



## **PUBLIC DISCLOSURE**

May 14, 1998

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

**The First National Bank of Platteville  
Charter Number 4650**

**170 West Main Street  
Platteville, Wisconsin 53818**

**Office of the Comptroller of the Currency  
85 West Algonquin Road, Suite 340  
Arlington Heights, IL 60005**

**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 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 Platteville (FNB)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of May 14, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.*

This Evaluation covers the period since November 17, 1995, the date of the last CRA examination when the bank was rated "Outstanding Record of Meeting Community Credit Needs".

**INSTITUTION'S CRA RATING:** This institution is rated: Outstanding Record of Meeting Community Credit Needs.

FNB originates a substantial portion of loans to individuals of low- and moderate-income. FNB has a high loan-to-deposit ratio and the majority of loans are made to borrowers within the bank's assessment area. FNB originates a majority of loans to small businesses within their assessment area.

## **DESCRIPTION OF INSTITUTION**

The First National Bank of Platteville is a subsidiary of First Shares, Inc., a one bank holding company. FNB's main office is located in Platteville, Wisconsin. FNB operates a branch office in Lancaster, Wisconsin. Both locations provide customers access with automated teller machines (ATM's). Competition within the area includes Anchor Bank, Mound City Bank, Clare Bank, F&M Bank and Heartland Credit Union. There are no legal or financial impediments which impact FNB's ability to meet the credit needs of the community.

As of March 31, 1998, FNB had \$63 million in outstanding loans. The loan portfolio included: \$25.4 million in agricultural loans (41%); \$22.7 million in commercial loans (36%); \$12.2 million in residential real estate loans (19%); and, \$2.5 million in consumer loans (4%).

## **DESCRIPTION OF ASSESSMENT AREA**

FNB's assessment area (AA) includes portions of Grant, Iowa and Lafayette counties. FNB's AA consists of 13 Block Numbering Areas (BNAs). The AA represents the area where FNB originates the majority of their loans and receives a majority of their deposits. The total population of the AA is 49,040 and includes 12,223 families based on 1990 census data. The 1998 non-MSA statewide median family income for Wisconsin was \$41,800. The thirteen BNAs in FNB's AA are defined as "middle-income". The AA contains: 2,145 (18%) low-income families; 2,531 (20%) moderate-income families; 3,272 (27%) middle-income families; and, 4,275 (35%) upper-income families.

The local economy is good. The December 31, 1997 unemployment rate within the AA, ranged from 3% to 5% which was above the State of Wisconsin's unemployment rate of 3%. The vast majority of businesses in the AA are small businesses. The city of Platteville hosts a University of Wisconsin campus. Much of the lower cost housing available in Platteville has been used for student rental. The local economy is dependent on agriculture, manufacturing, and retail trade. The largest employers in the area include: the University of Wisconsin and Dick's Grocery Store.

Local housing is 64% owner-occupied units, 29% rental occupied units, and 6% vacant housing units. The median home value is \$42,842.

FNB's primary competitors consist of surrounding national and state-chartered financial institutions, savings and loans, and credit unions. Community contacts with local community leaders identified small business, agriculture and consumer loans as the community's most pressing credit needs.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:**

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

The table below reflects the residential mortgage and consumer loans originated in 1996 and 1997. The level of residential mortgage and consumer installment loans to low- and moderate-income individuals is good. The table illustrates that 52% of the number and 22% of the dollar amount of loans were made to low- and moderate-income individuals. The number of loans made to low- and moderate income families compares very favorable to the percent of families in this category (38%).

Residential Mortgage and Consumer Loans Originated in 1996 and 1997 by Borrower Income								
Borrower Characteristics by Income	# of Loans	Percent of Total		\$ (000) of Loans	Percent of Total		Percent of Families by Income	
Low-Income	27	28%	52%	\$230	9%	22%	18%	38%
Moderate-Income	23	24%		\$317	13%		20%	
Middle-Income	31	32%		\$1,248	50%		27%	
Upper-Income	15	16%		\$712	28%		35%	
Total	96	100%		\$3,486	100%		100%	

FNB’s business and agriculture loans are primarily made to small businesses and small farms. A small business is defined as one with annual revenues of less than \$1,000,000. A small farm is defined as one with annual revenues of less than \$500,000. During our examination, we reviewed a sample of 44 commercial and agricultural loans originated in 1996 and 1997. Our sample revealed that 95% of the loans were made in the AA and 86% of these were made to small businesses and small farms.

**Loan to Deposit Ratio**

FNB’s loan-to-deposit (LTD) ratio is good. On March 31, 1998, the LTD ratio was 88% and was well above the average of other financial institutions located in the area. Other financial institutions’ LTD ranged from 45% to 78%. FNB’s LTD ratio has averaged 88% since the last CRA examination.

### **Lending in Assessment Area**

FNB's lending within the AA is reasonable. Our sample of 102 residential mortgage and consumer installment loans originated by FNB included 96 within the assessment area (94%). Ninety-five percent of loans to small businesses and farms were within their AA.

### **Geographic Distribution of Loans**

All 13 BNAs in the AA are middle-income areas. An assessment of geographic distribution is, therefore, not meaningful.

### **Compliance with Fair Lending Laws and Regulations**

We also conducted a fair lending examination using consumer installment loans originated in 1997. There was no evidence of illegal discrimination or disparate treatment.