

# **PUBLIC DISCLOSURE**

October 19, 2015

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Baylake Bank  
RSSD# 280044

217 North 4<sup>th</sup> Avenue  
Sturgeon Bay, Wisconsin 54235

Federal Reserve Bank of Chicago

230 South LaSalle Street  
Chicago, Illinois 60604-1413

**NOTE:** This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

**TABLE OF CONTENTS**

**PERFORMANCE EVALUATION** ..... 2

**INSTITUTION RATING** ..... 2

    BAYLAKE BANK’S OVERALL CRA RATING: SATISFACTORY ..... 2

    PERFORMANCE TEST RATING TABLE ..... 2

    SUMMARY OF MAJOR FACTORS THAT SUPPORT THE RATING ..... 2

**BAYLAKE BANK**..... 4

    DESCRIPTION OF INSTITUTION ..... 4

**SCOPE OF THE EXAMINATION**..... 5

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA** ..... 7

    LENDING TEST ..... 7

    INVESTMENT TEST..... 10

    SERVICE TEST ..... 11

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW** ..... 12

**GREEN BAY, WISCONSIN MSA 24580 - FULL REVIEW** ..... 13

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN GREEN BAY, WISCONSIN MSA 24580 13

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS GREEN BAY, WISCONSIN MSA  
    24580 ..... 19

**DOOR COUNTY NONMETROPOLITAN, WISCONSIN -- FULL REVIEW**..... 30

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN DOOR COUNTY NONMETROPOLITAN  
    ..... 30

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS DOOR COUNTY  
    NONMETROPOLITAN ..... 35

**APPLETON, WISCONSIN MSA 11540 - LIMITED REVIEW** ..... 45

    DESCRIPTION OF INSTITUTION’S OPERATIONS IN APPLETON, WISCONSIN MSA 11540 . 45

    CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS APPLETON, WISCONSIN MSA  
    11540 ..... 46

**APPENDIX A – 2013 HMDA & CRA LOAN DISTRIBUTION TABLES** ..... 51

**APPENDIX B – MAP OF ASSESSMENT AREAS**..... 63

**APPENDIX C – SCOPE OF EXAMINATION** ..... 64

**APPENDIX D - GLOSSARY**..... 66

**INSTITUTION RATING**

**Baylake Bank’s Overall CRA Rating: Satisfactory**

**Performance Test Rating Table**

The following table indicates the performance level of Baylake Bank with respect to the lending, investment, and service test.

Performance Levels	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

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

**Summary of Major Factors that Support the Rating**

**Lending Test:**

- Lending levels reflect excellent responsiveness to meeting credit needs in its assessment areas;
- A substantial majority of its loans are made in its assessment areas;
- Geographic and borrower distribution reflects good distribution throughout the combined assessment areas;
- The bank makes extensive use of innovative or flexible lending practices to address the assessment area credit needs; and
- The bank is a leader in making community development loans.

Investment Test:

- The bank makes a significant level of qualified community development investments and grants, particularly those that are not routinely provided by private investors;
- The bank makes significant use of innovative or complex investments to support community development initiatives; and
- The bank exhibits a good responsiveness to credit and community development needs.

Service Test:

- Service-delivery systems are reasonably accessible to essentially all portions of the bank's assessment areas;
- The bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals;
- Bank services do not vary in a way that inconveniences its assessment areas, particularly low- and moderate-income geographies and low- and moderate-income individuals; and
- The bank provides an adequate level of community development services.

## BAYLAKE BANK

### DESCRIPTION OF INSTITUTION

Baylake Bank is a wholly-owned subsidiary of Baylake Corporation, both headquartered in Sturgeon Bay, Wisconsin. Sturgeon Bay is located on the state's peninsula, approximately 55 miles northeast of Green Bay, Wisconsin. Including the main office located in Sturgeon Bay, the bank delivers its products and services through a network of 20 branches and 18 automated teller machines (ATMs) (13 full service and five cash-only) serving the counties of Brown, Door, Kewaunee, and Outagamie.

During this review period the bank sold two branches in middle-income census tracts in Waushara County on November 8, 2013 to a local institution. These branches were a part of the bank's former Waupaca-Waushara-Green Lake Non-Metropolitan assessment area. On April 10, 2015 the bank closed its Bay Settlement branch with a full service ATM in an upper-income census tract within the Green Bay Metropolitan Statistical Area (MSA) assessment area. Baylake Bank opened a branch located in a middle-income census tract on February 10, 2014 within the Appleton MSA assessment area; this branch does not maintain an ATM.

Baylake offers a variety of non-complex deposit and lending products, as well as standard banking services to consumers. Loan products include: residential mortgage, construction, retail, commercial, and agricultural loans. Deposit products include a variety of checking, savings, certificates of deposit and individual retirement accounts (IRA). In addition to the branches, customers have access to their accounts via phone, internet, remote deposit capture, and mobile banking.

The bank reported total assets of \$980.4 million as of June 30, 2015. As presented in the following table, the bank is primarily a commercial lender, which includes commercial and industrial, non-farm non-residential, construction and land development, and multifamily loans, totaling 71.2 percent of the loan portfolio; residential real estate represents 22.0 percent and agricultural lending comprised of agriculture and farmland loans represents 2.8 percent of total loan volume.

Composition of Loan Portfolio as of June 30, 2015 (000's)			
Category	Type	\$	%
Real Estate Secured	1-4 Family Residential	151,051	30.3
	Construction and Land Development	31,952	6.4
	Farmland	3,822	0.8
	Multifamily	13,474	2.7
	Non-Farm Non Residential	297,503	59.8
	<b>Total Real Estate Secured</b>		<b>497,802</b>
Agricultural	Agricultural	13,546	2.0

Commercial	Commercial and Industrial	146,685	21.3
Consumer	Loans to Individuals	5,773	0.8
Other	States and Political Subdivisions	23,500	3.4
	All Other Loans	489	0.1
	<b>Total</b>	<b>687,795</b>	<b>100.0</b>

*Note: Percentages may not total to 100.0 percent due to rounding.*

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report dated June 30, 2015, Baylake ranked fourth out of 39 FDIC-insured institutions in its assessment area with a market share of 6.1 percent. The top three financial institutions in the area are Associated Bank, BMO Harris Bank, and JPMorgan Chase Bank with 24.7, 14.5, and 8.3 percent of area deposits, respectively.

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

At its previous evaluation conducted on August 23, 2013 the bank was rated Satisfactory under the CRA.

## SCOPE OF THE EXAMINATION

Baylake Bank's performance was evaluated using the Federal Financial Institutions Examination Council's Large Institution CRA Examination Procedures. The CRA performance evaluation assesses the bank's responsiveness and effectiveness in meeting the credit and community development needs of its assessment area. Performance is evaluated within the context of information about the institution including asset size, financial condition, and competitive factors. The economic and demographic characteristics of its assessment areas were also considered.

Loan data for years 2013 and 2014 were analyzed and evaluated in all assessment areas. Home purchase, refinancing, home improvement, and multifamily loans, in addition to loans to small businesses, were reviewed to determine the percentage of loans originated in the assessment area. The bank's lending performance was compared to the aggregate of all other lenders within the assessment areas for 2013 and 2014. Appendix C includes a summary of the scope of the evaluation and Appendix D provides a glossary of key terms used. The examination scope specifically included the following:

**Lending in the Assessment Area** –Home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) were reviewed for the period beginning January 1, 2013 and ending December 31, 2014. Loans to small businesses reported under the provisions of Regulation BB – Community Reinvestment, were reviewed for the period beginning January 1, 2013 and ending December 31, 2014.

**Geographic Distribution of Lending in the Assessment Area** – Home purchase and refinancing loans, in addition to loans to small businesses, were analyzed to evaluate the extent to which the institution is making loans in census tracts of different income levels, particularly those designated as low- or moderate-income. Home mortgage loans were reviewed for the period beginning January 1, 2013 and ending December 31, 2014. Loans to small businesses reported under the provisions of Regulation BB – Community Reinvestment, were reviewed for the period beginning January 1, 2013 and ending December 31, 2014.

**Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes** – Home purchase and refinancing loans, in addition to loans to small businesses, were analyzed to assess loan distribution among individuals of different income levels and to small businesses of different sizes. Home mortgage loans were reviewed for the period beginning January 1, 2013 and ending December 31, 2014. Loans to small businesses, reported under the provisions of Regulation BB – Community Reinvestment, were reviewed for the period beginning January 1, 2013 and ending December 31, 2014.

**Community Development Lending** – The number and dollar volume of community development loans were assessed. Loans qualifying as community development purpose loans under the provisions of Regulation BB – Community Reinvestment were reviewed for the period beginning August 26, 2013 and ending October 19, 2015.

**Innovative or Flexible Lending Practices** – The degree to which the bank uses innovative or flexible lending practices to address the credit needs of low-and moderate-income individuals or geographies and small businesses were assessed.

**Investments** – The number and dollar volume of qualified community development investments including donations were evaluated to assess responsiveness to credit and community development needs, as well as use of innovative or complex investments. Investments, grants, and donations qualifying as community development purpose investments were reviewed for the period beginning August 26, 2013 and ending October 19, 2015.

**Services** – The distribution of the bank’s branch offices, types of banking services, hours of operation, availability of loan and deposit products, and the extent to which community development services were provided and reviewed in comparison to community development needs. Services qualified as community development purpose were reviewed for the period covering August 26, 2013 through October 19, 2015.

Interviews were conducted with five community representatives to further understand community credit needs. Individuals contacted represent organizations with expertise in affordable housing and economic development throughout the various assessment areas. Refer to the respective assessment area sections for information from community contacts.

The bank has three assessment areas located in eastern Wisconsin. The Door County non-metropolitan assessment area consists entirely of Door County. The assessment area is comprised of ten census tracts: one moderate-income, seven middle-income, one upper-income, and one unknown-income, which is over Lake Michigan.

The Green Bay MSA assessment area consists of Brown and Kewaunee counties in their entirety. The assessment area is comprised of 59 census tracts distributed as follows: two low-income, 13 moderate-income, 30 middle-income, 12 upper-income, and two unknown-income, one of which is a correctional facility while the other is over Lake Michigan.

The Appleton MSA is located west of Brown and Kewaunee counties and consists of Outagamie County in its entirety. Of the 40 census tracts in the assessment area: three are moderate-income, 33 are middle-income, and four are upper-income.

The Green Bay MSA (#24580) and Door County Non-Metropolitan assessment areas were subject to full review evaluations. The Appleton MSA (#11540) assessment area was subject to a limited review evaluation, and analyzed for consistency with the bank's performance in the full review assessment areas.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### LENDING TEST

Baylake Bank's performance relative to the lending test is rated Outstanding. Lending activities reflect excellent responsiveness to credit needs in the assessment areas. A substantial majority of HMDA- and CRA- reportable loans were originated in the assessment areas. The geographic distribution of loans reflects good dispersion throughout the assessment areas. The distribution of loans among individuals of different income levels and small businesses of different sizes reflects good distribution. The bank exhibits a good record of serving the credit needs of low-income individuals and areas, as well as small businesses. The bank is a leader in making community development loans and makes extensive use of innovative and flexible lending practices in serving the credit needs in the assessment areas.

### Level of Lending Activity

Baylake Bank's HMDA- and CRA- reportable lending activity represents excellent responsiveness to the credit needs of its assessment areas. A total of 2,434 HMDA- and CRA-reportable loans were originated during the review period. While this is a decrease of 22.2 percent by number from the previous evaluation conducted in 2013, it is attributed to the sale and closure of four branches since December 31, 2012. However, small business loans increased 1.1 percent by number since the



previous evaluation. Taking the closures into consideration, the level of lending activity is considered excellent given the bank's assessment area credit needs.

Summary of Lending Activity				
Loan Type	#	%	\$(000s)	%
Home Improvement	89	3.7	\$10,607	2.5
Home Purchase	351	14.4	\$60,420	14.3
Multi-Family Housing	9	0.4	\$4,615	1.1
Refinancing	445	18.3	\$69,053	16.4
<b>Total HMDA related</b>	<b>894</b>	<b>36.7</b>	<b>\$144,695</b>	<b>34.3</b>
Small Business - Secured by Real Estate	84	3.5	\$12,124	2.9
Small Business	1,456	59.8	\$265,288	62.8
<b>Total Small Business related</b>	<b>1,540</b>	<b>63.3</b>	<b>\$277,412</b>	<b>65.7</b>
<b>TOTAL LOANS</b>	<b>2,434</b>	<b>100</b>	<b>\$422,107</b>	<b>100</b>

*Note: Percentages may not total to 100.0 percent due to rounding.*

### Assessment Area Concentration

A substantial majority of the HMDA- and CRA-reportable loans were originated inside the bank's assessment areas. During the evaluation period, 90.7 percent of all loans by number and 90.8 percent by dollar amount were originated inside the assessment areas. More specifically, the bank originated 89.6 percent by number and 90.3 percent by dollar amount of HMDA-reportable loans in the combined assessment areas. For small business loans, 91.6 percent by number and 91.1 percent by dollar amount were originated in the combined assessment areas. Lending activity in the assessment area is relatively lower than the previous evaluation due to the branch closings, which resulted in a contraction of the bank's assessment area. The following table presents the assessment area concentration by loan product.

Lending Inside and Outside the Assessment Area January 1, 2013 – December 31, 2014								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	78	87.6	\$9,228	87.0	11	12.4	\$1,379	13.0
Home Purchase - Conventional	315	89.7	\$54,667	90.5	36	10.3	\$5,753	9.5
Multi-Family Housing	7	77.8	\$3,131	67.8	2	22.2	\$1,484	32.2
Refinancing	401	90.1	\$63,582	92.1	44	9.9	\$5,471	7.9

<b>Total HMDA related</b>	<b>801</b>	<b>89.6</b>	<b>\$130,608</b>	<b>90.3</b>	<b>93</b>	<b>10.4</b>	<b>\$14,087</b>	<b>9.7</b>
Small Bus. - Secured by Real Estate	72	85.7	\$9,885	81.5	12	14.3	\$2,239	18.5
Small Business	1,338	91.9	\$242,744	91.5	118	8.1	\$22,544	8.5
<b>Total Small Bus. related</b>	<b>1,410</b>	<b>91.6</b>	<b>\$252,629</b>	<b>91.1</b>	<b>130</b>	<b>8.4</b>	<b>\$24,783</b>	<b>8.9</b>
Small Farm	110	87.3	\$9,082	91.5	16	12.7	\$848	8.5
<b>Total Small Farm related</b>	<b>110</b>	<b>87.3</b>	<b>\$9,082</b>	<b>91.5</b>	<b>16</b>	<b>12.7</b>	<b>\$848</b>	<b>8.5</b>
<b>TOTAL LOANS</b>	<b>2,321</b>	<b>90.7</b>	<b>\$392,319</b>	<b>90.8</b>	<b>239</b>	<b>9.3</b>	<b>\$39,718</b>	<b>9.2</b>
<i>Note: Affiliate loans not include.</i>								
<i>Note: Percentages may not total to 100.0 percent due to rounding.</i>								

### Geographic and Borrower Distribution

The bank's loan data was reviewed for distribution throughout the assessment areas and to ensure there were no unexplained gaps in lending. The geographic distribution of HMDA-reportable and small business loans reflects good distribution throughout the combined assessment areas considering the number of low- and moderate-income census tracts. Additionally, the distribution of borrowers reflects good distribution among individuals of different income levels and businesses of different sizes. The distribution of lending also reflects a good record of serving the credit needs of low- and moderate-income individuals and small businesses. Details regarding the bank's lending activity in each assessment area are discussed in the individual assessment area sections.

The bank makes extensive use of innovative and flexible lending practices in serving assessment area needs. The bank participates in various local and government-assisted loan programs tailored to meet the credit needs of borrowers with low- or moderate- incomes, first time home buyers, and small businesses. The bank's participation in assisted loan programs is detailed in the following table:

<b>Innovative and Flexible Lending Programs</b>		
<b>August 26, 2013 through October 19, 2015</b>		
<b>Program</b>	<b>Number of Loans</b>	<b>\$ of Loans (000's)</b>
WHEDA Advantage Home Loan	80	7,906
WHEDA Home Improvement Loan	5	46
Federal Housing Authority (FHA) Loan	9	913
Federal VA Loan	11	2,011
Home Affordable Refinance Program (HARP) Freddie Mac	8	1,140
Guaranteed Rural Housing (GRH)	13	1,494
Farm Service Agency	1	389
Small Business Administration 7(a)	29	8,139
Small Business Administration 504	4	3,818
<b>Total</b>	<b>161</b>	<b>25,856</b>

## Community Development Lending

Baylake Bank is a leader in making community development loans given the credit and community development needs and opportunities within the assessment areas. The bank originated 30 community development loans across its combined assessment areas totaling \$53,271,000 during the review period. This represents a significant increase in both number and dollar amount over the previous evaluation. Loan purposes included revitalization and stabilization efforts in moderate-income tracts in downtown Green Bay, Wisconsin, as well as economic development efforts for job creation. Community development loans are discussed in the individual full review assessment area sections.

The following table presents the bank's community development loans by assessment area and community development purpose.

Qualified Community Development Loans August 26, 2013 – October 19, 2015											
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize & Stabilize		Total		
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total \$
Green Bay MSA	0	0	7	15,952	3	5,187	8	20,321	18	41,460	77.8
Door County Non MSA	1	73	2	100	6	7,421	0	0	9	7,594	14.3
Appleton MSA	2	2,867	0	0	1	1,350	0	0	3	4,217	7.9
<b>Total</b>	<b>3</b>	<b>2,940</b>	<b>9</b>	<b>16,052</b>	<b>10</b>	<b>13,958</b>	<b>8</b>	<b>20,231</b>	<b>30</b>	<b>53,271</b>	<b>100.0</b>

Note: Percentages may not add to 100.0 percent due to rounding.

## INVESTMENT TEST

Baylake Bank's performance relative to the investment test is rated High Satisfactory. The bank made a significant level of qualified investments and grants, particularly those that are not routinely offered by private investors, occasionally in a leadership position. The bank's record of making qualified investments demonstrates good responsiveness to assessment area credit and community development needs. Investments were focused on affordable housing, revitalization and stabilization, and economic development through the purchase of bonds that fund improvements in targeted areas. Investments are discussed under each assessment area that was subject to full review.

The following table presents the bank's qualified investment activity by assessment area.

Qualified Community Development Investments by Type August 26, 2013 – October 19, 2015									
Assessment Area	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total \$	#	\$ (000s)
Green Bay MSA	4	1,655	0	0	4	1,655	23.4	1	25
Door County Non MSA	2	3,175	2	610	4	3,785	53.5	0	0
Appleton MSA	0	0	2	1,630	2	1,630	23.1	0	0
<b>Total</b>	<b>6</b>	<b>4,830</b>	<b>4</b>	<b>2,240</b>	<b>10</b>	<b>7,070</b>	<b>100.0</b>	<b>1</b>	<b>25</b>

*Note: Percentages may not add to 100.0 percent due to rounding.*

The bank provided \$196,054 in grants. A significant amount of the total was made to community service organizations throughout the combined assessment areas to fund programs targeting low- and moderate-income individuals.

## SERVICE TEST

Baylake Bank's performance relative to the service test is rated Low Satisfactory. The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment areas. Business hours and services do not vary in a way that inconveniences the needs of its assessment areas, particularly low- and moderate-income census tracts or low- and moderate-income individuals. The bank's record of opening and closing branch offices has not adversely impacted low- or moderate-income census tracts or low- and moderate-income individuals. The bank provides an adequate level of community development services.

## Retail Services

The distribution of the branch offices and ATMs is performed using current data in conjunction with 2010 census data. There are 20 branches, including the main office, and 18 ATMs (13 full service and five cash only). Since the previous review period, the bank sold two branches with no ATMs in middle-income census tracts located in Poy Sippi and Berlin, Wisconsin. Additionally, one branch with a full service ATM in an upper-income census tract was closed in the Green Bay MSA assessment area. One branch without an ATM in a middle-income census was opened in the Appleton MSA assessment area during the review period.

Bank customers have access to night depositories, internet banking, telephone banking, mobile banking, bill pay, and banking by mail. Additionally, the bank offers online mortgage applications for pre-approval.

The following table presents the bank's branch locations by assessment area and census tract.

Distribution of Branches 2010 Census										
Assessment Area	Low-Income		Moderate-Income		Middle-Income		Upper-Income		Total	
	#	%	#	%	#	%	#	%	#	% of Total
Green Bay MSA	0	0.0	1	100.0	8	44.4	1	100.0	10	50.0
Door County MSA	0	0.0	0	0.0	8	44.4	0	0.0	8	40.0
Appleton MSA	0	0.0	0	0.0	2	11.1	0	0.0	2	10.0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>20</b>	<b>100.0</b>

*Note: Percentages may not add to 100.0 percent due to rounding.*

### Community Development Services

The bank provides an adequate level of community development services. Bank representatives provided technical assistance on financial matters to nonprofit, small business and community development organizations. During the review period, officers and employees of the bank provided 3,946 hours of qualified services to 57 organizations/committees. Community development services are discussed under each assessment area that was subject to full review.

The following table presents the distribution of the bank's community development services by assessment area and community development purpose.

Qualified Community Development Services August 26, 2013 – October 19, 2015										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize & Stabilize		Total	
	#	Hours	#	Hours	#	Hours	#	Hours	#	Hours
Green Bay MSA	3	83	17	1,126	7	402	1	32.5	28	1,643.5
Door County Non MSA	2	61	17	1,383	9	741	0	0	28	2,185
Appleton MSA	0	0	1	117	0	0	0	0	1	117
<b>Total</b>	<b>5</b>	<b>144</b>	<b>35</b>	<b>2,626</b>	<b>16</b>	<b>1,143</b>	<b>1</b>	<b>32.5</b>	<b>57</b>	<b>3,945.5</b>

### FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**GREEN BAY, WISCONSIN MSA 24580 - Full Review**

**SCOPE OF THE EXAMINATION**

The scope of examination is consistent with the description of the overall scope contained in the introduction section.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN GREEN BAY, WISCONSIN MSA 24580**

The Green Bay, Wisconsin MSA #24580 (Green Bay, WI MSA) assessment area consists of Brown and Kewaunee counties in their entirety and remains unchanged since the previous evaluation. The Green Bay, WI MSA consists of two low-income, 13 moderate-income, 30 middle-income, 12 upper-income, and two unknown-income census tracts, one of which is a correctional facility and the other is part of Lake Michigan. The bank has 10 locations in the assessment area; six branches with full service ATMs, three branches with cash- only ATMs, one branch without an ATM, and one cash- only ATM. Of these branches and ATMs, one branch and one ATM are located in a moderate-income level census tract according to the 2010 U.S. Census data.

The FDIC Deposit Market Share Report from June 30, 2015 indicated Baylake Bank ranked 6th in Brown and Kewaunee Counties of 20 financial institutions with 4.7 percent of the market share. The top market holders and competition are Associate Bank with 32.9 percent, BMO Harris Bank with 13.9 percent, Nicolet National Bank with 8.2 percent, and Wells Fargo Bank with 5.2 percent of the deposit market share.

As shown in the Assessment Areas Demographics report below, 63.4 percent of the assessment area housing units are owner-occupied. A majority of owner-occupied units are located in middle-income census tracts. Moderate-income census tracts contain 15.8 percent of the owner-occupied housing units in the assessment area. Additionally, 88.0 percent of businesses in the assessment area are considered small, with gross revenue of \$1 million or less. Of these, 18.5 percent are located in the 15 low- and moderate-income census tracts.

