



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

April 23, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of Dana
Charter Number 5997**

**129 Maple Street
Dana, Indiana 47847**

Office of the Comptroller of the Currency

**Indianapolis Duty Station
8777 Purdue Road, Suite 105
Indianapolis, Indiana 46268**

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **The First National Bank of Dana** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of April 23, 1996. This evaluation covers the period from December 4, 1991 through April 23, 1996. The previous CRA rating was satisfactory. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The First National Bank of Dana's loan-to-deposit ratio compares favorably to peer banks. A substantial majority of loans are within the bank's assessment area. The distribution of borrowers, given the demographics of the assessment area, reflects excellent penetration among individuals of different income levels.

The following table indicates the performance level of The First National Bank of Dana with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>FIRST NATIONAL BANK</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan to Deposit Ratio	X		
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	X		
Geographic Distribution of Loans	This analysis was not performed.		
Response to Complaints	No complaints were received since the prior exam.		

DESCRIPTION OF INSTITUTION

The First National Bank of Dana (FNB) is a \$25 million financial institution headquartered in Dana, Indiana. The bank is owned by Dana Bancorp, a one bank holding company. The bank has one office and one ATM located at the office in Dana, Indiana. There are no financial constraints or legal impediments which have impaired the bank's ability to help meet the credit needs of the community.

As of December 31, 1995, the composition of the loan portfolio was as follows:

Loan Type	Volume	% of Gross Loans
Residential real estate loans	\$6.9 million	37%
Commercial loans	\$5.4 million	28%
Consumer loans	\$3.5 million	18%
Agricultural loans	\$3.3 million	17%
TOTAL	\$19.1 million	100%

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of two census tracts in Vermillion County. Both census tracts have been designated middle-income. Vermillion County is located in the Terre Haute Metropolitan Statistical Area #8320. This assessment area meets the legal requirements of the regulation and does not arbitrarily exclude low- or moderate-income areas.

Vermillion County has a population of 16,773 with a median family income of \$29,871. The county's local economy is based primarily on agriculture. Other major employers include Eli Lilly, PSI Energy and Inland Container.

In evaluating the bank's CRA performance, we interviewed one individual representing two separate organizations that promote local economic development. This contact indicated a need for middle-income housing in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

The bank's performance is satisfactory and is based on the assessment area criteria on page two. Our review included a sample of twenty real estate mortgages, twenty commercial loans and twenty instalment loans originated in 1995. We compared FNB to three similarly situated financial institutions within the assessment area.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is strong given the bank's size, financial condition, and assessment area credit needs.

The average loan-to-deposit ratio since December 31, 1995 is approximately 93 percent. The bank's loan-to-deposit ratio as of December 31, 1992 was 72 percent versus a peer ratio of 73 percent. As of December 31, 1995, FNB's loan-to-deposit ratio was 98 percent versus a peer ratio of 86 percent. The peer consists of three financial institutions within Vermillion County.

Lending in Assessment Area

A substantial majority of loans were extended within the bank's assessment area.

The results of our sample revealed that 92 percent of the number of loans (55 out of 60) and 93 percent of the dollar amount of loans (\$1,419,896 out of \$1,523,515) generated during 1995 are within the assessment area.

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

Given the demographics of the assessment area, the distribution of borrowers reflects excellent distribution among individuals of different income levels.

The table below illustrates excellent distribution among individuals of different income levels based on a sample of 20 loans selected from each loan portfolio listed. The first column represents a percentage of the total dollars in the sample. The second column represents a percentage of the number of loans in the sample.

	Low-Income Category*		Moderate-Income Category*		Middle-Income Category*		Upper-Income Category*	
	% of \$	% of #	% of \$	% of #	% of \$	% of #	% of \$	% of #
Real Estate Loans	5	5	15	20	61	60	19	15
Consumer Loans	26	20	37	40	37	40	0	0
Commercial Loans	42	40	20	10	14	20	24	30
Total Loans	28	28	19	23	32	33	21	16

* Income categories are defined as follows: 0-49% of median family income for MSA #8320 is designated low income; 50-79% is moderate income; 80-119% is middle income; and >120% is upper income.

Information provided by the bank indicated that all commercial loans are to businesses having less than \$1 million in annual gross revenues.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was not performed since all census tracts are designated as middle-income.

Other Considerations

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified.