



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

March 17, 2004

**COMMUNITY REINVESTMENT ACT (CRA)
PERFORMANCE EVALUATION**

**First National Bank in Manitowoc
Charter Number 4975**

**402 North 8th Street
Manitowoc, WI 54220**

**Comptroller of the Currency
Milwaukee Field Office
1200 North Mayfair Road, Suite 200
Wauwatosa, WI 53226**

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

Overall CRA Rating

INSTITUTION'S CRA RATING: This institution is rated “**Outstanding.**”

The following table indicates the performance level of **First National Bank in Manitowoc** with respect to the lending, investment, and service tests:

Performance Levels	First National Bank in Manitowoc Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Due to small business lending consistently representing the largest portion of FNBM’s total loan portfolio, the most weight was placed on the bank’s performance in this area. Additionally, information gathered from a community contact performed for the Manitowoc AA noted the need for small business financing in the area. One-to-four family residential real estate lending is also a significant portion of the bank’s operations and was given consideration in the evaluation. Minimal weight was given to small farm lending, as this is a small part of the bank’s overall lending activities. The bank originated only nine multifamily loans during the evaluation period; therefore, an analysis of this loan type is not considered meaningful. An analysis of the geographic distribution of loans in the Manitowoc AA is not meaningful, as this area consists of only middle- and upper-income census tracts (CT).

The major factors that support this overall rating and conclusions with respect to the performance tests are detailed on the following pages:

Lending

Refer to Table 1 through 12 in Appendix C for facts and data used to evaluate the bank’s lending.

Conclusions for Area Receiving Full-Scope Review

FNBM’s performance under the lending test in the Manitowoc AA is rated Outstanding. The level of lending to small businesses, small farms, and low- and moderate-income individuals (LMI) is excellent. The bank’s community development and flexible loan products provide additional credit avenues for small businesses, small farms, and LMI individuals.

FNBM provided qualified investments within its AA through donations, grants, and the purchase of an investment. Qualifying investments totaled \$130,423. One noteworthy investment included:

- \$100,000 in preferred stock for the Senior Housing Crime Prevention Foundation. The Foundation uses the bank's funds to purchase securities, specified for the bank, to support the program of crime prevention in the Hamilton Memorial House nursing facility in Two Rivers, WI. The investment primarily benefits elderly LMI individuals.

Additional donations and grants were provided to social service agencies and agencies whose mission is to build or improve housing for LMI families within the AA. FNBM contributed \$24,623 to social service agencies and \$5,800 to agencies who build and improve housing for LMI families.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Brown, Sheboygan, and Calumet County AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the investment test. Refer to Table 14 in Appendix C for facts and data that support these conclusions.

Services

Refer to Table 15 in Appendix C for facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Conclusions for Area Receiving Full-Scope Review

The bank's performance under the service test is rated outstanding. Based on a full-scope review, the bank's performance in the Manitowoc AA is excellent.

FNBM's offices and retail services are readily accessible to individuals of all income levels. Although there are no LMI geographies in Manitowoc County, the bank's branches are well dispersed throughout the AA. FNBM's branches are located in eight different CTs throughout the Manitowoc AA, including two of the five CTs most populated by LMI families. In total, the branches in the Manitowoc AA are located in geographies containing approximately 42% of the LMI families. Additionally, FNBM has more branch locations in Manitowoc County than any other financial institution. The bank has not opened or closed any branches during this evaluation period. Alternative delivery systems within the Manitowoc AA include five ATMs, telephone and Internet banking. The bank does not maintain information on how low- and moderate-income individuals benefited from these alternative delivery services. Therefore, we could not place significant weight on these systems when drawing our CRA performance conclusions.

FNBM's community development services are excellent. Bank employees are involved in a number of community development organizations, despite the limited opportunities for involvement. The employees serve as directors, presidents, vice presidents, committee