



PUBLIC DISCLOSURE

June 23, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank - Fox Valley
Charter Number: 3724

550 South Green Bay Road
Neenah, WI 54956

Office of the Comptroller of the Currency

Chicago - Schaumburg Field Office
1700 East Golf Road, Suite 800
Schaumburg, IL 60173

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 Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support the institution's rating include:

- The loan-to-deposit ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending related activities are in the bank's assessment areas (AAs).
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes.
- The bank's community development performance demonstrates adequate responsiveness to the community development needs of the AAs.

Scope of Examination

The First National Bank – Fox Valley (FNBFV) was evaluated under the Intermediate Small Bank examination procedures, which include a lending test and a community development (CD) test, to assess compliance with the Community Reinvestment Act (CRA). The lending test evaluates FNBFV's record of meeting the credit needs of its AAs through lending activities. The CD test evaluates the bank's responsiveness to CD needs in its AAs through CD lending, qualified investments, and CD services.

The loan review period for the lending test is January 1, 2012 through December 31, 2013. The lending analysis includes a review of FNBFV's Home Mortgage Disclosure Act (HMDA) reportable residential loan originations and purchases. The bank's HMDA Loan Application Register (LAR) was analyzed for 2012 and 2013. Additionally, 60 small business loans originated in 2012 and 2013 were selected for review. The lending test evaluation incorporates 2010 U.S. Census information for the bank's AAs. The evaluation period for the CD test evaluation takes into consideration all qualified CD activities dated from October 5, 2009 through February 28, 2014. The analysis also includes Federal Deposit Insurance Corporation (FDIC) deposit market share data as of June 30, 2013.

Since the majority of FNBFV's deposit and lending activity is within the Oshkosh-Neenah WI Metropolitan Statistical Area (MSA) AA, this analysis included a full-scope evaluation of this AA. Our evaluation included a limited-scope assessment of FNBFV's CRA performance in the Appleton WI MSA AA.

Description of Institution

As of March 31, 2014 FNBFV is a \$357 million intrastate bank with four branches located in east central Wisconsin. The bank is an independent and wholly-owned subsidiary of First Menasha Bancshares, Inc. (First Menasha Bancshares). FNBFV's main office is located in Neenah, Wisconsin, in a middle-income census tract. First Menasha Bancshares is also located in Neenah, Wisconsin, with approximately \$357 million in average total assets. The bank's other three branches are located in Menasha, Wisconsin in a moderate-income census tract; Oshkosh, Wisconsin in a middle-income census tract; and Appleton, Wisconsin also in a middle-income census tract. Additionally, FNBFV has four full-service Automated Teller Machines (ATMs) at each of the four branch locations. No branches have opened or closed since our last evaluation; however, the Appleton branch was relocated in November 2009, along with the corresponding full-service ATM. Furthermore, FNBFV's cash dispenser machine, previously located inside Morton Pharmacy, was removed as of August 2011.

FNBFV's business strategy continues to include providing personal, business, and mortgage banking services to its local community. FNBFV's net Tier 1 Capital totaled approximately \$37.9 million as of March 31, 2014. The bank's net loans and leases composed approximately 80 percent of average assets as of March 31, 2014. The bank's primary loan products are real estate and commercial loans. See Table 1 below for details of the bank's loan categories.

Loan Category	\$ (000s)	Percentage
Real Estate Loans	\$221,077	74.68%
Commercial Loans	\$64,022	21.63%
Individual Loans	\$4,692	1.58%
Agricultural Loans	\$0	0.00%
Other Loans	\$6,246	2.11%
Total Loans	\$296,037	100.00%

Source: Call Report data as of March 31, 2014

FNB Fox Valley also participates in the Small Business Administration (SBA) 504 program. The bank's involvement in this program assists small businesses financially and promotes economic development through the creation of jobs throughout the AA. FNBFV ranks at the top of their peer group as one of the top ten SBA lenders in the state of Wisconsin.