Assessment Area Demographics 2014								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	3.4	948	1.4	226	23.8	12,669	18.3
Moderate-income	13	22.0	11,908	17.2	2,048	17.2	12,322	17.8
Middle-income	30	50.8	37,416	54.1	2,056	5.5	16,368	23.7
Upper-income	12	20.3	18,895	27.3	495	2.6	27,808	40.2



Unknown-income	2	3.4	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>59</b>	<b>100.0</b>	<b>69,167</b>	<b>100.0</b>	<b>4,825</b>	<b>7.0</b>	<b>69,167</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	1,997	617	0.9	30.9	1,080	54.1	300	15.0
Moderate-income	23,714	11,267	15.8	47.5	10,287	43.4	2,160	9.1
Middle-income	60,520	39,408	55.3	65.1	17,230	28.5	3,882	6.4
Upper-income	26,230	20,014	28.1	76.3	5,308	20.2	908	3.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>112,461</b>	<b>71,306</b>	<b>100.0</b>	<b>63.4</b>	<b>33,905</b>	<b>30.1</b>	<b>7,250</b>	<b>6.4</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	
Low-income	159	1.4	139	1.4	15	1.5	5	1.4
Moderate-income	2,026	17.3	1,759	17.1	210	20.3	57	15.4
Middle-income	6,320	54.1	5,563	54.1	546	52.9	211	57.2
Upper-income	3,176	27.2	2,819	27.4	261	25.3	96	26.0
Unknown-income	2	0.0	1	0.0	1	0.1	0	0.0
<b>Total Assessment Area</b>	<b>11,683</b>	<b>100.0</b>	<b>10,281</b>	<b>100.0</b>	<b>1,033</b>	<b>100.0</b>	<b>369</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>88.0</b>		<b>8.8</b>		<b>3.2</b>	
Based on 2014 D&B information according to 2010 ACS Boundaries. Note: Percentages may not total 100.0 percent due to rounding								

## Population Characteristics

According to 2010 U.S. Census Bureau data, the population in Brown and Kewaunee counties in 2010 was 248,007 and 20,574, respectively. Results of the 2010 U.S. Census Bureau data show the populations in Brown and Kewaunee counties increased 9.4 and 1.9 percent, respectively, while the population of the state of Wisconsin increased 6.0 percent. According to a community contact, Kewaunee County is a rural community with fewer high paying jobs compared to Brown County which has impacted the number of individuals moving to the area.

The assessment area has a relatively low minority population of 15.3 percent according to the 2010 U.S. Census Data. Hispanic individuals represent the largest percentage of minorities with 6.9 percent, followed by American Indian Not-Hispanic with 2.8 percent. The state of Wisconsin's minority population is 16.7 percent.

Population Change 2000 and 2010			
Area	2000 Population	2010 Population	Percentage Change
Assessment Area	N/A	268,581	N/A
Brown County, WI	226,778	248,007	9.4
Kewaunee County, WI	20,187	20,574	1.9
Green Bay, WI MSA	282,599	306,241	8.4
State of Wisconsin	5,363,675	5,686,986	6.0

### Income Characteristics

The 2006-2010 American Community Survey indicates median family income for the state of Wisconsin increased 22.6 percent since the year 2000. In comparison, median family income (MFI) in Brown and Kewaunee counties increased 17.5 and 27.2 percent, respectively, over the same period. Wages in both counties are comparable to the state; however, Brown County has a slightly higher MFI due to a greater number of professional jobs compared to Kewaunee County. The following table compares median family income at the assessment area and state level.

Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income (In 1999 Dollars)	2006-2010 Median Family Income (In 2010 Dollars)	Percentage Change
Assessment Area	N/A	65,248	N/A
Brown County, WI	56,194	66,024	17.5
Kewaunee County, WI	50,216	63,861	27.2
Green Bay, WI MSA	53,950	64,441	19.4
State of Wisconsin	52,911	64,869	22.6

### Housing Characteristics and Affordability

Median housing values and median gross rents realized a greater increase in Kewaunee County than Brown County between the 2000 census and the 2006-2010 American Community Survey. In Brown and Kewaunee counties, median housing values increased 37.0 and 53.3 percent, respectively, and median gross rent increased 27.9 and 44.6 percent, respectively. In comparison, median housing value for the state increased 53.8 percent while median gross rents increased 32.0 percent over the same period. A community contact mentioned home prices in Kewaunee County



have decreased due to a power plant closure in 2013. Many individuals with high paying jobs left the area in pursuit of other opportunities. The table below presents trends in housing costs.

Housing Costs Change 2000 and 2010				
Area	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent
Brown County, WI	116,100	159,100	520	665
Kewaunee County, WI	94,200	144,400	428	619
Green Bay, WI MSA	111,007	156,779	512	656
State of Wisconsin	109,900	169,000	540	713

The affordability ratio, which is defined in the Glossary of Appendix D, suggests affordability of housing in the Brown and Kewaunee counties is generally more affordable than the state of Wisconsin. The affordability ratio for Brown and Kewaunee counties in 2010 was 0.33 and 0.38, respectively. In comparison, the state of Wisconsin had an affordability ratio of 0.31 in 2010.

Brown County's annual single family housing building permit issuances had steady growth of 56.2 percent, from 347 in 2011 to 542 in 2013. Multi-family housing permits in Brown County have experienced a large amount of fluctuation since 2011, with the number of permits increasing from 275 to 551 in a one-year period; however, permits have increased 52.2 percent overall from 2011 to 2013. Kewaunee County's annual single family housing building permit issuances had limited growth of 34.6 percent, from 26 in 2011 to 35 in 2013. This data shows significant single-family-residence growth in both counties. Multi-family housing permit data is unavailable for Kewaunee County. In comparison, the state of Wisconsin realized growth rates of 37.0 and 45.1 percent for single family and multi-family housing permits, respectively, from 2011 to 2013.

### Foreclosure Trends

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates (FIR) at the county level. The FIR measures the number of residential properties in some phase of foreclosure. It excludes properties that have completed foreclosure cycle.

Brown and Kewaunee counties have experienced modest decreases in foreclosure activity during the evaluation period. As of December 2014, Brown and Kewaunee counties had FIR of 1.1 and 1.2 percent, respectively, down from 1.5 and 1.3 percent in August 2013. The state of Wisconsin had a similar FIR of 1.2 percent which is a decrease of 1.8 percent in August 2013. This is consistent with the improving economic conditions in the area during the evaluation period. One community contact stated not only has the economic recovery helped with the reduction in foreclosure rates, but also local organizations that assist homeowners such as Neighborworks and Catholic Charities.

## Unemployment Conditions

The unemployment rates in Brown and Kewaunee counties have trended lower than the state of Wisconsin since 2010. Both counties show improvement in the unemployment rate and has decreased since 2010. The following table displays the unemployment data for the assessment area and state between 2010 and 2013. The slight increase in Kewaunee County in 2013 can be attributed to the closure of a power plant in the area. However, a community contact noted the plant closure did not have a significant adverse effect on the unemployment rate due to a long term severance package for employees.

Recent Unemployment Rates				
Area	2010	2011	2012	2013
Brown County, WI	7.5	6.8	6.3	6.0
Kewaunee County, WI	8.1	7.0	6.1	6.3
Green Bay, WI MSA	7.8	7.1	6.5	6.2
State of Wisconsin	8.5	7.5	6.9	6.7

Source : Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)

## Bankruptcy Trends

The number of bankruptcy filings in the assessment area is relatively low. Counties in the assessment area have a lower bankruptcy filing rate than the state, according to the Administrative Office of the U.S. Courts. Brown County decreased from 4.8 per 1,000 in population in 2010 to 3.1 in 2013, Kewaunee County decreased from 3.6 per 1,000 in population in 2010 to 2.0 in 2013, and the state of Wisconsin from 5.2 per 1,000 in population in 2010 to 4.0 in 2013. The decrease in bankruptcy filing rate is attributed to the continuous improvement of economic conditions and diminishing unemployment rate.

