



## **PUBLIC DISCLOSURE**

September 02, 2013

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

First Savings Bank, F.S.B.  
Charter Number 704433

501 East Lewis and Clark Parkway, Clarksville, Indiana 47129

Office of the Comptroller of the Currency

10200 Forest Green Suite 501, Louisville, Kentucky 40223

**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: Satisfactory.**

- **The Lending Test is rated satisfactory.**
- **The Community Development Test is rated satisfactory.**

The major factors supporting the institution's rating include:

- First Savings Bank (FSB)'s loan-to-deposit ratio is more than reasonable given FSB's size, financial condition, and credit needs of its community;
- A substantial majority of loan originations are made within FSB's assessment areas (AA);
- FSB's distribution of loans reflects reasonable penetration among borrowers of different income levels;
- FSB's distribution of loans reflects reasonable dispersion throughout census tracts of different income levels; and
- FSB's community development performance through community development loans, qualified investments, and retail services demonstrates adequate responsiveness to community development needs in the AA.

**Scope of Examination**

The Office of the Comptroller of the Currency evaluated FSB under the Intermediate Small Bank (ISB) examination procedures. These procedures evaluate the bank's record of meeting the credit needs of its AAs through lending services and community development activities. The evaluation period covered from July 21, 2008, the date of the previous CRA examination<sup>1</sup>, to March 31, 2013. The Lending Test evaluated loans originated between January 1, 2011 and March 31, 2013. In evaluating the bank's lending performance, we reviewed data for the bank's primary loan products, which are home mortgage loans and commercial loans. Based on this lending emphasis, examiners reviewed a sample of 96 small business loans totaling \$4,307,433 from a universe of 198 loans totaling \$51,175,322 originated between January 1, 2011 and March 31, 2013. In addition, examiners considered all home mortgage loans reported according to the Home Mortgage Disclosure Act (HMDA) Data Collection requirements for the same period, equaling 612 loans totaling \$83,656,000. Prior to conducting this evaluation, we tested the accuracy of the bank's (HMDA) data for 2011 and 2012. We found the data to be accurate. Therefore, we used all reported HMDA data for both years in our evaluation of home mortgage lending.

This is the bank's first evaluation under the ISB Community Development Test. The community development test covered community development loans, investments, and services during since the time the bank crossed the Intermediate Small Bank threshold, for CRA purposes, on January 1, 2011.

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<sup>1</sup> The Office of Thrift Supervision (OTS) conducted the prior examination using Small Bank procedures.

Additionally, we obtained aggregate HMDA peer group data for the Lending Test. We reviewed the bank's community development loans, investments, and services based on information provided by the bank. We only considered the activities that met the regulatory definition of community development for the Community Development Test.

We used the 2000 United States Census (Census) data for analyzing loans originated and purchased in 2011 and the 2010 Census data for analyzing loans originated and purchased in 2012 and first quarter 2013. Since 2012 aggregate HMDA data is not available, aggregate HMDA data from 2011 was used as peer group data for analyzing residential loans originated and purchased in both 2011 and 2012 and first quarter 2013.

## **Description of Institution**

FSB is a \$652 million, intrastate financial institution headquartered in Clarksville, Indiana. The bank is located in Clark County approximately five miles north of Louisville, Kentucky. The bank is a wholly owned subsidiary of First Savings Financial Group, Inc., a one-bank holding company located in Clarksville, Indiana.

The bank is a full-service banking institution and operates 15 banking offices in the five contiguous counties of Clark, Floyd, Harrison, Washington, and Crawford, Indiana. FSB converted from a mutual thrift to a stock savings association in October 2008. In September 2009, FSB acquired Community First Bank of Corydon, Indiana. FSB purchased four Indiana offices of First Federal Savings Bank (FFSB) of Elizabethtown, Kentucky in July 2012. Two branch offices were closed during the evaluation period in order to reduce the redundancies created from the acquisition of offices from FFSB. FSB had \$230 million in assets when it converted; acquisitions and other corporate activities have added \$422 million to its footings in five years.

