



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

January 15, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

American National Bank - Fox Cities
Charter Number: 22553

2200 North Richmond Street
Appleton, Wisconsin 54911

Office of the Comptroller of the Currency
P.O. Box 666
Iron Mountain, Wisconsin 49801

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 American National Bank - Fox Cities prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of January 15, 1998. 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.

American National Bank - Fox Cities (ANB) has a satisfactory loan-to-deposit ratio. The bank's lending within its assessment area is also satisfactory. ANB's loan distribution to borrowers of different incomes and businesses of different sizes is reasonable, and distribution by geography is good.

DESCRIPTION OF INSTITUTION

American National Bank - Fox Cities (ANB) had total assets of \$45 million as of September 30, 1997. Loans comprise \$34 million (76%) of the bank's total assets. ANB's loan portfolio consists of commercial loans (79%), residential mortgage loans (18%), and \$1 million in individual and other loans (3%). Since the formation of the bank in 1993, ANB's primary focus has been commercial lending. ANB is located in Appleton and has no branches. No offices have been opened or closed since our last CRA examination which was dated December 5, 1994. There are no legal impediments that would hinder meeting the needs of the bank's assessment area.

DESCRIPTION OF ASSESSMENT AREA

ANB's assessment area is composed of forty-three census tracts forming a crescent along the Fox River and the northwestern shore of Lake Winnebago. All census tracts in the assessment area are located in the Appleton-Oshkosh Metropolitan Statistical Area (MSA). The MSA includes Calumet, Outagamie and Winnebago counties in east central Wisconsin. In addition to Appleton, other communities located within the assessment area include Combined Locks, Kaukauna, Kimberly, Little Chute, Menasha and Neenah. Three census tracts are moderate-income, four are upper-income and the remainder are middle-income tracts. ANB's assessment area complies with the regulation and does not arbitrarily exclude any low- or moderate-income areas. The HUD estimated median family income for the MSA is \$47,600 for 1997.

According to 1990 census data, the population of the bank's assessment area was 154,923. The local economy is characterized by bank management as robust with low unemployment. Major employment sectors include manufacturing of paper and paper products, government, health care, education and insurance. Competition among providers of financial services in the assessment area is strong.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Analysis

ANB's loan-to-deposit ratio is satisfactory when compared to peer institutions. The bank's loan-to-deposit ratio as of September 30, 1997, is 85% compared to a peer group average of 86%. The peer group consists of nine institutions under \$250 million located in Outagamie and Winnebago counties. ANB's average loan-to-deposit ratio is 79% based upon quarterly data from March 1995, through September 1997. The range of the average loan-to-deposit ratios of the peer group during this same period is 72% to 101%. The peer group average during this period is 85%.

ANB's loan-to-deposit ratio would be higher except for the fact that many residential mortgages are originated and sold into the secondary market. In 1997, one-half of the residential mortgage loans originated were sold.

Lending in the Assessment Area

The majority of ANB's lending is within its assessment area. Our analysis of the loan portfolio indicates that 74% of the number and 79% of the dollar amount of outstanding loans are within the assessment area. Our analysis relied upon zip codes as a reasonable approximation of borrower location.

Geographic Distribution of Loans

ANB originates loans throughout its assessment area. We did not analyze the distribution of loans within upper- and middle-income census tracts. However, our analysis confirms that loans are made in all three moderate-income census tracts. There are no low-income census tracts in the assessment area.

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

ANB has a reasonable distribution of loans to borrowers of different incomes. We base this conclusion on a sample of 26 consumer and residential mortgage loans originated during the second half of 1997. Of these accounts, four loans were made to low-income individuals (15%), two loans to moderate-income individuals (8%), three loans to middle-income individuals (12%), and seventeen loans to upper-income individuals (65%). 1990 Census information indicates that 20% of families in the bank's assessment area are low-income, 17% are moderate-income, 23% are middle-income, and 40% are upper-income.

The bank does a good job of lending to businesses of different sizes. Fifty-two percent of the 40 commercial loans in our sample were extended to businesses with revenues less than \$1 million. Loan size is also a reasonable proxy for identifying loans to small businesses. The bank's portfolio of small business loans under \$1 million is depicted in the following table.

	# Loans Extended	% of Total	\$ Loans Extended	% of Total
Original Amount Under \$100,000	161	70%	\$5,830,000	28%
Original Amount \$100,000 - \$250,000	42	18%	\$5,912,000	29%
Original Amount \$250,000 - \$1 million	27	12%	\$8,945,000	43%

*These figures were derived from the bank's June 30, 1997 Consolidated Reports of Condition.

Other

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