## Employment Characteristics

The assessment area is not overly diverse with many companies in the healthcare sector; the table below lists the ten largest employers in Brown and Kewaunee counties. In addition to these large companies, there were 11,683 businesses in the bank's assessment area in 2014, and the majority (88.0 percent) had revenues of less than \$1 million.

Largest Employers in the Assessment Area			
Company	County	Number of Employees	Industry
Georgia-Pacific Corp	Brown	2,500	Nonwoven Fabrics (Manufacturers)
Humana Incorporated	Brown	2,000	Medical Insurance Plans
Schneider National Incorporated	Brown	2,000	Trucking-Motor Freight
St Vincent Hospital	Brown	2,000	Hospitals
Aurora Bay Care Medical Center	Brown	1,800	Hospitals
Bellin	Brown	1,800	Physical Therapists
Oneida Casino	Brown	1,479	Power Plants
Prevea Clinic	Brown	1,200	Heart Disease Information & Treatment
KI Incorporated	Brown	1,100	Furniture-Manufacturers
Shopko Stores Operating Co LLC	Brown	1,100	Department Stores
<i>Source: America's Labor Market Information System</i>			

Location Quotients (LQ), as calculated by the U.S. Bureau of Labor Statistics, are ratios that allow an area's distribution of employment by industry to be compared to a reference area's distribution. An LQ equal to 1 represents an industry with the same share of its area employment as the reference area, and a ratio greater than 1 indicates an industry with a greater share of the local area employment compared to the reference area. For the purposes of this evaluation, the reference area is the United States.

Brown and Kewaunee counties have a higher concentration in goods-producing and manufacturing industries compared to the rest of the country in 2013. The goods-producing industry LQ for Brown and Kewaunee counties were 1.47 and 2.92, respectively. The manufacturing location quotients were 1.90 for Brown County and 3.01 for Kewaunee County. This suggests, although both counties have similar industry employment concentrations compared to the United States, the concentration is more significant in Kewaunee County as evidenced by the higher ratios. Industries also contrast in both counties. Brown County had a financial activities industry LQ of 1.33, while the ratio was 0.47 for Kewaunee County. Furthermore, the natural resources and mining LQ was 8.02 for Kewaunee and 0.39 for Brown.

### Community Contacts

Three community representatives were interviewed from Brown and Kewaunee counties. Community representatives stated Kewaunee County is still suffering from residual effects of a nuclear power plant closure in 2013. This resulted in a loss of high paying jobs, in a predominately rural county, which in turn has affected of income taxes collected and produced a large volume of homes for sale. The contacts suggested banks are generally involved, but communication could be improved for institutions to become aware of opportunities for assistance.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS GREEN BAY, WISCONSIN MSA 24580

### LENDING TEST

HMDA-reportable loans categorized as home purchase and refinance, as well as loans to small businesses were analyzed.

#### **Geographic Distribution of Loans**

For the purposes of this review, loans made in calendar year 2012 or after were analyzed based on 2010 census demographic characteristics. The table below shows the bank's geographic distribution of loans compared to aggregate lenders and the percentage of owner-occupied units in 2014. In Appendix A, geographic distribution of 2013 HMDA-reportable loans show comparable results. Due to low loan volumes of home improvement and multi-family loans, only home purchase and refinance loans will be discussed.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2014 Green Bay, WI MSA 24580								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2014			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.6	0	0.0	0.3	0.9
	Moderate	4	6.5	14.4	330	3.8	8.8	15.8
	Middle	37	59.7	49.3	4,512	52.1	45.5	55.3
	Upper	21	33.9	35.7	3,815	44.1	45.4	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>62</b>	<b>100.0</b>	<b>100.0</b>	<b>8,657</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.7	0	0.0	0.4	0.9
	Moderate	9	19.1	14.5	665	9.8	9.2	15.8
	Middle	27	57.4	50.8	4,082	60.0	46.6	55.3
	Upper	11	23.4	33.9	2,062	30.3	43.8	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>47</b>	<b>100.0</b>	<b>100.0</b>	<b>6,809</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.9	0	0.0	0.9	0.9
	Moderate	2	22.2	17.6	68	10.3	11.3	15.8
	Middle	7	77.8	51.1	592	89.7	46.7	55.3
	Upper	0	0.0	30.4	0	0.0	41.2	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>660</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	3.0	0	0.0	0.6	2.0
	Moderate	2	40.0	28.4	428	22.0	9.2	25.6
	Middle	2	40.0	52.2	854	44.0	53.4	57.5
	Upper	1	20.0	16.4	660	34.0	36.8	14.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>1,942</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.7	0	0.0	0.4	0.9
	Moderate	17	13.8	14.8	1,491	8.3	9.0	15.8
	Middle	73	59.3	50.1	10,040	55.6	46.8	55.3
	Upper	33	26.8	34.4	6,537	36.2	43.8	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>123</b>	<b>100.0</b>	<b>100.0</b>	<b>18,068</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

### HMDA-Reportable Loans - Home Purchase

Baylake Bank's geographic distribution of home purchase loans in moderate-income census tracts within the assessment area is adequate. Home purchase loans represent 50.4 percent of the bank's total HMDA-related loans reported in 2014. In 2014, the bank made 6.5 percent by number and 3.8 percent by dollar amount of its home purchase loans in moderate-income census tracts. The aggregate of lenders performed better in moderate-income census tracts with 14.5 percent by number and 8.8 percent by dollar amount. This may be reflective of the bank's small market share of 4.7 percent and ranking sixth in the assessment area; the five largest banks in the assessment area hold 66.4 percent of the market share. The bank made the majority, 59.7 percent, of its home purchase loans in middle-income census tracts, exceeding the performance of aggregate lenders at 49.3 percent and the percentage of owner-occupied housing in middle-income census tracts at 55.3 percent.

In 2013, the bank's performance was similar as 7.5 percent by number and 3.4 percent by dollar amount of home purchase loans were originated in moderate-income census tracts. By comparison, the aggregate of lenders originated 14.4 percent of loans in moderate-income census tracts, representing 8.7 percent of dollar volume. Lending in middle-income census tracts represented 50.7 percent of originations, which was consistent with aggregate lenders (50.0 percent) and slightly below the percentage of owner-occupied housing (55.3 percent).

No home purchase loans were originated in low-income census tracts in 2013 and 2014. The geographic distribution of loans in low-income census tract is adequate considering the low percentage (0.9 percent) of owner-occupied housing in these tracts.

### HMDA-Reportable Loans - Refinances

Baylake Bank's geographic distribution of refinance loans in moderate-income census tract within the assessment area is good. Refinance loans represent 38.2 percent of the bank's total HMDA-related loans reported in 2014. In 2014, the bank made 19.1 percent by number of its refinance loans in moderate-income census tracts. By comparison, aggregate lenders performed lower in moderate-income census tracts with 14.5 percent by number; however, both the bank and aggregate were similar in dollar volume with 9.8 percent and 9.2 percent, respectively. By comparison, 15.8 percent of owner-occupied housing units are located in moderate-income census tracts. The majority, 57.4 percent by number and 60.0 percent by dollar, of refinance loans were originated in middle-income census tracts where 55.3 percent of owner-occupied housing units are located. The bank's performance in 2014 was an improvement over its lending in 2013.

In 2013, the bank originated 4.9 percent by number in moderate-income census tracts, which was lower than aggregate lenders of 12.2 percent, and the percentage of owner-occupied housing in moderate-income census tracts at 15.8 percent. Similar to 2014, the majority of lending (63.2 percent) took place in middle-income census tracts in which the majority of owner occupied

housing is located.

There were no refinance loans originated in low-income census tracts during 2013 and 2014. Geographic distribution of loans in low-income census tract is adequate considering the low percentage of owner-occupied housing in low-income tracts.

### CRA – Reportable Loans – Small Business Loans

Baylake Bank’s CRA- reportable lending reflects a good geographic distribution of small business loans. The table below shows the bank’s performance of small business lending when compared to aggregate lenders and the distribution of small businesses throughout the assessment area.

In 2014, the bank originated 0.8 percent by number small business loans in low-income census tracts, reflective of a good distribution within the assessment area. This was comparable to aggregate lenders of 0.9 percent by number, as well as the percentage of small businesses in low-income census tracts of 1.4 percent. In 2013, small business lending was similar, with the bank originating 0.6 percent by number in low-income census tracts which is comparable to aggregate lenders of 1.0 percent and the percent of small businesses in low-income census tracts of 1.5 percent.

Geographic Distribution of Small Business Loans							
Assessment Area: 2014 Green Bay, WI MSA 24580							
Tract Income Levels	Bank & Aggregate Lending Comparison						Total Businesses %
	2014						
	Count		Agg %	Dollar		Agg %	
Bank #	%	Bank \$ (000s)		\$ %			
Low	3	0.8	0.9	168	0.3	0.6	1.4
Moderate	67	19.0	16.6	16,584	26.1	22.8	17.3
Middle	223	63.2	52.2	35,404	55.8	50.8	54.1
Upper	60	17.0	28.1	11,329	17.8	25.3	27.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tr Unknown			2.3			0.4	
<b>Total</b>	<b>353</b>	<b>100.0</b>	<b>100.0</b>	<b>63,485</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

The bank’s geographic distribution of CRA- reportable loans reflects good distribution in moderate-income census tracts within the assessment area. The bank originated 19.0 percent by number of small business loans in moderate-income census tracts which exceeds aggregate lenders performance of 16.6 percent by number. The bank’s performance also exceeds the percentage of small businesses in moderate-income census tracts of 17.3 percent. In 2013, the bank’s small

business loans originated in moderate-income census tracts was 17.4 percent by number, which was comparable to aggregate lenders of 17.1 percent as well as the percentage of small businesses located in moderate-income census tracts of 17.1 percent.

### **Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes**

The bank's borrower distribution reflects good distribution among borrowers of different income levels and businesses of different sizes. The bank exhibits a good record of serving the credit needs of low- and moderate- income individuals and very small businesses. The table below shows the bank's borrower distribution compared to aggregate lenders and the percentage of owner-occupied units in 2014. In Appendix A, borrower distribution of 2013 HMDA-reportable loans show comparable results. Due to low loan volumes of home improvement and multi-family loans, only home purchase and refinance loans will be discussed.



<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2014 Green Bay, WI MSA 24580</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2014			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	8	12.9	10.2	518	6.0	5.6	18.3
	Moderate	11	17.7	23.4	1,303	15.1	17.8	17.8
	Middle	19	30.6	23.5	2,299	26.6	22.1	23.7
	Upper	19	30.6	30.3	3,988	46.1	42.1	40.2
	Unknown	5	8.1	12.6	549	6.3	12.4	0.0
	<b>Total</b>		<b>62</b>	<b>100.0</b>	<b>100.0</b>	<b>8,657</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	5	10.6	9.5	236	3.5	5.2	18.3
	Moderate	11	23.4	18.7	1,133	16.6	13.6	17.8
	Middle	11	23.4	22.3	1,456	21.4	19.5	23.7
	Upper	15	31.9	34.4	3,739	54.9	43.4	40.2
	Unknown	5	10.6	15.2	245	3.6	18.2	0.0
	<b>Total</b>		<b>47</b>	<b>100.0</b>	<b>100.0</b>	<b>6,809</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	2	22.2	10.7	49	7.4	5.9	18.3
	Moderate	2	22.2	20.1	80	12.1	12.4	17.8
	Middle	3	33.3	23.7	297	45.0	21.3	23.7
	Upper	2	22.2	42.0	234	35.5	52.7	40.2
	Unknown	0	0.0	3.6	0	0.0	7.6	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>660</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.3
	Moderate	0	0.0	0.0	0	0.0	0.0	17.8
	Middle	0	0.0	0.0	0	0.0	0.0	23.7
	Upper	0	0.0	0.0	0	0.0	0.0	40.2
	Unknown	5	100.0	100.0	1,942	100.0	100.0	0.0
	<b>Total</b>		<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>1,942</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	15	12.2	9.8	803	4.4	4.9	18.3
	Moderate	24	19.5	20.9	2,516	13.9	14.1	17.8
	Middle	33	26.8	22.8	4,052	22.4	18.7	23.7
	Upper	36	29.3	32.5	7,961	44.1	38.4	40.2
	Unknown	15	12.2	14.0	2,736	15.1	23.9	0.0
	<b>Total</b>		<b>123</b>	<b>100.0</b>	<b>100.0</b>	<b>18,068</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

**HMDA-Reportable Loans - Home Purchase**

Baylake Bank's borrower distribution reflects good distribution of home purchase loans to low-

income borrowers in the assessment area. In 2014, the bank made 12.9 percent by number and 6.0 percent by dollar amount, of its home purchase loans to low-income borrowers. By comparison, aggregate lenders originated 10.2 percent of loans to low-income borrowers which represented 5.6 percent of dollar volume.

In 2013, the bank's borrower distribution to low-income individuals in the assessment area is adequate. Lending to low-income borrowers was below aggregate lenders in 2013. The bank originated 7.5 percent by number and 3.0 percent by dollar volume to low-income borrowers; comparatively, aggregate lenders had 9.9 percent of originations and 11.6 percent of its home purchase dollar volume go to low-income borrowers.

In 2014, the bank's borrower distribution reflects good distribution of home purchase loans to moderate-income borrowers. The bank originated 17.7 percent by number of the bank's loans in moderate-income census tracts, comparable to the percentage of moderate-income families at 17.8 percent. The majority of originations, 61.2 percent by number and 72.7 percent by dollar amount, were made to middle- and upper-income borrowers. By comparison, 63.9 percent of families in the assessment area are middle- and upper-income.

In 2013, the bank's borrower distribution reflects good distribution of home purchase loans to moderate-income individuals in the assessment area. The bank originated 17.9 percent of home purchase loans to moderate-income borrowers which is representative of the percentage of moderate-income families of 17.8 percent. Neither the bank nor the aggregate lenders achieved parity with the percentage of low-income families in 2013 and 2014.

### **HMDA-Reportable Loans - Refinance**

Baylake Bank's borrower distribution reflects a good distribution of refinance loans to low-income borrowers in the assessment area. In 2014, the bank generally outperformed aggregate lenders. The bank made 10.6 percent by number and 3.5 percent by dollar amount of its loans to low-income borrowers, while aggregate lenders originated 9.5 percent by number and 5.2 percent by dollar amount of their loans to low-income borrowers.

In 2013, the bank's borrower distribution reflects good distribution of refinance loans to low-income borrowers. The bank originated 9.0 percent by number and 4.3 percent by dollar amount to low-income borrowers. Aggregate lenders performed slightly lower with 7.0 percent by number and 3.7 percent by dollar amount of loans to low-income borrowers.

In 2014, the bank's borrower distribution reflects excellent distribution of refinance loans to moderate-income borrowers. The bank originated 23.4 percent by number and 16.6 percent by dollar amount of refinance loan originations to moderate-income borrowers, exceeding the 17.8 percent of moderate-income families in the assessment area. By comparison, aggregate lenders originated fewer refinance loans to moderate-income borrowers of 18.7 percent by number.

In 2013, the bank’s borrower distribution reflects good distribution of refinance loans to moderate-income borrowers. Lending to moderate-income borrowers represented 18.8 percent by number of originations, which was consistent with aggregate lenders of 18.2 percent and slightly above the percentage of moderate-income borrowers in the assessment area of 17.8 percent.

### CRA – Reportable Loans – Small Business

Baylake Bank’s distribution of loans reflects a good distribution among businesses of different sizes when compared to aggregate lenders, and the percentage of small businesses in the assessment area. In 2014, the bank outperformed aggregate lenders in lending to businesses with revenues of \$1 million or less by number and dollar amount. The bank originated 59.5 percent of small business loans to businesses with revenue of \$1 million or less, while 62.9 percent of these loans were in amounts of \$100,000 or less. Neither the bank nor aggregate lenders met or exceeded the number of businesses, 88.0 percent, within the assessment area with revenue of \$1 million or less.

