

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 operations 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 CRA performance of **First Banking Center-Albany, Albany, Wisconsin** prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **December 11, 1996**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION-S RATING: This institution is rated **Outstanding**.

First Banking Center-Albany's lending activity promotes economic growth, consistent with its size, location, and current economic conditions in its assessment area. The bank's efforts are primarily accomplished through the origination of commercial, agricultural, real estate, and consumer loans. These efforts are evidenced by a high loan-to-deposit ratio, which is consistently higher than the bank's peer group. In addition, the majority of the bank's loans are made within the assessment area, and are made to consumers of different income levels and to businesses and farms of different sizes. The examination revealed no patterns or practices intended to discriminate or to discourage applications from any member of a protected class. No CRA-related complaints have been received by the bank.

The following table indicates the performance level of **First Banking Center-Albany, Albany, Wisconsin** with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	FIRST BANKING CENTER-ALBANY PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does Not Meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio	X		
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes	X		
Geographic Distribution of Loans	No low- or moderate-income geographies are located in the assessment area.		
Response to Complaints	No CRA-related complaints have been received by the bank since it became a member of the Federal Reserve System.		

DESCRIPTION OF INSTITUTION

First Banking Center-Albany, with assets of \$26.5 million at September 30, 1996, is a subsidiary of First Banking Center, Inc., a two-bank holding company, with \$258.9 million in total assets as of the same date. The bank's main office is located in Albany, Wisconsin, approximately 30 miles south of Madison. The bank operates a full-service branch office in Monroe, Wisconsin, approximately 15 miles southwest of Albany. The bank has two automated teller machines (ATM), one at the Monroe branch, and the other at a mini-mart in Albany, about one-half mile from the main office.

The bank is the only financial institution located in Albany. However, the bank receives competition from The Bank of Brodhead and Green County Bank, both located in Brodhead, approximately 8 miles from Albany. The Monroe market is larger and more competitive than the Albany market. Competitors in Monroe include First National Bank & Trust, Bank One-Monroe, Anchor Bank S.S.B. (Madison), and First Federal Savings Bank La Crosse-Madison (La Crosse).

Consumer loan products offered by the bank include real estate, installment, single-payment, and student loans, as well as home equity and personal lines of credit. Consumer real estate loan products include conventional fixed-rate loans, adjustable rate mortgages (ARM), balloon-note mortgages, and construction loans. Non-consumer loan products include agricultural, commercial, and industrial loans. Agricultural loan products include loans to acquire and improve farm properties, operating loans and lines of credit, and loans for crops, cattle and machinery. These agricultural loans can include guarantees from the Farmers Home Administration (FmHA) or through the Wisconsin Housing and Economic Development Association (WHEDA). The bank also offers government-assisted loans for consumers and businesses through WHEDA, the Small Business Administration (SBA), Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Association (FHLMC).

DESCRIPTION OF ASSESSMENT AREA

Albany and Monroe, with populations of 1,140 and 10,241, respectively, according to 1990 U.S. Census data, are both located in Green County in the south central portion of the state just north of the Illinois-Wisconsin border. The bank defines its assessment area to include block numbering areas (BNA) 9801, 9803, 9804, 9805, 9806, 9807, and 9808, all in Green County, and census tract number 0029.00 in Rock County. The assessment area contains no low- or moderate-income BNAs or census tracts.

Albany, primarily an agricultural area, is becoming a bedroom community due to its proximity to Madison (30 miles), Janesville (20 miles), and Monroe (15 miles), all of which have much larger and stronger employment opportunities. Monroe is the largest city in Green County. Other municipalities in the assessment area include Evansville (3,174), Brodhead (3,165), and Monticello (1,140).

According to U.S. Census data, the assessment areas population is 31,885, of which 322, or 1.0%, are minorities. The median family income of the assessment area is \$32,555, which compares to \$30,290 for non-metropolitan areas in Wisconsin. Low-, moderate-, middle-, and

upper-income families represent 14.65%, 19.01%, 25.51%, and 40.83%, respectively, of the families within the assessment area.

The housing stock in the assessment area has a median value of \$53,320 and a median age of 42 years. There are 12,818 housing units in the assessment area of which 65.6% are owner-occupied, 29.9% are rental units, and 4.5% vacant. One-to-four family residences represent 85.5% of the total housing units available.

Although approximately 90% of Green County consists of farms, with a concentration in dairy farming, only a small portion of the labor force have jobs in agriculture. Most of the county's significant manufacturing, wholesale/retail, government, and service industry employment opportunities are located in Monroe. Also, many residents of the county commute to the larger metropolitan areas of Madison and Janesville/Beloit where non-farm job opportunities are available. Employment in both Wisconsin and Green County is very strong.

