

Testimony for the Congressional Oversight Panel
Milwaukee, Wisconsin
April 29, 2009

First National Bank – Fox Valley (FNB-FV)
Neenah, Wisconsin

First National Bank – Fox Valley (FNB-FV) is a full service community based commercial bank headquartered in Neenah, Wisconsin. We serve the Fox River Valley area located in Northeastern Wisconsin. Our primary geographic market consists of the cities located along a twenty-five mile corridor of U.S. Highway 41 with Appleton, Wisconsin to the north and Oshkosh, Wisconsin to the south. In addition to our Neenah office, we have three full service banking locations located in Appleton, Menasha and Oshkosh.

FNB-FV provides a complete offering of deposit and loan products and services to both retail and business customers. For retail customers, we provide checking, savings, money market, certificates of deposit, health savings and Christmas club accounts along with safe deposit services. We also offer a full suite of internet banking services including internet banking, bill pay and mobile banking capability. From a consumer credit standpoint, we provide mortgage loans, home equity lines of credit, traditional installment loans and credit cards.

One of FNB-FV's primary strengths is serving businesses with credit needs in the \$500,000 to \$3,500,000 range and depository services. Credit needs are provided through lines of credit, term financing and real estate lending. FNB-FV provides financing to business through traditional and Small Business Administration (SBA) loans. Our deposit suite of products includes analysis checking accounts, money market and overnight sweep accounts. From a technology standpoint, we provide full internet banking functionality, automated clearinghouse and remote deposit to our business banking customers.

During this time of economic contraction FNB-FV has remained active in providing credit and other banking services to the small business sector. Our underwriting standards have not significantly tightened. Current economic and sector conditions are considered in the underwriting process. However, each business customer is evaluated on their unique needs and prospective ability for repayment. As a community Bank our knowledge of the local conditions and of our Borrowers capacity and character remain paramount.

As evidence of our commitment to our communities and Borrowers, FNB-FV has experienced solid and significant loan growth. Net growth in our loan portfolio has exceeded \$20 million from the period October 1, 2008 through April 23, 2009 – representing a 12% increase. During this period, FNB-FV originated 191 new loans for a total principal balance issuance in excess of \$40 million. Of the \$40 million, over \$32 million was issued to commercial lending customers in the form of traditional commercial and industrial credit and as well as commercial real estate lending. The remaining loan originations during this period were to retail customers – over \$7 million in real estate mortgages and \$2 million in consumer credit.

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Above and beyond the statistics shared above, FNB-FV also supported our existing customer base through renewal of credits totaling over \$21 million. A total of 128 loans were renewed during this period with over \$18 million issued to business customers, \$2 million to residential real estate customers and \$700,000 in non real estate based lending to consumers.

Our active pipeline of commercial prospects and enhanced business activity remains strong – showing the potential of over \$30 million in lending activity over the next six months.

In addition to the residential real estate activity discussed our above testimony - FNB-FV has also been very active in supporting consumers with their real estate lending needs. We have originated sixty secondary market loans for over \$12 million since October 1, 2008. The majority of these originations were for refinancing activity. Although, we have recently seen some increased activity in real estate purchase market.

We have also purchased several million dollars of municipal securities issued by Wisconsin localities again in support of our local economy. The ability to do this was enhanced by the acquisition of CPP capital.

The addition of the Treasury's Capital Purchase Program investment has supported increased lending at FNB-FV. Specifically, the additional capital has supported an increase of \$600,000 in our legal lending limit.

In summary the "TARP" capital we obtained has already been leveraged almost three times based on our net loan growth of over \$10 million in the first quarter of 2009 and our purchase of municipal securities.

Sincerely,

Peter J Prickett
President/CEO