The bank's facilities are located in four counties, Clark, Floyd, Harrison, and Washington Counties, located in the Louisville, Kentucky Metropolitan Statistical Area (MSA). Crawford County is not located in an MSA. Ten of the offices are located in middle-income census tracts, three are located in moderate tracts, and two are located in upper-income tracts. All offices have walk-in and drive-up facilities.

As demonstrated in Table 1 on the following page, the bank offers traditional community bank products and services and is primarily a residential real estate lender. As of March 31, 2013, the bank has a total loan portfolio of \$400,724,000, representing 62 percent of total assets. By dollar volume, the loan portfolio consists primarily of residential real estate loans (59 percent) and business loans (36 percent).

<b>Table 1 - FSB's Investment in Loans (3/31/2013 Call Report)</b>			
<b>Loan Category</b>	<b>Amount (\$000's)</b>	<b>Percent of Total Loans</b>	<b>Percent of Total Assets</b>
Residential Mortgage	238,068	59%	37%
Nonresidential Mortgage	115,708	29%	18%
Commercial Nonmortgage	27,368	7%	4%
Consumer	10,960	3%	2%
Government Loans	6,171	1%	1%
Farm Loans	2,374	1%	<1
Other Loans	75	<1%	<1
<b>Total</b>	<b>\$400,724</b>	<b>100.0%</b>	<b>62.0%</b>

There are no known impediments limiting FSB's ability to help meet the credit needs of its local community, including those of low- and moderate-income families and neighborhoods. The bank received a "Satisfactory" rating at the last CRA examination, dated July 21, 2008

**Description of Assessment Area(s)**

FSB designated the five contiguous Indiana counties of Clark, Floyd, Harrison, Washington, and Crawford as its AA. Two analyses of this area are required because Clark, Floyd, Harrison, and Washington Counties are located within the Louisville-Jefferson County, Kentucky-Indiana MSA and Crawford County is not located within the MSA. Since the majority of lending and deposit activity occurs in the four counties within the MSA, it receives more weight in our analysis. The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income areas.

Other financial institutions provide strong competition throughout the bank's two AAs. Eighteen other banks serve the five counties where the bank operates. As of June 30, 2012, the bank had a deposit market share of 9.33 percent, ranking FSB fifth in its market.

***Indiana Counties of Clark, Floyd, Harrison, and Washington located within the Louisville-Jefferson County, Kentucky-Indiana MSA***

Based on the 2000 Census, 50 census tracts comprise the Louisville-Jefferson County, Kentucky-Indiana MSA: one is low-income, 11 (22 percent) are moderate-income, 31 (62 percent) are middle income, and seven (14 percent) are upper income. As a result of the 2010 Census, the bank's AA grew by six moderate-income tracts and four middle-income census tracts and declined by two upper income census tracts.

The updated 2011 HUD estimated median family income is \$69,200. The percentage of area households that have incomes below the poverty level is 8.81 percent. Owner-occupied units comprise 70 percent of total housing units. The average 2012 unemployment rate for the four counties is 7.83 percent. The unemployment rate is lower than the 2012 state average of 9.0 percent.

The 2000 Census data reflects the AA with a population of 228,843. Table 2 provides additional demographic information for the AA.

<b>Table 2 - Demographic Characteristics MSA AA (2000 census)</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts/BNAs)	50	2	22	62	14	0
Population by Geography	228,843	2	13	68	17	0
Owner-Occupied Housing by Geography	66,248	1	10	70	19	0
Business by Geography	22,289	1	18	60	21	0
Farms by Geography	986	0	5	81	14	0
Family Distribution by Income Level	63,789	18	20	25	37	0
Distribution of Families throughout AA Geographies	63,789	1	12	69	18	0
Median Family Income		\$49,301	Median Housing Value		\$91,769	
HUD Adjusted Median Family Income for 2011		\$62,900	Unemployment Rate (2000		2.9%	
Families Below Poverty Level		6.29%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI.

The 2010 Census data discloses the AA population increased approximately 9 percent to 252,436. Table 3 provides additional demographic information for the AA based on the 2010 Census.

