Brookville, IN (Franklin County). All of the ATMs are full service. The bank branch locations are accessible to all segments of the community.

The bank's primary lending focus is residential real estate and small business loans. FCN also makes loans to consumers and farms in the area. As of March 31, 2009, net loans represented approximately 61 percent of the bank's average assets. The loan portfolio mix is as follows: 1-4 family residential mortgages 51 percent, total commercial real estate loans 22 percent, farm-related real estate loans 13 percent, consumer loans 4 percent, construction and development loans 4 percent, agriculture loans less than 2 percent, municipal loans less than 2 percent, and multifamily loans of approximately 2 percent.

There are no legal or financial circumstances that impact the bank's ability to meet community

credit needs. The last CRA evaluation was performed on January 6, 2004. The bank received a rating of Satisfactory. This CRA evaluation will cover the time period of January 2004 through March 2009.

## Description of Assessment Areas

In 2004, due to demographic changes resulting from the 2000 U.S. Census Data, the Cincinnati-Middletown MSA expanded. Three counties in Indiana (Butler, Franklin, and Dearborn) became included in the MSA. In 2007, the bank added a branch across state lines into Hamilton County, OH, which is also part of the Cincinnati-Middletown MSA.

Because of the changes noted above, FCN has delineated two assessment areas. The first AA is a multistate MSA, which consists of Dearborn and Franklin counties in Indiana, and portions of Hamilton and Butler counties in Ohio. The second AA is a non-metropolitan statistical area consisting of Decatur, Fayette, Ripley, Rush, and Union counties in Indiana. Both AAs are legal and the bank did not arbitrarily exclude any low- or moderate-income geographies.

## Conclusions with Respect to Performance Criteria

### Loan-to-Deposit Ratio

FCN Bank's loan-to-deposit (LTD) ratio is reasonable and meets the standard for satisfactory performance given FCN's size, financial condition, and assessment area credit needs. The bank's quarterly loan-to-deposit ratio averaged 74 percent over the 17 quarters from December 31, 2004 to December 31, 2008, with a low of 66 percent and a high of 81 percent.

For analysis, FCN's 17-quarter average LTD ratios were compared with a custom peer group consisting of banks similar in size and purpose in the assessment area. The analysis showed FCN's LTD ratios were lower than the peer group average of 93 percent over the same time period, with a low of 78 percent to a high of 116 percent. Despite the bank's lower LTD ratio compared to peer, it is at a level sufficient to warrant a satisfactory rating. FCN's loan-to-deposit ratio has increased since the last CRA evaluation and as of December 31, 2008 was 76 percent. Refer to the table below for comparative data:

<b>Loan-To-Deposit Ratios</b>		
<b>Institution</b>	<b>Total Assets \$ (000's) (As of 12/31/2008)</b>	<b>Average LTD Ratio</b>
<b>FCN Bank, N.A.</b>	<b>286,879</b>	<b>74%</b>
Bank #1		82%
Bank #2		85%
Bank #3		96%
Bank #4		108%

Source: Institution Reports of Condition from December 31, 2004 to December 31, 2008.

## Lending in Assessment Area

FCN's lending in its AA meets the standard for outstanding performance. The bank's primary loan types consist of residential real estate loans (home purchase, home improvement, and refinance) and commercial loans. We used information from the bank's Home Mortgage Disclosure Act/Loan Activity Report (HMDA/LAR) and sampled 30 commercial loans. FCN Bank originated a substantial majority of the number and dollars of residential real estate loans and business loans within the bank's AA. As depicted in the table below, 97 percent of the number and 97 percent of the dollars of residential real estate loans were originated inside FCN's AA. For business loans, 93 percent of the number and 88 percent of the dollars were originated inside FCN's AA.

Lending in the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
<b>Residential</b>	834	97	24	3	858	95,502	97	2,909	3	98,411
<b>Business</b>	28	93	2	7	30	3,750	88	504	12	4,254
<b>Total</b>	862	97	26	3	888	99,252	97	3,413	3	102,665

Source: 2007, 2008, and 1Q2009 HMDA/LAR 1-4 family residential loans and a random sample of commercial loans originated between January 1, 2007 and March 31, 2009.

## 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.

## **Multistate Metropolitan Area Rating**

### **Cincinnati-Middletown, OH-KY-IN Multistate MSA**

#### **CRA Rating for the Cincinnati-Middletown, OH-KY-IN Multistate MSA:**

##### **Satisfactory**

The major factors supporting this rating include:

- The distribution of loans reflects satisfactory penetration among individuals of different income levels (including low- and moderate-income borrowers) and outstanding penetration among businesses of different sizes.
- The geographic distribution of loans reflects excellent dispersion throughout the AA and supports an overall outstanding rating for both residential and business loans.