Small Business Lending By Revenue & Loan Size											
Assessment Area: 2014 Green Bay, WI MSA 24580											
Product Type			Bank & Aggregate Lending Comparison								
			2014			2014		Total Businesses %			
Revenue	Loan Size	Loan Size & Rev \$1 Mill or Less	Count		Dollar		Total Businesses %				
			Bank #	Agg %	Bank \$ 000s	Agg \$ %					
Small Business	\$1 Million or Less	Over \$1 Million or Unknown	210	59.5	46.4	29,498	46.5	31.9	88.0		
			143	40.5	53.6	33,987	53.5	68.1	12.0		
			353	100.0	100.0	63,485	100.0	100.0	100.0		
	\$100,000 or Less	\$100,001 - \$250,000	\$250,001 - \$1 Million	185	52.4	89.3	9,157	14.4	25.1	88.0	
				96	27.2	5.2	17,047	26.9	17.9		
				72	20.4	5.5	37,281	58.7	56.9		
				353	100.0	100.0	63,485	100.0	100.0		
	\$100,000 or Less	\$100,001 - \$250,000	\$250,001 - \$1 Million	132	62.9		5,858	19.9			88.0
				46	21.9		8,009	27.2			
				32	15.2		15,631	53.0			
				210	100.0		29,498	100.0			

Originations & Purchases  
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

In 2013, the bank’s performance was similar. The majority of the bank’s small business loans, 62.3 percent by number, were made to businesses with revenue of \$1 million or less and 60.0 percent of those loans were in amounts of \$100,000 or less. Baylake Bank exceeded aggregate lender

performance by number and dollar amount to small businesses. However, the bank and aggregate lender's performance was below the 88.7 percent of businesses with revenues of \$1 million or less in the assessment area.

### Community Development Lending

Baylake Bank is a leader in making community development loans which have increased by number and dollar amount since the previous evaluation, totaling \$41.5 million. The bank originated four loans for community services totaling \$10.3 million; three loans totaling \$5.2 million for economic development; and eight loans for revitalization and stabilization totaling \$20.2 million. Loans went to projects to revitalize moderate-income geographies in downtown Green Bay, as well as job creation within the assessment area. Additionally, three community services qualified loans totaling \$5.7 million were renewed.

The bank's community development loans increased \$31.1 million in the assessment area over the previous evaluation period. Eight of the loans were originated for revitalization of a moderate-income census tract in downtown Green Bay. These loans are especially important due to the loan proceeds being used to repurpose a vacant canning factory, which helps to spur area redevelopment. Additionally, originated loans went to establish a community wellness center and medical office in moderate-income census tracts where those services have not been previously offered.

The following table presents the bank's community development loans by type within the assessment area.

Qualified Community Development Loans August 26, 2013 – October 19, 2015										
Green Bay MSA 24580	Affordable Housing		Community Services		Economic Development		Revitalize & Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
New Loans	0	0	4	10,266	3	5,187	8	20,321	15	35,774
Renewed Loans	0	0	3	5,686	0	0	0	0	3	5,686
<b>Total</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>15,952</b>	<b>3</b>	<b>5,187</b>	<b>8</b>	<b>20,231</b>	<b>18</b>	<b>41,460</b>

### INVESTMENT TEST

Baylake Bank had a significant level of qualified investments during the review period. The bank makes significant use of innovative and complex investments to support community development initiatives and exhibits good responsiveness to credit and community development needs, rarely in a leadership position.

The bank had four prior period investments to develop housing for low- and moderate-income students with outstanding balances of \$1,655,000. In addition, the bank made \$85,739 in grants to 55 organizations during the review period primarily to organizations providing community services to low- and moderate-income individuals and small businesses and small farms.

## SERVICE TEST

Baylake Bank's performance relative to the service test in the Green Bay MSA assessment area is adequate. The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels. The bank's record of opening and closing branches has not adversely affected the assessment area. The bank closed one branch in an upper-income census tract within the assessment area during the review period. Services do not vary in a way that inconveniences the needs of its assessment area, particularly low- and moderate- income geographies and/or low- and moderate-income individuals. The bank provides an adequate level of community development services.

### Retail Services

The distribution of the branch offices and ATMs is performed using current data (Census 2010) and any changes in the median family income level of the geographies where the branches are located.

The bank has 10 branches located in the Green Bay MSA assessment area: one in a moderate-income, eight in middle-income, and one in upper-income census tracts. The bank's delivery systems are accessible to essentially all segments of the assessment area, including low-and moderate-income individuals and the moderate-income geography. Of the branches located in middle- or upper-income census tracts, five are located near public transportation, providing accessibility to lower income individuals that may have limited transportation options. The branches are generally open from 7:30 a.m. to 5:00 p.m., or later on Fridays, and until 12:00 p.m. on Saturday. Electronic banking services are available via a network of six full-service and four cash-only ATMs in the assessment area. Additionally, the bank offers 24-hour telephone banking and internet banking services. One cash-only ATM is located in a moderate-income census tract. Business hours and banking services within the assessment area do not vary in a way that inconveniences certain portions of the assessment area including low- and moderate-income individuals and geographies.

### Community Development Services

Baylake Bank provides an adequate level of community development services within the Green Bay MSA assessment area during the review period. Bank employees served as board or committee members for a wide variety of organizations that promote small businesses, economic development, and community services to low- and moderate-income individuals. Examples of

services provided include healthcare, child care, early education programs and job skills.

Qualified Community Development Services by Type October 1, 2012 – September 21, 2015														
Green Bay MSA 24580	Affordable Housing			Community Services			Economic Development			Revitalize & Stabilize			Total	
	#	Hours	%	#	Hours	%	#	Hours	%	#	Hours	%	#	Hours
Services Performed	3	83	5.1	17	1,126	68.5	7	402	24.5	1	32.5	1.9	26	1,643.5

## DOOR COUNTY NONMETROPOLITAN, WISCONSIN - Full Review

### SCOPE OF THE EXAMINATION

The scope of examination is consistent with the description of the overall scope contained in the introduction section.

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN DOOR COUNTY NONMETROPOLITAN

There have been no changes in the bank's assessment area since the previous evaluation. The assessment area includes Door County in its entirety. The county consists of one moderate-income, seven middle-income, one upper-income, and one unknown-income census tracts, which is over Lake Michigan. There are no low income- census tracts in the assessment area and there are no distressed or underserved middle-income census tracts in the assessment area. The bank operates seven branches and the main office, five of which have full service ATMs. There is one branch without an ATM and one with a cash only ATM. In addition, the bank offers one standalone full service ATM. All of the bank's service locations are in middle-income census tracts.

The FDIC Deposit Market Share Report from June 30, 2015 indicated Baylake Bank ranked 1st in Door County of 6 financial institutions with 61.8 percent of the market share. Other top market holders and competition are Associate Bank with 19.1 percent, North Shore Bank with 10.8 percent, and Bank Mutual with 4.2 percent of the deposit market share.

As shown in the Assessment Areas Demographics report below, 46.2 percent of the assessment area housing units are owner-occupied. A vast majority of owner-occupied units are located in middle-income census tracts. The moderate-income census tract contains 8.7 percent of the owner-occupied housing units in the assessment area. Additionally, 91.4 percent of businesses in the assessment area are considered small, with gross revenue of \$1 million or less. Of these, 6.2 percent are located in the one moderate-income census tract.