<b>Table 3 - Demographic Characteristics MSA AA (2010 census)</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts/BNAs)	58	2	29	50	19	0
Population by Geography	252,436	1	22	55	22	0
Owner-Occupied Housing by Geography	72,588	0	18	57	25	0
Business by Geography	20,632	1	26	51	22	0
Farms by Geography	982	0	19	62	19	0
Family Distribution by Income Level	67,712	20	20	23	37	0
Distribution of Families throughout AA Geographies	67,712	1	21	56	22	0
Median Family Income		\$59,921	Median Housing Value		\$127,697	
FFIEC Adjusted Median Family Income for 2012		\$63,800	Unemployment Rate (2010		5.12%	
Families Below Poverty Level		8.96%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2012 FFIEC updated MFI.

Major non-public employers include Horseshoe Southern Indiana (Gaming and Entertainment), Floyd Memorial Health Care and Health Services, Clark Memorial Health Care, American Commercial Lines, Incorporated (Barge Transportation and Manufacturing), and Tyson Foods Incorporated.

***Crawford County, Indiana (a Non-MSA)***

As of the 2000 Census, three middle-income census tracts comprise Crawford County, Indiana. Because of the 2010 census, the County now consists of two middle-income and one moderate-income tract. The average median family income is \$45,666, and the updated 2011 HUD estimated median family income is \$52,900. The percentage of area households that have incomes below the poverty level is 11.09 percent. Owner-occupied units comprise 70.98 percent of total housing units. The 2012 unemployment rate for Crawford County was 10 percent. The unemployment rate exceeded the average state rate of 9 percent in 2012.

The 2000 Census data showed the AA has a population of 10,743. Table 4 provides additional demographic information for the AA.

<b>Table 4 – Crawford County Demographic Characteristics (2000 census)</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts/BNAs)	3	0	0	100	0	0
Population by Geography	10,743	0	0	100	0	0
Owner-Occupied Housing by Geography	3,467	0	0	100	0	0
Business by Geography	859	0	0	100	0	0
Farms by Geography	44	0	0	100	0	0
Family Distribution by Income Level	3038	27	21	24	28	0
Distribution of Families throughout AA Geographies	3038	0	0	100	0	0
Median Family Income		\$45,666	Median Housing Value			\$63,366
HUD Adjusted Median Family Income for 2011		\$52,900	Unemployment Rate (2000			3.14%
Households Below Poverty Level		11.09%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 US Census and 2011 HUD updated MFI.

The 2010 Census data disclosed the AA population remained consistent at 10,713. Table 5 provides additional demographic information for the AA as of the 2010 Census.

<b>Table 5 – Crawford County Demographic Characteristics (2010 census)</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts/BNAs)	3	0	33	67	0	0
Population by Geography	10,713	0	38	62	0	0
Owner-Occupied Housing by Geography	3,639	0	39	61	0	0
Business by Geography	757	0	36	64	0	0
Farms by Geography	44	0	41	59	0	0
Family Distribution by Income Level	3,055	27	19	24	30	0
Distribution of Families throughout AA Geographies	3,055	0	36	64	0	0
Median Family Income		\$52,796	Median Housing Value			\$86,814
FFIEC Adjusted Median Family Income for 2012		\$53,600	Unemployment Rate (2010 US			6.42%
Households Below Poverty Level		17.38%	Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2010 US Census and 2012 FFIEC updated MFI.

The largest employers in Crawford County are county government and the local school system. Other major employers include Mulzer Crushed Stone, Todd-Dickey Nursing and Rehabilitation, and Marengo Warehouse and Distribution Center.

During this evaluation, we contacted a representative from a local development foundation. The representative indicated the Southern Indiana economy is rapidly improving and local financial institutions are adequately involved in meeting the credit needs within the community.

## Conclusions with Respect to Performance Tests

### LENDING TEST

FSB’s performance under the Lending Test is satisfactory.

### Loan-to-Deposit Ratio

FSB’s loan-to-deposit (LTD) ratio is more than reasonable given the bank’s size and financial condition, as well as the credit needs of the AAs. The bank’s quarterly LTD ratio averaged 92 percent over the last 10 quarters. The peer group consists of banks with assets ranging from \$242 million to \$461 million. The average LTD ratio for the four banks located in the AAs over the same period ranged from 82 percent to 89 percent.