##### **Description of Assessment Area(s)**

FCN Bank operates within a multistate MSA of Indiana and Ohio. The bank's assessment area is located in the Cincinnati-Middletown MSA, which consists of Dearborn and Franklin counties in Indiana, and portions of Hamilton and Butler counties in Ohio. FCN operates three branches, a drive-up facility, and a standalone automated teller machine (ATM) in the AA. One branch is located in a moderate-income census tract (CT), along with the drive-up facility and standalone ATM. The remaining two branches are located in middle-income CTs.

Competition is extremely heavy and many financial institutions service the Cincinnati-Middletown MSA. Based on the Federal Deposit Insurance Corporation (FDIC) market share data as of June 30, 2008, 84 banks with 845 offices operate within the MSA. These offices hold a combined total of \$56.1 billion in deposits. Deposits coming from FCN's three branches located within the AA total approximately \$176 million or 76 percent of the bank's total deposits. This equates to a 0.3 percent deposit market share in the Cincinnati-Middletown MSA. The branch with the largest deposit base (\$110 million) is located in Brookville, IN (Franklin County).

The overall economic condition of the AA is stable with the Hamilton County economy growing. Recently, unemployment increased due to various company layoffs. Unemployment rates in the AA remain slightly lower than the State of Indiana, but equal to the State of Ohio. As of February 2009, the average unemployment rate across the AA was approximately 9.4 percent. Indiana and Ohio's unemployment rates were 10.1 percent and 9.4 percent, respectively. The local economy is known for farming, manufacturing, and a small amount of tourism. The majority of workers commute to jobs in the surrounding cities of Cincinnati and Dayton, OH. Major employers located in each of the following counties include:

**Dearborn County, Indiana** - Argosy Casino and Hotel is Dearborn County's largest employer. The casino is located in Lawrenceburg, IN and employs approximately 2,000 individuals. Other large employers include the Dearborn County Hospital and Sunman-Dearborn Schools.

**Franklin County, Indiana** - The Franklin County School District employs approximately 350 individuals and it continues to be the county's largest employer. J&J Packaging is the county's second largest employer.

**Butler County, Ohio** - Major employers include AK Steel Holding Corp, Armor Holdings Inc., and Cincinnati Financial Corporation.

**Hamilton County, Ohio** - The largest employer within the bank's assessment area of Hamilton County is Campbell Hausfeld. Campbell Hausfeld is an automotive parts manufacturer and employs 800 individuals. Other large employers include manufacturing companies JTM and F&M Mafco.

We performed one community contact interview during our evaluation. We contacted a member of a nonprofit organization which supports the local businesses of Franklin County. The contact indicated the ongoing need for small business, farming, and real estate related loans. The contact stated the overall credit needs of the community are being met by local banks.

The following demographic information refers to the characteristics of the AA:

<b>Demographic Information for Full-Scope Area: Cincinnati-Middletown MSA AA</b>						
Demographic Characteristics	Total #	Low Income Level %	Moderate Income Level %	Middle Income Level %	Upper Income Level %	NA* %
Geographies (Census Tracts)	26	4	23	61	12	0
Population by Geography	121,070	4	21	62	13	0
Owner-Occupied Housing by Geography	30,757	1	15	72	12	0
Businesses by Geography	8,140	1	28	62	9	0
Farms by Geography	513	0	8	89	3	0
Family Distribution by Income Level	29,924	17	20	28	35	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	11,284	1	26	66	7	0
Median Family Income – \$54,771 HUD Adjusted Median Family Income for 2009 – \$66,200 Median Housing Value – \$114,247 Households Below the Poverty Level – 11%						

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census and 2009 HUD updated MFI.

### **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

The overall borrower distribution of residential mortgages and business loans is satisfactory. The distribution of residential real estate loans to low- and moderate-income borrowers is reasonable among all products. The percentage of loans to low-income borrowers (13 percent) is slightly below the demographic comparator for all products (17 percent) and the percentage of loans to moderate-income borrowers (20 percent) equals the demographic comparator for all products (20 percent). For low- and moderate-income borrowers, the percentage of loans is favorable to the demographic comparator for home purchase and home improvement loans. Lending to low- and moderate-income borrowers is reasonable given the 11 percent household poverty rate in the MSA.