There are no legal, financial, or other factors impeding FNBFV's ability to help meet the credit needs in its AAs. FNBFV received a Satisfactory rating on its last CRA evaluation dated October 5, 2009.

Description of Assessment Areas

FNBFV has two AAs, both located in east central Wisconsin. The bank's Neenah, Menasha, and Oshkosh branches are all located in the Oshkosh-Neenah MSA AA. As a majority of the bank's deposit and lending activity takes place in the Oshkosh-Neenah MSA AA, a full-scope evaluation was performed for this AA. FNBFV's Appleton branch is located in the Appleton MSA AA. A limited-scope review was conducted for the Appleton MSA AA. Both of the AAs meet the regulatory requirements of CRA and do not arbitrarily exclude any low- or moderate-income geographies.

Within Winnebago, Calumet, and Outagamie Counties, Wisconsin, there are 37 deposit-taking financial institutions, including FNBFV. In total deposits, FNBFV holds a 5.03 percent market share, which is the sixth largest market share of all FDIC insured institutions inside of that market. Market share ranges from 17.82 percent to 0.04 percent between the 37 institutions in the market.

Oshkosh-Neenah MSA AA

The Oshkosh-Neenah MSA AA is composed of 41 census tracts, and includes all of Winnebago County. Of the 41 census tracts in the Oshkosh-Neenah MSA AA, none are low-income, eight are moderate-income, 28 are middle-income, and five are upper-income census tracts. FNBFV's main office and two branches are located in the Oshkosh-Neenah MSA AA. Based on 2010 U.S. census data, the Oshkosh-Neenah MSA AA includes 166,994 total persons, 40,637 families, and 66,694 households. See Table 2 below for further details.

	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	41	0.00%	19.51%	68.29%	12.20%
Population by Geography	166,994	0.00%	16.29%	67.13%	16.58%
Owner-Occupied Housing by Geography	66,694	0.00%	10.85%	69.87%	19.27%
Businesses by Geography	10,348	0.00%	15.83%	66.01%	18.16%
Farms by Geography	542	0.00%	3.87%	85.61%	10.52%
Family Distribution by Income Level	40,637	0.00%	11.77%	68.90%	19.34%
Weighted Average of Median Family Income		\$66,830	Households Below the Poverty Level		7,110 (10.66%)
Weighted Average of HUD Updated 2013 MSA Median Family Income		\$65,800	Total Households		66,694
Median Housing Value		\$142,287	Winnebago County 2013 Unemployment Rate		5.1%

Source: 2010 U.S. Census Data.

Appleton MSA AA

The Appleton MSA AA is composed of 51 census tracts, and includes all of Calumet and Outagamie Counties. Of the 51 census tracts in the Appleton MSA AA, none are low-income, four are moderate-income, 39 are middle-income, and eight are upper-income census tracts. FNBFV has one branch located in the Appleton MSA AA. The Appleton MSA AA includes 225,666 total persons, 60,294 families, and 87,327 households. See Table 3 below for details.

Table 3 - Demographic Information Using 2010 Census Data					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	51	0.00%	7.84%	76.47%	15.69%
Population by Geography	225,666	0.00%	7.03%	74.98%	17.99%
Owner-Occupied Housing by Geography	87,327	0.00%	6.20%	75.79%	18.01%
Businesses by Geography	14,297	0.00%	11.23%	76.41%	12.36%
Farms by Geography	1,016	0.00%	4.63%	78.93%	16.44%
Family Distribution by Income Level	60,294	0.00%	6.46%	75.18%	18.36%
Weighted Average of Median Family Income		\$71,287	Households Below the Poverty Level		7,068 (8.09%)
Weighted Average of HUD Updated 2013 MSA Median Family Income		\$72,200	Total Households		87,327
Median Housing Value		\$157,275	Outagamie & Calumet County 2013 Unemployment Rates		5.4% & 4.1%

Source: 2010 U.S. Census Data.