### Lending in Assessment Area

FSB originates a substantial majority of its loans to borrowers within its AAs. The bank granted 612 HMDA-qualifying loans totaling \$83,656,000 during the review period. Table 6 shows the number and dollar amount of the HMDA mortgage loans originated inside and outside the bank’s AA. Approximately 88 percent by number and 78 percent by dollar of the HMDA loans were made to individuals located within the bank’s AAs.

Table 6 - Lending in the Assessment Area					
Home Mortgage Period By Year	In Assessment Area		Outside Assessment Area		Total HMDA Loans
	#	%	#	%	#
2011	233	87.3%	34	12.7%	267
2012-1Q2013	308	89.3%	37	10.7%	345
Total	541	88.4%	71	11.6%	612
	\$ Amt	%	\$ Amt	%	\$ Amt
2011	29,200	80.1%	7,249	19.9%	36,449
2012 – 1Q2013	36,310	76.9%	10,897	23.1%	47,207
Total	\$65,510	78.3%	\$18,146	21.7%	\$83,656

Table 7 shows 82 of 96, or 85 percent, of the business loans sampled were within the bank’s AA.

Table 7 - Commercial Lending in the Assessment Area					
Period By Year	In Assessment Area		Outside Assessment Area		Total Business Loans
	#	%	#	%	#
2011	37	84	7	16	44
2012-1Q2013	45	87	7	13	52
Total	82	85	14	15	96
	\$ Amt	%	\$ Amt	%	\$ Amt
2011	2,787,709	91	280,258	9	3,067,967
2012 – 1Q2013	1,120,368	90	119,098	10	1,239,466
Total	\$3,908,077	91	\$399,356	9	\$4,307,433

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

The distribution of borrowers reflects reasonable penetration among individuals of different income levels.

*Indiana Counties of Clark, Floyd, Harrison, and Washington located within the Louisville-Jefferson County, Kentucky-Indiana MSA*

*Residential Real Estate Loans*

Table 8 and 9 show the distribution of residential real estate loans reflects reasonable penetration among borrowers of different income levels. FSB has excellent distribution to low- and moderate-income borrowers in 2012 and in 2011. FSB performance approximates aggregate performance for both years. The bank’s performance is less than the comparative demographic of low-income families. However, it is important to note that as of the 2010 Census, 8.96 percent of families are below poverty level and would have difficulty qualifying for a home loan.

Table 8 - Borrower Distribution of Residential Real Estate Loans in MSA-2012 and 1st Quarter 2013			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders (2011)	% of AA Families
Low	12	12	20
Moderate	19	22	20
Middle	26	23	23
Upper	33	28	37
Income not Available	10	15	0

Source: 2012 and 1<sup>st</sup> Quarter 2013 HMDA data, and 2010 U.S. Census Data

<b>Table 9 - Borrower Distribution of Residential Real Estate Loans in MSA AA-2011</b>			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders	% of AA Families
Low	11	12	18
Moderate	19	22	20
Middle	23	23	25
Upper	37	28	37
Income not Available	10	15	0

Source: 2011 HMDA data, and 2000 U.S. Census Data

*Business Loans*

As shown in Tables 10 and 11 below, the distribution of loans to businesses reflects excellent penetration among businesses of different sizes. Small businesses are businesses with gross annual revenues of one million dollars or less. The institution’s distribution compares favorably to peer and demographic data during 2011 and 2012. It is important to note that revenue data was not available for 27 percent and 22 percent of the AA businesses for 2011 and 2012, respectively.

<b>Table 10 - Borrower Distribution of Loans to Businesses in MSA AA-2012 and 1<sup>st</sup> Quarter 2013</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of Bank Loans in AA by #	70%	20%	10%	100%
% Aggregate Lenders (2011)	57%	43%	0	100%
% of AA Businesses	74%	4%	22%	100%

Source: Loan Sample and 2012 Business Geodemographic Data

<b>Table 11 - Borrower Distribution of Loans to Businesses in MSA 2011</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of Bank Loans in AA by #	83%	13%	4%	100%
% Aggregate Lenders	57%	43%	0	100%
% of AA Businesses	70%	3%	27%	100%