<b>Borrower Distribution of Residential Real Estate Loans in the Cincinnati-Middletown MSA AA</b>					
<b>Borrower Income Level</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Percentage of Families within each Income Category</b>
	<b>Percentage of Home Purchases</b>	<b>Percentage of Home Improvements</b>	<b>Percentage of Home Refinances</b>	<b>Percentage Totals</b>	
<b>Low</b>	18	16	7	13	17
<b>Moderate</b>	22	25	18	20	20
<b>Middle</b>	27	24	34	30	27
<b>Upper</b>	25	27	34	30	36
<b>NA</b>	8	8	7	7	0
<b>Total</b>	100	100	100	100	100

Source: HMDA data for 2007, 2008, and 2009 and 2000 U.S. Census data.

\*7 percent of Residential Real Estate Loans made in the MSA AA did not report income.

The distribution of loans to businesses of different sizes is excellent and warrants an outstanding rating. FCN originated 93 percent of the number and 98 percent of the dollars to businesses with revenues of less than \$1 million, exceeding the demographic comparator.

<b>Borrower Distribution of Loans to Businesses in the Cincinnati-Middletown MSA AA</b>					
<b>Business Income Level In Revenues</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Percentage of Businesses in the AA</b>
	<b>Number of Loans</b>	<b>Percentage of Loans</b>	<b>Dollar Amt of Loans \$(000's)</b>	<b>Percentage of Dollars</b>	
<b>≤ \$1 Million</b>	28	93	3,141	98	59
<b>&gt; \$1 Million</b>	2	7	255	2	4
<b>Not Reported</b>	0	0	0	0	37
<b>Total</b>	30	100	3,396	100	100

Source: Randomly selected sample of 30 commercial loans with revenues less than \$1 million and originated within the bank's AA.

**Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable dispersion throughout the AA and supports an overall satisfactory rating for both residential and business loans.

During the assessment period, the bank’s assessment area contained one census tract designated as low-income (4 percent) and six census tracts (23 percent) designated moderate-income. Information taken from the HMDA/LAR and random sampling showed management originated loans in all census tract income levels except the AA’s one low-income census tract. This is reasonable considering less than one percent of the owner-occupied units in the AA were in a low-income census tract and the tract is primarily comprised of the Miami University Oxford, Ohio campus and student housing. There were no notable conspicuous gaps in lending to any moderate-income CTs.

The following table shows FCN’s geographical distribution of loans reflects outstanding dispersion of residential real estate loans in moderate-income census tracts. Originations for each product type exceeded the comparator of 15 percent for all owner-occupied housing in the AA’s 6 moderate-income CTs. The bank originated 35 percent of home purchase, 31 percent of home improvement, and 20 percent of home refinance loans to borrowers in these CTs.

<b>Geographic Distribution of Residential Real Estate Loans in the Cincinnati-Middletown MSA AA</b>					
<b>Income Level of Census Tract</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Distribution of Owner Occupied Housing</b>
	<b>Percent of Home Purchases</b>	<b>Percent of Home Improvements</b>	<b>Percent of Home Refinances</b>	<b>Overall Percent Totals</b>	
<b>Low*</b>	0	0	0	0	<1
<b>Moderate</b>	35	31	20	26	15
<b>Middle</b>	65	68	78	73	73
<b>Upper</b>	0	1	2	1	12
<b>Total</b>	100	100	100	100	100

*Source: 2007, 2008, and 1Q2009 HMDA/LAR residential real estate loans.*

*\* The bank has only 1 low-income census tract. The Miami University Oxford, Ohio campus and student housing comprise the majority of the tract.*

FCN’s geographic distribution of business loans is satisfactory. Business loans originated in the AA’s moderate-income census tracts represented 20 percent of the number and 13 percent of the dollars of loans sampled. This falls slightly below the comparator of 28 percent of businesses being located in the six moderate-income CTs. The bank’s business lending is reasonable given the credit needs of the AA.