One community contact was made during this CRA evaluation. We contacted a local community economic development organization. The contact stated that local financial institutions are very active within the community. Standard credit needs noted were for affordable housing and small business development and a more specialized credit need for condominium development projects.

Conclusions with Respect to Performance Tests

FNBFV's performance under the Lending Test is Satisfactory. FNBFV has demonstrated adequate responsiveness under the CD Test.

LENDING TEST

The bank's overall performance under the lending test is rated satisfactory. The bank's loan-to-deposit ratio is more than reasonable and a substantial majority of the bank's loans are originated within its AA. Geographic and borrower distribution reflects reasonable penetration in the AA.

Loan-to-Deposit Ratio

FNBFV's quarterly net loans and leases to deposits (LTD) ratio is more than reasonable given the bank's size, financial condition, and assessment area credit needs. The analysis compared FNBFV's LTD ratio to a peer group of 10 other financial institutions in the Outagamie, Calumet, and Winnebago Counties with less than \$400 million in total assets. FNBFV's quarterly LTD ratio for our evaluation period of October 5, 2009 through first quarter 2014 averaged 90.36 percent. This is above the peer quarterly average LTD ratio of 86.76 percent. As of March 31, 2014, the bank's quarterly LTD ratio was 96.05 percent. This is also above peer's average of 81.76 percent for the same quarter.

Lending in Assessment Area

A substantial majority of loans are originated within the bank's AAs. Table 4 below details the bank's lending in the AAs by number and dollar amount of loans. FNBFV originated 87 percent of the number and 80 percent of the dollar amount of the bank's primary loan products in the bank's delineated AAs.

Table 4 - Lending in the Appleton MSA AA and Oshkosh-Neenah MSA AA										
Loan Type	Number of Loans					Dollars of Loans (000's)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		#	%	#	%	
Home Purchase*	205	85.42	35	14.58	240	\$26,692	67.49	\$12,859	32.51	\$39,551
Home Refinance*	554	86.70	85	13.30	639	\$97,119	84.02	\$18,465	15.98	\$115,584
Home Improvement*	45	88.24	6	11.76	51	\$4,233	85.86	\$697	14.14	\$4,930
Small Business**	57	95.00	3	5.00	60	\$5,143	92.00	\$458	8.00	\$5,601
Totals	861	87.00	129	13.00	990	\$133,187	80.00	\$32,479	20.00	\$165,666

*Source: HMDA reported loans for 2012-2013 (combined.)

**Source: Loan sample consisting of 60 small business loans originated in 2012 and 2013.

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

Overall, FNBFV's distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the bank's AA. In evaluating the bank's lending performance to low-income borrowers, we took into consideration the percentage of families living below the poverty rate in the AA. For the Oshkosh-Neenah MSA AA, the 2010 U.S. census data reflects 6.04 percent of the AA's families live below the poverty rate; these families cannot readily afford homeownership.

FNBFV's penetration in home purchase and home improvement lending to low-income borrowers is reasonable as the percentage of bank home purchase and home improvement loans originated or purchased is near the percentage of low-income families in the AA. The bank's penetration in home refinance loans to low-income borrowers is poor as the percentage of home refinance loans originated or purchased is well below the percentage of low-income families in the AA.

The bank's penetration of home purchase loans to moderate-income borrowers is excellent as the percentage of home purchase loans originated or purchased exceeded the percentage of moderate-income families in the AA. FNBFV's penetration of home refinance and home improvement loans to moderate-income borrowers is poor as the percentage of home refinance and home improvement loans to moderate-income borrowers is well below the percentage of moderate-income families in the AA. Table 5 below details borrower distribution of residential real estate loans in the Oshkosh-Neenah MSA AA.

