



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 17, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank in Tigerton
Charter Number 14150

P.O. Box 159
Tigerton, WI 54486

Office of the Comptroller of the Currency
Eau Claire Duty Station
P.O. Box 8187
Eau Claire, Wisconsin 54702-8187

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 First National Bank in Tigerton prepared by Office of the Comptroller of the Currency, the institution's supervisory agency, between August 27, 1990 (the date of the prior CRA examination where CRA performance was rated “Satisfactory Record of Meeting Community Credit Needs”), and July 17, 1996. 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 Record of Meeting Community Credit Needs.

First National Bank in Tigerton has a satisfactory record of meeting community credit needs, demonstrated by its good record of lending to borrowers of different income and revenue levels.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	First National Bank in Tigerton 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	Analysis of the geographic distribution of loans is not meaningful for this bank at this time.		
Response to Complaints	No complaints were received since the prior examination.		

DESCRIPTION OF INSTITUTION

First National Bank (FNB) in Tigerton is a \$15 million financial institution located in northeast Wisconsin. The main office is headquartered in southwestern Shawano County in a middle income geography. The bank has no branch offices or automatic teller machines. Tigerton Bancorporation, Inc., a one bank holding company, owns FNB. FNB offers a variety of conventional loan products adequately suited to meet community credit needs. Its \$8 million loan portfolio is comprised primarily of residential (57%) loans. Agricultural (17%), consumer (16%) and commercial (10%) loans account for the balance of the portfolio. There are no financial, legal or other factors which impede the bank's ability to meet CRA obligations.

DESCRIPTION OF ASSESSMENT AREA

FNB's assessment area consists of four Block Numbering Areas (BNAs) in the western two-thirds of Shawano County. The assessment area complies with regulatory requirements.

According to 1990 census data, about 41% or 15,375 of the county's population resides in the assessment area. The assessment area consists entirely of middle income BNAs. Of the 5,425 households in the assessment area, 26% are low income (14% are below the poverty level) and 18% are moderate income. The Department of Housing and Urban Development's 1996 estimate of median family income is \$37,700 for the State of Wisconsin nonmetropolitan areas.

The local economy is stable and primarily dependent on the manufacturing, service and forestry industries. Agriculture's prominence in the area economy has steadily declined in the last decade. And, although tourism is growing, its impact is minimal. Unemployment levels tend to be higher than state averages but comparable with surrounding counties. Major employers in the area include the Tigerton Lumber Company, Bowler Casino, Four Wheel Drive, Marion Plywood and the Tigerton affiliate of the Shawano Clinic.

Competition among financial institutions in the assessment area is moderate. FNB is the only financial institution in the Village of Tigerton. FNB's primary competition is generally limited to financial institutions serving communities near Tigerton. Primary competitors include the Marion State Bank and Banner Bank (Wittenberg branch).

Community contacts performed by regulators within the last 2-3 years disclosed no unmet credit needs. Community credit needs include affordable housing and consumer loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

FNB's loan to deposit ratio is reasonable. The average quarterly loan to deposit ratio since the previous CRA examination is 62%. This compares to an average quarterly loan to deposit ratio of 63% for eight similarly situated banks during the same time period. The average quarterly loan to deposit ratio for the eight banks ranged from 41% to 75%. We define similar banks as all financial institutions in Wisconsin comparable in size and loan mix.

A substantial majority of loan originations is within the assessment area. A bank report of outstanding loans by zip code indicates approximately 90% (by number and dollar) of loans are in zip code territories within the assessment area. Our sample of 41 outstanding residential, commercial and agricultural loans produced similar findings. Thirty-seven or 90% of loans sampled were loans to borrowers in the assessment area. A zip code report of outstanding loans is a reasonable proxy for the location of loan originations because FNB does not sell or purchase a significant volume of loans.

The distribution of credit among individuals of different income levels and businesses of various revenues is good. Examiners sampled 27 residential credits to borrowers in the assessment area. The majority of residential loans sampled were to low and moderate income individuals. FNB's performance compares favorably with the assessment area's income demographics.

Distribution of Credit Among Residential Borrowers by Income Level				
Borrower Income Characteristics	Sample of new or renewed loans since 1-94			
	#	%	\$	%
Low Income	5	18.5%	\$69,949	9.0%
Moderate Income	10	37.0%	\$286,775	37.0%
Middle Income	5	18.5%	\$131,663	17.0%
Upper Income	7	26.0%	\$286,016	37.0%
Totals	27	100.0%	\$774,403	100.0%

Based on management discussions and our knowledge of the bank's loan portfolio, the vast majority of commercial and agricultural loan customers are small businesses. Small businesses are businesses or farms with revenues less than \$1 million and \$500 thousand, respectively.

An analysis of residential loan size as a measure of lending to borrowers of varying income levels also supports FNB's willingness to make loans to low and moderate income individuals. Bank reports indicate 68% (by number) and 46% (by dollar) of outstanding residential loans originated or renewed at balances less than the assessment area's median housing value of \$36,050.

A distribution of credit by geographic income levels is not relevant given the homogeneous nature of FNB's assessment area.

Examiners did not identify any instances of illegal discrimination or discouragement during the concurrent consumer compliance examination.