<b>Geographic Distribution of Business Loans in the Cincinnati-Middletown MSA AA</b>					
<b>Income Level of Census Tract</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Distribution of Businesses in the AA</b>
	<b>Number of Loans</b>	<b>Percentage of Loans</b>	<b>Dollar Amt of Loans \$ (000's)</b>	<b>Percentage of Dollars</b>	
<b>Low*</b>	0	0	0	0	1
<b>Moderate</b>	6	20	428	13	28
<b>Middle</b>	22	73	2,763	81	62
<b>Upper</b>	2	7	205	6	9
<b>Total</b>	30	100	3,396	100	100

*Source: Randomly selected sample of 30 commercial loans with revenues less than \$1 million and originated within the bank's AA.*

*\* The bank has only 1 low-income census tract. The Miami University Oxford, Ohio campus and student housing comprise the majority of the tract.*

### **Responses to Complaints**

FCN has not received any complaints about its performance in helping meet the assessment area's credit needs during the evaluation period.

## State Rating

### State of Indiana

#### CRA Rating for Indiana:

#### Satisfactory

The major factors that support this rating include:

- The distribution of loans reflects satisfactory penetration among individuals of different income levels (including low- and moderate-income borrowers) and outstanding penetration for businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the AA and supports an overall satisfactory rating for both residential and business loans.

#### Description of Assessment Area(s)

FCN Bank's second assessment area is located in a non-metropolitan area and consists of five Indiana counties: Decatur, Fayette, Ripley, Rush, and Union. Two bank branches are located within the AA. The first branch is located in the rural city of Everton, which is in Fayette County in an upper-income CT. The second branch is located in the Sunman community within Ripley County and located in a middle-income CT. Approximately \$56 million or 24 percent of the bank's total deposits originate from the Everton and Sunman branches.

The overall economic condition of the AA is slightly unstable and showing signs of weakness. Three of five counties (Decatur, Ripley, and Union County) have experienced little to no population growth over the last five years. The population in the other two counties (Fayette and Rush County) declined over the last five years. Unemployment is above the state and national unemployment rate. The average unemployment rate across the AA is approximately 12 percent, with Fayette County having the second highest unemployment rate in the state (14.7 percent). The increased unemployment rate in this area is attributed to a large automotive parts manufacturer relocating away from Connersville, along with the city's inability to attract new industrial companies.

The majority of workers in the AA commute to jobs in the surrounding cities of Cincinnati and Dayton, OH. Other workers remain local and work for several major employers in the AA's counties including:

**Decatur County** - Major employers consists of two public school corporations--Decatur County Community School Corporation and Greensburg Community School Corporation.

**Fayette County** - Major employers include Fayette County Schools and Fayette Regional Health Systems.

**Ripley County** - The largest employer in Ripley County continues to be Hillenbrand Industries,

Inc. The company employs over 3,000 individuals and manufactures hospital furniture and caskets. The second largest employer is Margaret Mary Hospital.

**Rush County** - Copeland Corporation manufactures compressors, condensers and electronics equipment for commercial grade refrigeration and air conditioning units. Copeland Corporation employs over 250 people. Another employer of Rush County is Intat Precision, Inc. Intat manufactures OEM cast and machine precision castings for the auto industry and employs 380 people.

**Union County** - The major employers of Union County are NSK Corporation and the Union County School District. NSK is an automotive parts manufacturer in Liberty, IN.

We did not talk with a community contact in the bank’s non-MSA assessment area. The community contact we previously met with was familiar with both AAs. The contact identified the same ongoing need for small business, farming, and real estate related loans and stated the credit needs of the community are being met by local banks.

The following demographic information refers to the characteristics of the AA:

<b>Demographic Information for Full-Scope Area: Indiana Non-MSA AA</b>						
Demographic Characteristics	Total #	Low Income Level %	Moderate Income Level %	Middle Income Level %	Upper Income Level %	NA* %
Geographies (Census Tracts)	21	0	4	86	10	0
Population by Geography	83,935	0	4	86	10	0
Owner-Occupied Housing by Geography	23,529	0	3	86	11	0
Businesses by Geography	6,107	0	5	85	10	0
Farms by Geography	756	0	2	91	7	0
Family Distribution by Income Level	23,337	16	20	26	38	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,554	1	4	88	7	0
Median Family Income – \$45,666 HUD Adjusted Median Family Income for 2009 – \$53,200 Median Housing Value – \$88,952 Households Below the Poverty Level – 9%						

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 U.S. Census and 2009 HUD updated MFI.

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans, given the demographics of the AA, reflects satisfactory penetration among individuals of different income levels (including low- and moderate-income borrowers) and outstanding penetration for businesses of different sizes. FCN originated 7 percent of their loans to low-income borrowers and 17 percent to moderate-income borrowers. Both lending percentages were lower than the comparators of 17 percent and 20 percent, respectively, but still high enough to warrant a satisfactory rating considering the economic instability, high unemployment rate, and high poverty level in the AA in 2008 and 2009.