Borrower Income Level	Low		Moderate		Middle		Upper		Unavailable
	% of AA Families	% of Bank Loans	% of AA Families	% of Bank Loans	% of AA Families	% of Bank Loans	% of AA Families	% of Bank Loans	% of Number of Loans
Home Purchase	18.03	10.92	18.42	19.32	25.56	11.76	37.99	32.78	25.22
Home Refinance	18.03	2.45	18.42	10.40	25.56	18.35	37.99	55.05	13.76
Home Improvement	18.03	14.29	18.42	7.14	25.56	21.43	37.99	42.86	14.29
% of Total	18.03	5.27	18.42	12.45	25.56	16.88	37.99	48.73	16.67

Source: HMDA reported loans for 2012-2013 (combined).

FNBFV's distribution of small business loans reflects excellent penetration among businesses of different sizes in the bank's Oshkosh-Neenah MSA AA. The analysis used data from a sample of 29 commercial loans originated in the AA during 2012 and 2013. The bank's percentage of loans made to businesses with less than \$1 million in revenues exceeded the percentage of businesses in the AA with revenues less than \$1 million. Table 5A below details borrower distribution of loans to businesses in the Oshkosh-Neenah MSA AA.

Business Revenues	≤\$1,000,000	>\$1,000,000	Not Reported	Total
% of AA Businesses*	71.91%	5.58%	22.51%	100.00%
% of Bank Loans in AA by #**	100%	0%	0%	100%
% of Bank Loans in AA by \$**	100%	0%	0%	100%

*Source: Activity Year 2013 - Business Demographic Summary Report.

**Source: Loan sample consisting of 29 small business loans originated in 2012 and 2013.

Based on our limited-scope review, FNBFV's borrower distribution of home mortgage and small business loans in the Appleton MSA AA is not inconsistent with the bank's performance in the full-scope Oshkosh-Neenah MSA AA.

Geographic Distribution of Loans

Overall, FNBFV’s geographic distribution of home mortgage and business loans reflects reasonable dispersion throughout the Oshkosh-Neenah MSA AA. The AA does not have any low-income census tracts.

FNBFV’s geographic distribution of home purchase and home improvement loans reflects excellent dispersion in the Oshkosh-Neenah MSA AA. The bank’s percentage of home purchase and home improvement loans originated or purchased in moderate-income geographies exceeds the percentage of the AA’s owner occupied housing units located in moderate-income geographies in the AA. The geographic distribution of home refinance loans reflects reasonable dispersion in the Oshkosh-Neenah MSA AA. The percentage of home refinance loans originated or purchased in moderate-income geographies is near to the percentage of owner occupied housing units located in moderate-income geographies in the AA. Table 6 below details the geographic distribution of residential real estate loans in the Oshkosh-Neenah MSA AA.

Table 6 - Geographic Distribution of Residential Real Estate Loans in the Oshkosh-Neenah MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Bank Loans	% of AA Owner Occupied Housing	% of Bank Loans	% of AA Owner Occupied Housing	% of Bank Loans	% of AA Owner Occupied Housing	% of Bank Loans
Home Purchase	NA	NA	10.86	12.61	69.87	60.50	19.27	26.89
Home Refinance	NA	NA	10.86	9.17	69.87	61.47	19.27	29.36
Home Improvement	NA	NA	10.86	14.29	69.87	67.86	19.27	17.85

Source: Activity Year 2013 – Families and Housing by Tract Income Level Report.

FNB Fox Valley’s geographic distribution of loans to businesses reflects reasonable dispersion in the Oshkosh-Neenah MSA AA. The analysis used a loan sample of 29 small business loans originated in the AA during 2012 and 2013. The percentage of small business loans originated in moderate-income geographies is below the percentage of small businesses located in moderate-income census tracts in the AA. Table 6A below details the geographic distribution of loans to businesses in the Oshkosh-Neenah MSA AA.

Table 6A - Geographic Distribution of Loans to Businesses in the Oshkosh-Neenah MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% Bank of Loans	% of AA Businesses	% of Bank Loans	% of AA Businesses	% of Bank Loans	% of AA Businesses	% of Bank Loans
Small Business	NA	NA	15.83	10.35	66.01	72.41	18.16	17.24

Source: Activity Year 2013 – Business Demographic Data by Income of Tract and loan sample consisting of 29 small business loans originated in 2012 and 2013.