Source: Loan Sample and 2012 Business Geodemographic Data

***Crawford County, Indiana (a Non-MSA)***

*Residential Real Estate Loans*

As demonstrated in Tables 12 and 13 below, the distribution of residential real estate loans reflects reasonable penetration among borrowers of different income levels. FSB had reasonable distribution to low- and moderate-income borrowers in 2011 and 2012. FSB’s lending approximates the aggregate distribution to low and moderate-income borrowers. While the bank’s lending performance to low income borrowers is less than the percentage of low-income families, it is important to note that as of the 2010 Census, 17.38 percent of the AA families are below poverty level and would have difficulty qualifying for a home loan.

<b>Table 12 - Borrower Distribution of Residential Real Estate Loans in Crawford County AA - 2012 and 1<sup>st</sup> Quarter 2013</b>			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders (2011)	% of AA Families
Low	8	11	27
Moderate	28	20	19
Middle	30	23	24
Upper	30	27	30
Income not Available	4	19	0

Source: 2012-13 HMDA data, and 2000 U.S. Census Data

<b>Table 13 - Borrower Distribution of Residential Real Estate Loans in Crawford County AA - 2011</b>			
Borrower Income Level	% of Number of Loans	% Aggregate Lenders	% of AA Families
Low	11	11	27
Moderate	19	20	21
Middle	23	23	24
Upper	37	27	28
Income not Available	10	19	0

Source: Loan Sample, 2011 HMDA data, and 2000 U.S. Census Data

*Business Loans*

As shown in Tables 14 and 15, the distribution of loans to businesses reflects excellent penetration among businesses of different sizes. Small businesses are businesses with gross annual revenues of one million dollars or less. The institution’s distribution compares favorably to peer and demographic data during 2011 and 2012. It is important to note that revenue data was not available for 29 percent and 25 percent of the AA businesses for 2011 and 2012, respectively.

<b>Table 14- Borrower Distribution of Loans to Businesses in Crawford County AA-2012 and 1<sup>st</sup> Quarter 2013</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of Bank Loans in AA by #	87%	7%	6%	100%
% Aggregate Lenders (2011)	53%	47%	0%	100%
% of AA Businesses	73%	2%	25%	100%

Source: Loan Sample and 2012 Business Geodemographic Data

<b>Table 15 - Borrower Distribution of Loans to Businesses in Crawford County AA-2011</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of Bank Loans in AA by #	93%	7%	0%	100%
% Aggregate Lenders	53%	47%	0%	100%
% of AA Businesses	70%	1%	29%	100%

Source: Loan Sample and 2011 Business Geodemographic Data

### **Geographic Distribution of Loans**

The geographic distribution of loans reflects reasonable dispersion throughout the AAs.

*Indiana Counties of Clark, Floyd, Harrison, and Washington located within the Louisville-Jefferson County, Kentucky-Indiana MSA*

#### *Residential Real Estate*

As shown in Tables 16 and 17 on the following page, the geographic distribution of residential real estate loans reflects reasonable dispersion throughout the census tracts of different income levels. While no loans were originated within the one low-income census tract, this is reasonable since the opportunity to make loans within the census tract is limited as less than 1 percent of the homes are owner-occupied in that census tract. The 2012 geographic distribution of residential real estate loans in the moderate tract reflects excellent dispersion and the 2011 geographic distribution reflects reasonable dispersion. FSB’s performance in the moderate tracts compares favorably to peer and is consistent with demographic data.

<b>Table 16 - Geographic Distribution of Residential Real Estate Loans in MSA AA-2012 and 1<sup>st</sup> Quarter 2013</b>			
Census Tract Income Level	% of Number of Loans	% Aggregate Lenders (2011)	% of AA Owner Occupied Housing
Low (1)	0	<1	<1
Moderate (17)	19	6	18
Middle (29)	58	68	57
Upper (11)	23	26	25

Source: 2012 and 1<sup>st</sup> Quarter 2013 HMDA data, and 2010 U.S. Census Data.