<b>Borrower Distribution of Residential Real Estate Loans in Indiana Non-MSA AA</b>					
<b>Borrower Income Level</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Percentage of Families within each Income Category</b>
	<b>Percentage of Home Purchases</b>	<b>Percentage of Home Improvements</b>	<b>Percentage of Home Refinances</b>	<b>Percentage Totals</b>	
<b>Low</b>	12	7	4	7	17
<b>Moderate</b>	17	34	12	17	20
<b>Middle</b>	20	27	23	23	25
<b>Upper</b>	41	27	57	46	38
<b>NA</b>	10	5	4	7	0
<b>Total</b>	100	100	100	100	100

Source: HMDA data for 2007, 2008, and 2009 and 2000 U.S. Census data.

\*Total of 7 percent of Residential Real Estate Loans made in the Indiana Non-MSA did not report income.

FCN's distribution of loans to small businesses of different sizes is satisfactory. FCN originated 90 percent of the number and 54 percent of the dollars to businesses with revenues of less than \$1 million, exceeding the demographic comparator of 59 percent. In the non-MSA AA, the percentage of businesses with unreported revenue is high at 37 percent. Demographic information shows the majority of businesses with unreported revenue to be small businesses (revenues of \$1 million or less) representing a higher level than shown by the comparator.

<b>Borrower Distribution of Loans to Businesses in the Indiana Non-MSA AA</b>					
<b>Business Income Level In Revenues</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Percentage of Businesses in the AA</b>
	<b>Number of Loans</b>	<b>Percentage of Loans</b>	<b>Dollar Amt of Loans \$(000's)</b>	<b>Percentage of Dollars</b>	
<b>≤ \$1 Million</b>	27	90	1,470	54	59
<b>&gt; \$1 Million</b>	3	10	1,252	46	4
<b>Not Reported</b>	0	0	0	0	37
<b>Total</b>	30	100	2,722	100	100

*Source: Randomly selected sample of 30 commercial loans with revenues less than \$1 million and originated within the bank's AA.*

### **Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable dispersion throughout the AA and supports an overall satisfactory rating for both residential and business loans.

During the assessment period, the bank's assessment area did not contain any low-income census tracts and only one census tract (5 percent) designated as moderate-income. Information taken from the HMDA/LAR and random sampling showed management did not originate any loans in the moderate-income census tract. The census tract comprises half of the city of Rushville, Indiana, whereas the closest FCN branch is located 23 miles away. FCN management is interested in this market, but banking is extremely competitive. The opportunity to make loans in the AA's one moderate-income census tract is low because only 3 percent of owner occupied housing and 5 percent of businesses are located in this tract. See the following tables:

<b>Geographic Distribution of Residential Real Estate Loans in the Indiana Non-MSA AA</b>					
<b>Income Level of Census Tract</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Distribution of Owner Occupied Housing</b>
	<b>Percent of Home Purchases</b>	<b>Percent of Home Improvements</b>	<b>Percent of Home Refinances</b>	<b>Overall Percent Totals</b>	
<b>Low*</b>	0	0	0	0	0
<b>Moderate</b>	0	0	0	0	3
<b>Middle</b>	69	77	71	71	86
<b>Upper</b>	31	23	29	29	11
<b>Total</b>	100	100	100	100	100

Source: 2007, 2008, and 1Q2009 HMDA/LAR residential real estate loans.

\* There are no low-income census tracts in the Indiana Non-MSA AA

<b>Geographic Distribution of Business Loans in the Indiana Non-MSA AA</b>					
<b>Income Level of Census Tract</b>	<b>Loan Originations Between Jan 1, 2007 and Mar 31, 2009</b>				<b>Distribution of Businesses in the AA</b>
	<b>Number of Loans</b>	<b>Percentage of Loans</b>	<b>Dollar Amt of Loans \$ (000's)</b>	<b>Percentage of Dollars</b>	
<b>Low*</b>	0	0	0	0	0
<b>Moderate</b>	0	0	0	0	5
<b>Middle</b>	22	73	2,360	87	85
<b>Upper</b>	8	27	362	13	10
<b>Total</b>	30	100	2,722	100	100

Source: Randomly selected sample of 30 commercial loans with revenues less than \$1 million and originated within the bank's AA.

\* There are no low-income census tracts in the Indiana Non-MSA AA

## Responses to Complaints

FCN has not received any complaints about its performance in helping meet the assessment area's credit needs during the evaluation period.