



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**July 30, 2010**

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

American National Bank - Fox Cities  
Charter Number: 22553  
2200 N. Richmond Street  
Appleton, WI 54911

Office of the Comptroller of the Currency  
Iron Mountain Field Office  
1302 1/2 South Carpenter Ave.  
P.O. Box 666  
Iron Mountain, MI 49801

**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 loan-to-deposit ratio is reasonable given the bank's size, financial condition, and credit needs of the assessment area (AA).
- The bank originates a majority of its commercial loans inside the AA.
- The distribution of borrowers reflects reasonable penetration among businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout its AA.

**SCOPE OF EXAMINATION**

We evaluated American National Bank – Fox Cities Community Reinvestment Act (CRA) performance under the Small Bank Lending Test. Data from the bank's primary loan product, commercial loans, was used to evaluate the bank's lending performance.

The evaluation covered the period from the date of the previous CRA examination, January 6, 2003 to July 30, 2010. The Lending Test evaluated small business loans from January 1, 2008 to July 30, 2010. To evaluate small business lending we used both data from the bank's loan trial balance as well as a random sample of loans for the bank's AA. The most recent demographic data available was also obtained.

**DESCRIPTION OF INSTITUTION**

American National Bank – Fox Cities (ANB Fox Cities), headquartered in Appleton, Wisconsin, had total assets of \$240 million bank as of June 30, 2010. ANB Fox Cities has no branches and is wholly owned by American National Bancorp, a one-bank holding company also located in Appleton. The bank owns and operates one 24-hour automated teller machine (ATM), located on the bank's premises. No branches have been opened or closed since the last CRA examination. There have not been any significant changes to ANB Fox Cities' corporate structure, including merger or acquisition activities, since the last CRA examination.

The bank offers traditional community bank products and services and has a net loan portfolio of \$202 million, representing 84% of total assets. The bank is primarily a commercial lender, with a loan portfolio that consists of (by dollar value) 92% commercial loans, 7% residential real estate loans, and 1% consumer loans. Financial information is as of June 30, 2010.

The bank's business strategy has been to serve the credit and depository needs of its local community, with a focus on commercial lending activities.

There are no legal or financial impediments to ANB Fox Cities' ability to meet the credit needs

of its assessment area. The previous CRA evaluation dated January 6, 2003 resulted in a Satisfactory rating.

## **DESCRIPTION OF ASSESSMENT AREA**

ANB Fox Cities has one AA, comprised of thirty-eight census tracts (CTs). All CTs in the AA are located in the Appleton Metropolitan Statistical Area (MSA). The MSA includes all of Outagamie and Calumet Counties in east central Wisconsin. The AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

According to 2000 census data, the total population of the bank's AA is 201,602, which includes 53,757 families. Income levels for these families are as follows: 7,425 low-income families (13.81%), 10,779 moderate-income families (20.05%), 16,553 middle-income families (30.79%) and 19,000 upper-income families (35.35%). The level of households in the AA below the poverty level is 4.71%. The 2000 U.S. Census estimated median family income (MFI) is \$57,592. The 2010 updated Department of Housing and Urban Development (HUD) MFI is \$71,300.

The current local economy for the AA is characterized as slow, but improving. The local economy is relatively diverse, with manufacturing, health, and service companies being the primary drivers of economic activity. Average unemployment for the area is moderate; however, it compares favorably to the state average. The preliminary unemployment rates for June 2010 in Outagamie and Calumet Counties were 7.8% and 6.5%, respectively. Comparatively, the preliminary unemployment rate for the state was 8.1%.

Competition from other financial institutions is strong. The bank's competitors include large multi-state banks, community banks, and local credit unions. In total deposits, ANB Fox Cities' market share of 5.55% ranks sixth among competing FDIC insured institutions. This is using FDIC market share data as of 6/30/09. The balance of the market share is divided among thirty-two other institutions. Market share for these institutions ranges from 18.31% down to 0.12%.

In conducting this assessment of the bank's performance, we contacted a representative of the City of Appleton. The individual stated that local financial institutions are meeting the credit needs of the community.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### Loan-to-Deposit Ratio

The bank’s loan-to-deposit ratio is reasonable given its size, financial condition, and the credit needs of the community. The average quarterly loan-to-deposit ratio for the bank since the last examination was 97.12%, which ranks sixth in a peer group of seven other similarly situated banks in the AA. ANB Fox Cities has the second highest level of average assets of these banks at \$240 million. The average assets for the peer group ranged from \$83 million to \$362 million. The average loan-to-deposit ratios for these banks ranged from 70% to 104% over the same period.

### Lending in Assessment Area

ANB Fox Cities originates a majority of its loans to borrowers located within its AA. A review of the bank’s primary loan product shows that 70% by number and 50.41% by dollar volume of loans were made to businesses located within the bank’s AA.

Lending in the Assessment Area										
Type of Loan	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial Loans	42	70.00%	18	30.00%	60	\$6,570	50.41%	\$6,464	49.59%	\$13,034

Source: Sample of bank records (verified by examiners)

### Lending to Businesses of Different Sizes

The distribution of borrowers reflects reasonable penetration among businesses of different sizes.

As shown in the following table, the distribution of loans to businesses of various revenue sizes is reasonable. A majority of the loans sampled, by number, were to businesses with revenues under \$1 million.

Borrower Distribution to Businesses				
Business Revenues (or Sales)	<= \$1,000,000	> \$1,000,000	Unavailabl e	Total
% of AA Businesses	76.64%	5.04%	18.32%	100%
% of Bank Loans in AA by #	64.29%	35.71%	0%	100%
% of Bank Loans in AA by \$	36.94%	63.06%	0%	100%

Source: Sample of 42 bank records (verified by examiners) and U.S Census Demographic Data

**Geographic Distribution of Loans**

The distribution of loans reflects a reasonable dispersion throughout the bank’s AA. There were no conspicuous gaps identified within ANB Fox Cities’ AA.

The geographical distribution of loans to businesses reflects reasonable dispersion among census tracts (CTs). The bank’s volume of loans to businesses in moderate-income CTs is somewhat higher than the volume of businesses in moderate-income CTs.

<b>Geographic Distribution of Business Loans</b>								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
% of Total	0.00%	0.00%	8.20%	9.52%	75.27%	71.43%	16.53%	19.05%

*Source: Sample of 42 bank records (verified by examiners) and U.S Census Demographic Data*

**Responses to Complaints**

No complaints have been received by the bank or OCC relating to the bank’s CRA performance since the previous 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.