<b>Table 17 - Geographic Distribution of Residential Real Estate Loans in MSA AA-2011</b>			
Census Tract Income Level	% of Number of Loans	% Aggregate Lenders	% of AA Owner Occupied Housing
Low (1)	0	<1	<1
Moderate (11)	9	6	10
Middle (31)	70	68	70
Upper (7)	21	26	19

Source: Loan Sample, 2011 HMDA data, and 2000 U.S. Census Data.

*Business Loans*

As shown in Tables 18 and 19 on the following page the institution’s geographic distribution of business loans within census tracts of different income levels reflects less than reasonable dispersion in 2012 and reasonable dispersion in 2011. While no loans were originated within the one low-income census tract, this is considered reasonable since the opportunity to make loans within the census tract is limited. Less than 1 percent of the AA businesses are in that census tract. For 2012, the bank’s performance in moderate-income tracts was 9 percent less than aggregate and 14 percent under the demographic of percentage of AA businesses reflecting less than reasonable performance. Performance in the moderate- income tracts in 2011 was six percent less than aggregate and four percent less than the demographic of AA businesses.

<b>Table 18 - Geographic Distribution of Loans to Businesses in MSA AA-2012 and 1<sup>st</sup> Quarter 2013</b>			
Census Tract Income Level	% of Number of Loans	% Aggregate Lenders (2011)	% of AA Businesses
Low (1)	0%	<1%	<1%
Moderate (17)	10%	19%	24%
Middle (29)	70%	56%	52%
Upper (11)	20%	24%	23%

Source: Loan Sample and 2012 Business Geodemographic data

<b>Table 19 - Geographic Distribution of Loans to Businesses in MSA AA-2011</b>			
Census Tract Income Level	% of Number of Loans	% Aggregate Lenders	% of AA Businesses
Low (1)	0%	<1%	<1%
Moderate (11)	13%	19%	17%
Middle (31)	74%	56%	62%
Upper (7)	13%	24%	21%

Source: Loan Sample and 2011 Business Geodemographic data

***Crawford County, Indiana (a Non-MSA)***

**Geographic Distribution of Loans**

The distribution of loans reflects a reasonable dispersion throughout the AA.

*Residential Real Estate*

Table 20 on the following page demonstrates the geographic distribution of residential real estate loans reflects reasonable dispersion throughout the census tracts of different income levels. In 2012, 35 percent of the bank’s loans were made in the one moderate tract, which compares favorably with the percentage of owner occupied housing. It is important to note that the 2000 Census designates Crawford County as three middle-income tracts and the 2010 Census designates the County as two middle-income and one moderate-income tract. Therefore, since 2011 aggregate data utilizes the 2000 Census the below table show aggregate lenders made all loans in middle-income tracts. Since Crawford County has no low or moderate-income census tracts, an analysis of the geographic distribution of loans for 2011, which utilizes the 2000 Census, is not meaningful and no table is presented for that year.

<b>Table 20 - Geographic Distribution of Residential Real Estate Loans in Crawford County AA-2012 and 1<sup>st</sup> Quarter 2013</b>			
Census Tract Income Level	% of Number of Loans	% Aggregate Lenders (2011)	% of AA Owner Occupied Housing
Low (0)	0	0	0
Moderate (1)	35	0	39
Middle (2)	65	100	61
Upper (0)	0	0	0

Source: Loan Sample, 2012 and 1<sup>st</sup> Quarter 2013 HMDA data, and 2000 and 2010 U.S. Census Data.

*Business Loans*

As shown in Table 21, FSB’s geographic distribution of business loans reflects excellent dispersion throughout the census tracts of different income levels. Lending in 2012 substantially exceeded the percentage of AA businesses. The 2000 Census did not designate any low or moderate-income census tracts in Crawford County. Analysis of the geographic distribution of loans for 2011 is not meaningful.

**Table 21 - Geographic Distribution of Loans to Businesses in Crawford County AA-2012 and 1<sup>st</sup> Quarter 2013**

Census Tract Income Level	% of Number of Loans	% Aggregate Lenders (2011)	% of AA Businesses
Low (0)	0%	0%	0%
Moderate (1)	60%	0%	35%
Middle (2)	40%	100%	65%
Upper (0)	0%	0%	0%

Source: Loan Sample and 2012 Business Geodemographic data.