No unexplained lending gaps in the Oshkosh-Neenah MSA AA were noted. Most census tracts in the AA have lending activity.

The Appleton MSA AA also does not have any low-income census tracts. Based on the limited-scope review, FNBFV's distribution of residential real estate loans is not inconsistent with full-scope AA performance. Based on our limited-scope review, FNBFV's distribution of loans to businesses the bank's geographic distribution performance in the Appleton MSA AA is stronger than the bank's geographic distribution of business loans in the Oshkosh-Neenah MSA AA. The bank's geographic distribution of small business loans in the Appleton MSA AA reflects excellent dispersion in the AA, as the percentage of small business loans originated in moderate-income census tracts exceeds the percentage of small businesses located in the moderate-income census tracts in the Appleton MSA AA.

Responses to Complaints

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

COMMUNITY DEVELOPMENT TEST

Overall, the bank's CD performance demonstrates adequate responsiveness to the community development needs of its AAs. FNBFV exhibits a satisfactory record of responding to the CD needs of the most economically disadvantaged areas as well as low- and moderate-income individuals or very small businesses, consistent with safe and sound banking practices.

Number and Amount of Community Development Loans

FNBFV shows adequate responsiveness in meeting the CD credit needs of its AAs through the extension of 14 qualifying CD loans. During the evaluation period, the bank originated 14 CD loans totaling approximately \$2.88 million. These community development loans provide affordable housing for low- and moderate-income individuals and qualifying CD services for the underprivileged. FNBFV also actively participates in the SBA 504 program, a small business development program that promotes job creation.

Number and Amount of Qualified Investments

FNBFV provided an adequate level of responsiveness in the form of qualified investments during the evaluation period. The bank made two qualified investments totaling approximately \$1.54 million since the last CRA evaluation. The investments include a mortgage-backed security (MBS) pool for approximately \$1.25 million. This investment is secured by residential mortgage loans originated to low- and moderate-income level borrowers. The bank also invested in an investment fund that facilitates the funding of qualified CD projects between a client and the Federal Home Loan Bank (FHLB) Affordable Housing Program totaling approximately \$292 thousand. The MBS pool benefited both the Oshkosh-Neenah MSA AA and the Appleton MSA AA. In addition, FNBFV extended many donations and grants to local qualified CD service organizations totaling over \$480 thousand during the evaluation period.

Extent to Which the Bank Provides Community Development Services

FNBFV provides an excellent level of community development services throughout its AAs. These services include bank employees providing technical assistance to qualifying organizations and leadership roles such as being a member of a CD service organization's board of directors or finance committee. Management also actively led or participated in financial literacy lectures and seminars primarily aimed towards local low- and moderate-income level individuals and small businesses.

Since the previous evaluation, the bank has received acknowledgement documentation for providing qualifying CD services to 21 different qualified CD service organizations. Five bank officers serve on six different CD service organization's board of directors.

FNBFV also conducts financial surveys or interviews with officers of different community organizations. One product that was a result of such an interview is the bank's Personal Growth Savings Account. This product is offered in conjunction with a community development affordable housing organization where the bank waives monthly services charges and the organization matches funds if used to buy a home, start a business, or for higher education.

Additionally, bank personnel led and participated in educational programs at Oshkosh West High School, which is located in a moderate-income census tract. FNBFV utilizes the national EverFi youth financial literacy program. Furthermore, FNBFV held Home Buying Seminars at three of the bank's branches. These seminars included presentations on Wisconsin Housing and Economic Development Authority (WHEDA) and Downpayment Plus Program (DPP) topics.

Responsiveness to Community Development Needs

Overall, the bank's CD performance demonstrates adequate responsiveness to the community development needs of its AAs. Identified CD needs in the area are affordable housing and economic development and CD social services. FNBFV responded to these known CD needs through an adequate level of CD loans and qualified investments, and a strong responsiveness in regards to CD services.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's (bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance.

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