



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

January 21, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank in Tigerton
Charter Number: 14150

140 Cedar Street
Tigerton, WI 54486

Office of the Comptroller of the Currency
Iron Mountain Field Office
P.O. Box 666
Iron Mountain, MI 49801-0666

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: This institution is rated Satisfactory.

- The bank originates a majority of its loans inside the assessment area.
- The bank's loan-to-deposit ratio is reasonable.
- The distribution of borrowers reflects excellent penetration among individuals of different income levels.

SCOPE OF EXAMINATION

We evaluated First National Bank in Tigerton's (FNB) Community Reinvestment Act (CRA) performance using the Small Bank Lending Test. Data from the bank's primary loan products, home mortgage loans and consumer loans, was used to evaluate the bank's lending performance.

The evaluation covered the period since the previous CRA examination, March 22, 2004, through January 21, 2010. The Lending Test evaluated home mortgage loans and consumer loans originated between January 1, 2008 and January 21, 2010. A random sample of loans within the bank's assessment area (AA) for each primary loan product was used in our analysis. The most recent demographic data available was also obtained.

DESCRIPTION OF INSTITUTION

FNB is a \$22 million bank with its main office located in Tigerton, Wisconsin. The bank also operates a full-service branch in Bowler, Wisconsin, which opened in 2008. A 24-hour cash dispensing ATM is located at the main office. The bank is 100% owned by Tigerton Bancorporation Inc., a one-bank holding company with \$22 million in assets also headquartered in Tigerton. All financial information is as of December 31, 2009.

The bank's business strategy has been to serve the credit and depository needs of its local community. The bank offers a variety of traditional products and services including commercial, real estate and consumer loans and various deposit products. As of December 31, 2009, the loan portfolio represented 52% of total assets. FNB's primary loan products are home mortgage loans and consumer loans. By dollar volume, the loan portfolio consists of 73% residential real estate loans, 12% commercial loans, 5% agriculture loans, 7% consumer loans, and 3% other loans.

There are no legal or financial impediments limiting the bank's ability to meet the credit needs of its assessment area. FNB's previous CRA evaluation was dated March 22, 2004, and also resulted in a Satisfactory rating.

DESCRIPTION OF ASSESSMENT AREA

FNB's assessment area includes the western half of Shawano County in Wisconsin, which does not lie within a Metropolitan Statistical Area (MSA). The assessment area includes a total of

four census tracts, all of which are middle-income census tracts. The assessment area complies with regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.

According to 2000 census data, the total population of the bank's assessment area is 16,439, which is comprised of 4,475 families and 6,175 households. Income levels for these families are as follows: 861 low-income families (19%), 935 moderate-income families (21%), 1,229 middle-income families (27%) and 1,450 upper-income families (32%). The breakdown of households by income level is as follows: 1,424 low-income households (23%), 1,161 moderate-income households (19%), 1,392 middle-income households (23%), and 2,198 upper-income households (35%). The 2000 U.S. Census estimated median family income (MFI) for Wisconsin is \$46,680. The 2009 updated Department of Housing and Urban Development (HUD) estimated MFI for Wisconsin is \$58,500. 10% of households in the assessment area have incomes that fall below the poverty level. This area also has a high percentage of households that are retired (15%) or on social security (33%).

The local economy is characterized as slow but continues to be stable. There have been no new businesses to the area, resulting in limited employment opportunities. Major employers in the area include Tigerton Lumber Company and the School District of Tigerton. The unemployment rate in 2009 for the state of Wisconsin was 8.3%. The unemployment rate for Shawano County for November 2009 was 8.8%. These figures are not seasonally adjusted.

In assessing the bank's CRA performance, we contacted a representative of a local organization to determine the community's profile and the performance of local financial institutions. The contact stated that local financial institutions are meeting the credit needs of the community.

Competition from other financial institutions is strong in the local market. The bank's competitors include large multi-state banks, branches of state banks, and several credit unions. FNB's market share for total deposits is 4%, which ranks sixth out of all FDIC-insured institutions with at least one branch in the bank's assessment area (using FDIC market share data as of June 30, 2009). The balance of the market share is divided among ten institutions with market shares ranging from 0.2% to 28%.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable given its size and financial condition, and the credit needs of the community. The average quarterly loan-to-deposit ratio for the bank since the last performance evaluation was 58%, which ranks second in a peer group of four other similarly situated banks. FNB ranks third in the peer group in average asset size, at \$20 million. The other banks had average assets ranging from \$20 million to \$90 million. The average loan-to-deposit ratios for these banks ranged from 44% to 76% over the same period.

Lending in Assessment Area

The bank originates a majority of its loans to borrowers within its assessment area. A random sample of the bank’s primary loan products shows 90% of loans by dollar amount and 89% of loans by number were originated within the assessment area.

Lending in the Assessment Area										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Real Estate Mortgages	32	91%	3	9%	35	\$1,971	90%	\$220	10%	\$2,191
Consumer	35	87%	5	13%	40	\$268	87%	\$40	13%	\$308
Totals	67	89%	8	11%	75	\$2,239	90%	\$260	10%	\$2,499

Source: Bank records (verified by examiners)

Lending to Borrowers of Different Incomes

The distribution of borrowers reflects excellent penetration among individuals of different income levels. The bank’s percentage of real estate mortgage loans and consumer loans to low- and moderate-income borrowers exceeds the demographic data.

Borrower Distribution of Residential Real Estate Mortgage Loans									
Borrower Income Level	Low		Moderate		Middle		Upper		Unavailable
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of Number of Loans
% of Total	19%	31%	22%	28%	27%	31%	32%	10%	0%

Source: Sample of 32 bank records (verified by examiners) and U.S Census Demographic Data.

Borrower Distribution of Consumer Loans									
Borrower Income Level	Low		Moderate		Middle		Upper		Unavailable
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of Number of Loans
% of Total	23%	34%	19%	40%	23%	17%	35%	6%	3%

Source: Sample of 35 bank records (verified by examiners) and U.S Census Demographic Data. Income information was not available for 1 loan in the sample.

Geographic Distribution of Loans

The bank's assessment area consists of only middle-income census tracts. Because there are no low- or moderate- income census tracts in the assessment area, a geographic distribution analysis would not be meaningful.

Responses to Complaints

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

Fair Lending or Other Illegal Credit Practices Review

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

.