### Responses to Complaints

The bank has not received any CRA-related complaints since the previous examination.

### COMMUNITY DEVELOPMENT TEST

FSB's performance under the Community Development Test is satisfactory. Community development performance through community development loans, qualified investments, and services demonstrates adequate responsiveness to community development needs in the AAs.

#### Number and Amount of Community Development Loans

FSB has an adequate level of community development lending. The bank originated 41 community development loans totaling \$9.2 million including:

- Three loans totaling \$3.65 million made to revitalize and stabilize a 30 plus acre commercial property over 50 years old in a moderate-income census tract. These loans financed construction of a new retail establishment replacing an abandoned business, the opening of a new medical office and preliminary financing facilitating the opening a new technical high school in August 2014.
- A \$1.2 million loan to revitalize a housing project with 40 low-income units. A \$293,487 loan for improvements to a school located in a moderate-income geography and attended by predominantly low or moderate-income students.
- A \$374,978 dollar loan made to a small business needed because of a federal declared disaster.
- Six small business loans totaling \$1.36 million and 28 small farm loans totaling \$2.33 million.

#### Number and Amount of Qualified Investments

FSB provides an adequate level of community development investments. During the evaluation period, FSB purchased 22 and held one previously purchased qualifying bonds totaling \$10.27 million from municipalities located in the bank's AA. Sixteen of these bonds were to build or renovate schools over which 50 percent of the attending students are of low-or moderate income.

Five of the bonds were to fund new sewer systems. The new sewer systems located in predominantly moderate-income tracts would serve residents, including low- and moderate-income residents, and qualify by meeting essential community needs. The purpose of another bond was to provide financing for various economic development incentives to companies that have or are increasing employment primarily in moderate-income tracts. The purpose of one bond was to design, construct, equip and furnish police headquarters situated in the city limits of Jeffersonville, the majority of which census tracts are moderate-income.

FSB's qualified investments included donations to five nonprofit organizations totaling \$139,993. These organizations directly benefit low- and moderate-income individuals through their program services. The primary recipient of the bank's donations is a nonprofit organization that provides financial literacy training to low and moderate-income youth in schools located within the bank's AA. The bank made two donations totaling \$122,993 to this organization since the previous public evaluation.

### **Extent to Which the Bank Provides Community Development Services**

FSB provides an adequate level of community development services. Retail and lending services are accessible to individuals of different income levels. Three of the bank's 15 offices are located in moderate-income census tracts.

During the evaluation period, 15 FSB employees provided technical assistance and financial expertise to 27 community development organizations. These organizations address AA needs for affordable housing, economic development, and social services to low- and moderate-income individuals. Examples of services include:

- An employee serving as director of an organization providing financial literacy training to low and moderate-income youth in local high schools
- An officer serves on a local redevelopment commission providing advice and review of loans to small businesses in low and moderate -income areas.
- Another officer serves as Treasurer/Finance Chair of a local organization whose mission is to assist lower income residents in restoring their lives after a nationally declared disaster. Most of these cases involve rebuilding, extensive rehabilitation, replacing badly damaged mobile homes or assisting with rental assistance or medical needs.
- An officer is a board member for a local chapter of a nationally recognized nonprofit organization that provides housing for low- and moderate-income families.
- Several bank officers also serve in leadership roles of organizations, which activities provide health and social services to low and moderate-income families.

FSB is also the participant bank in Harrison County, Indiana for the Community Action Partnership Individual Development Account Program (IDA). An IDA is a four-year, matched savings program designed to assist individuals in achieving self-sufficiency through financial literacy and asset generation. For each dollar saved, up to \$400 a year, the State of Indiana will match it with three dollars totaling a combined savings of up to \$1,600. To be eligible, participants must be below 175 percent of the Federal Poverty Guidelines based on household size or receive Temporary Assistance for Needy Families.

### **Responsiveness to Community Development Needs**

Given available opportunities, the bank's performance in meeting community development needs reflects adequate responsiveness to the needs of its communities.

### **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 195.28(c), the OCC must consider evidence of discriminatory or other illegal credit practices in any geography by FSB or in any AA by an affiliate whose loans have been considered as part FSB's lending performance.

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