In September, 1996, unemployment in the State of Wisconsin reached historic lows, at 3.3%. Monthly unemployment figures for Green County for the past two years have been consistently below the comparable statistics for all of Wisconsin. Green County's unemployment rates for October, 1996 and 1995 were 2.0% and 2.4%, respectively. The largest employers in the county include (location and number of employees shown parenthetically): The Swiss Colony, Inc. (Monroe; 900 to 1200 due to seasonal swings), The Monroe Clinic (Monroe; 900), Advance Transformer (Monroe; 550), Monroe Truck Equipment, Inc. (Monroe; 400); The Monroe School District (Monroe; 375), and Woodbridge Corp. (Brodhead; 350). The largest employer in Albany is Ogden Manufacturing Co. with 100 employees.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank was examined for compliance with fair lending laws and regulations. No evidence of prohibited discriminatory credit practices was detected. The bank is in compliance with the substantive portions of antidiscrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts.

Loan-to-Deposit Ratio Analysis

A review of the bank's quarterly Consolidated Reports of Condition and the Uniform Bank Performance Reports (UBPR) for the period June 30, 1995 through September 30, 1996 revealed a loan-to-deposit ratio averaging 83.38%, which compares to 65.98% for the bank's peer group during the same period. The following chart illustrates these figures:

Loan-To-Deposit Ratio							
	6/30/95	9/30/95	12/31/95	3/31/96	6/30/96	9/30/96	Average
First Banking							

Loan-To-Deposit Ratio							
	6/30/95	9/30/95	12/31/95	3/31/96	6/30/96	9/30/96	Average
Center-Albany	80.82%	90.89%	81.19%	79.17%	85.43%	82.78%	83.38%
Peer Group	66.07%	66.64%	64.68%	64.16%	66.62%	67.70%	65.98%

Competitors	(\$ Total Loans	(\$ Total Deposits	Loan-to-deposit Ratio*
Bank One, Monroe	84,111	106,882	78.7%
Anchor Bank, S.S.B., Madison	1,435,077	1,269,360	113.1%
First National Bank and Trust, Monroe	144,257	187,732	76.8%
First Federal Savings, La Crosse	997,534	981,164	101.7%
Bank of Brodhead, Brodhead	37,917	64,609	58.7%
Green City Bank, Brodhead	22,723	27,307	83.1%
First Banking Center- Albany	19,606	22,599	86.76
* From the Fall, 1996 McFadden American Financial Directory			

As the preceding charts illustrate, the bank's loan-to-deposit ratio at 9/30/96 is 82.78% and it has consistently outperformed its peer group. The bank's loan-to-deposit ratio exceeds the standards for satisfactory performance.

Lending in Assessment Area

In order to evaluate the bank's lending performance within its assessment area, all new commercial, agricultural, real estate and consumer loans (except personal lines of credit) originated during the period April 1, through September 30, 1996 were reviewed to determine the address of the applicants. The following chart summarizes this review:

Originations Within the Assessment Area During the Period 4/01/96 - 9/30/96			
Loan Type	Total # of Loans in the Review Period	Total # of Loans Within the Assessment Area	% Originated Within the Assessment Area
Commercial/agricultural	58	49	84.48%
Real Estate	53	46	86.79%
Consumer	107	91	85.05%
Total	218	186	85.32%

As the preceding chart illustrates, 85.32% of the total number of loans originated by the bank during the review period were made within the assessment area. This distribution exceeds the standards for satisfactory performance.

Lending Analysis Based Upon Borrower Income and Size of Business

The aforementioned report of the bank's commercial, agricultural, real estate, and consumer loans made during the period April 1, 1996 to September 30, 1996 was also used to evaluate the bank's performance under this assessment criterion. Small businesses and small farms are defined as those with annual revenues of \$1 million or less and \$500,000 or less, respectively. During the six-month sample period, 43 of 55 loans (78.18%) were made to small businesses and farms (excluding loans purchased from an affiliate bank).

Fixed-rate and adjustable-rate mortgage loans as well as consumer installment loans made during the six-month sample period were analyzed based on the borrowers' income as reported on their loan applications. A median family income level of \$32,555 was used. Income information was available for all mortgages, while 48 of 51 installment loan applications contained income information. The following chart summarizes this analysis:

Number of Fixed-Rate Mortgage, Adjustable-Rate Mortgage, and Consumer Installment Loans Made During the Period 4/1/96 - 9/30/96 By Borrower Income Level					
	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Total
Fixed-rate mortgage loans	0	4	5	15	24
Adjustable-rate mortgage loans	0	2	5	11	18
Installment loans	12	12	11	13	48
Totals	12	18	21	39	90
% of Total	13.33%	20.00%	23.33%	43.34%	100.0%
% of families from different income levels in the assessment area	14.65%	19.01%	25.51%	40.83%	100.0%

The previous chart demonstrates that the bank is making loans to borrowers of all income levels, including low- and moderate-income individuals. The loan origination percentages to borrowers of different income levels are consistent with the demographic make-up of the assessment area.

The bank's lending to borrowers of different incomes and businesses of different sizes exceeds the standard for satisfactory performance.

Geographic Distribution of Loans

There are no low- or moderate-income geographies within the bank's assessment area. Therefore, this criterion is not rated.

Response to Complaints

No CRA-related complaints have been received by the institution concerning its CRA performance.