Assessment Area Demographics 2014								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,304	14.3
Moderate-income	1	10.0	815	8.9	75	9.2	1,889	20.7
Middle-income	7	70.0	7,157	78.4	352	4.9	2,070	22.7
Upper-income	1	10.0	1,152	12.6	28	2.4	3,861	42.3



Unknown-income	1	10.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>10</b>	<b>100.0</b>	<b>9,124</b>	<b>100.0</b>	<b>455</b>	<b>5.0</b>	<b>9,124</b>	<b>100.0</b>	
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>							
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>		
		<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Low-income	0	0	0.0	0.0	0	0.0	0	0.0	
Moderate-income	1,528	919	8.7	60.1	147	9.6	462	30.2	
Middle-income	18,942	8,296	78.2	43.8	2,791	14.7	7,855	41.5	
Upper-income	2,497	1,400	13.2	56.1	131	5.2	966	38.7	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>22,967</b>	<b>10,615</b>	<b>100.0</b>	<b>46.2</b>	<b>3,069</b>	<b>13.4</b>	<b>9,283</b>	<b>40.4</b>	
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>							
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>			
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	141	6.2	134	6.4	3	2.4	4	5.6	
Middle-income	1,903	83.6	1,728	83.0	116	93.5	59	83.1	
Upper-income	232	10.2	219	10.5	5	4.0	8	11.3	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>2,276</b>	<b>100.0</b>	<b>2,081</b>	<b>100.0</b>	<b>124</b>	<b>100.0</b>	<b>71</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>			<b>91.4</b>		<b>5.4</b>		<b>3.1</b>		
Based on 2014 D&B information according to 2010 ACS Boundaries. Note: Percentages may not total 100.0 percent due to rounding									

### Population Characteristics

According to 2010 US Census Bureau data, the population in Door County in 2014 was 27,785, which remains relatively unchanged with a 0.6 percent decrease from the year 2000. Door County is primarily a tourist destination with a low number of year round residents. In comparison, the state of Wisconsin realized a population increase of 6.0 percent during the same period.

The assessment area has a relatively low minority population of 4.7 percent according to the 2010 U.S. Census Data. Hispanic individuals represent the largest percentage of minorities with 2.4 percent, followed by American Indian Not-Hispanic with 0.9 percent. The state of Wisconsin's minority population is 16.7 percent.

<b>Population Change 2000 and 2010</b>			
<b>Area</b>	<b>2000 Population</b>	<b>2010 Population</b>	<b>Percentage Change</b>



<b>Assessment Area</b>	N/A	27,785	N/A
Door County, WI	27,961	27,785	-0.6
State of Wisconsin	5,363,675	5,686,986	6.0

### Income Characteristics

The majority of jobs are in tourism, agriculture, and manufacturing industries with less opportunity for professional high paying employment. This is evident in the lower median family income in Door County compared to the state. The 2006-2010 American Community Survey indicates median family income for the state of Wisconsin increased 22.6 percent since the year 2000. In comparison, median family income in Door County increased 24.1 percent over the same period. The following table compares median family income at the assessment area and state level.

Median Family Income Change 2000 and 2010			
Area	2000 Median Family Income (In 1999 Dollars)	2006-2010 Median Family Income (In 2010 Dollars)	Percentage Change
<b>Assessment Area</b>	N/A	60,099	N/A
Door County, WI	48,460	60,139	24.1
State of Wisconsin	52,911	64,869	22.6

### Housing Characteristics and Affordability

Median housing values and median gross rents increased at a slightly higher rate in Door County than the state of Wisconsin between the 2000 census and the 2006-2010 American Community Survey. Door County's median housing value and median gross rent increased 54.2 percent and 44.5 percent, respectively. Median housing value for the state of Wisconsin increased 53.8 percent while median gross rents increased 32.0 percent over the same period. The table below presents trends in housing costs.

Housing Costs Change 2000 and 2010				
Area	2000 Median Housing Value	2006-2010 Median Housing Value	2000 Median Gross Rent	2006-2010 Median Gross Rent
Door County, WI	122,900	189,500	481	695
State of Wisconsin	109,900	169,000	540	713

The affordability ratio, which is defined in the Glossary of Appendix D, suggests housing in the in the state of Wisconsin is generally more affordable than in Door County. The affordability ratio for Door County in 2010 was 0.25 compared, the state of Wisconsin at 0.31.

Door County’s annual single family housing building permit issuances had steady growth of 45.8 percent, from 96 in 2011 to 140 in 2013. Multi-family housing permits in Door County have experienced a substantial decrease since 2011, with the number of permits reducing from 36 to 12 in a two-year period, resulting in a decrease of 66.7 percent from 2011 to 2013. In comparison, the state of Wisconsin realized growth rates of 37.0 and 45.1 percent for single family and multi-family housing permits, respectively, from 2011 to 2013.

**Foreclosure Trends**

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates (FIR) at the county level. The FIR measures the number of residential properties in some phase of foreclosure. It excludes properties that have completed foreclosure cycle.

Door County experienced at decrease in foreclosure activity during the evaluation period. As of December 2014, Door County had a FIR of 1.1 percent, down from 1.6 in August 2013. The state of Wisconsin had a similar FIR of 1.2 percent which is a decrease of 1.8 in August 2013. This is consistent with the improving economic conditions in the area during the evaluation period. One community contact stated the economic recovery has helped the reduction in foreclosure rate.

**Unemployment Conditions**

The unemployment rate in Door County remains substantially higher than the state; however, unemployment has decreased 1.2 percent since 2010. According to one community representative, efforts are being made to market Door County as a year round tourist destination, which may help to provide greater employment opportunities in the area. The following table displays the unemployment data for the assessment area and state between 2010 and 2013.

Recent Unemployment Rates				
Area	2010	2011	2012	2013
Door County, WI	10.2	10.6	9.3	9.0
State of Wisconsin	8.5	7.5	6.9	6.7

*Source : Bureau of Labor Statistics: Local Area Unemployment Statistics (LAUS)*

## Bankruptcy Trends

The number of bankruptcy filings in the assessment area is low. Door County has a lower bankruptcy filing rate than the state, according to the Administrative Office of the U.S. Courts. Door County decreased from 3.3 per 1,000 in population in 2010 to 1.9 in 2013, and the state of Wisconsin from 5.2 per 1,000 in population in 2010 to 4.0 in 2013.

## Employment Characteristics

The assessment area has a diverse economy with industries ranging from boat manufacturers to healthcare; the table below lists the ten largest employers in Door County. In addition to these large companies, there were 2,276 businesses in the bank's assessment area in 2014, and the majority (91.4 percent) had revenues of less than \$1 million.

Largest Employers in the Assessment Area			
Company	County	Number of Employees	Industry
North Shore Medical Clinic	Door	600	Physicians & Surgeons
Bay Shipbuilding Co	Door	500	Ship Builders & Repairers (Manufacturers)
Stony Creek Builders	Door	500	Remodeling & Repairing Building Contractors
Hatco Corp	Door	300	Food Products-Machinery (Manufacturers)
Door County Government Ctr	Door	250	Government Offices-County
Palmer Johnson Yachts	Door	250	Boat Manufacturer
NEW Industries Inc	Door	201	Machine Shops (Manufacturers)
Landmark Resort	Door	160	Resorts
TTX Environmental	Door	160	Sewage Treatment Equipment-Manufacturers
Shuttlelift Inc	Door	150	Overhead Traveling Cranes Hoists (Manufacturers)

*Source: America's Labor Market Information System*

The Location Quotients, as described earlier, for Door County in 2013 were highest in leisure and hospitality, manufacturing, and other services industries with ratios of 2.07, 1.79, and 1.77, respectively. Other services industry includes automotive repair and maintenance, commercial and industrial machinery equipment, and civic and social organizations. In contrast, Door County had a low concentration in professional employment compared to the rest of the country with LQ ratios of 0.65 for financial services and 0.27 in professional and business services industries.

## Community Contacts

Three community representatives were interviewed from Door County. Community

representatives stated Door County continues to diversify through efforts of becoming a year round tourist destination and through its diversification in manufacturing and agricultural industries. One contact mentioned a weakness for the area is its transportation infrastructure. There is a distance barrier to airports, commercial shipping ports, and major interstates which makes it harder to attract new businesses to the area. A community representative noted local institutions are involved in the community through revolving loan funds and microloan programs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS DOOR COUNTY NONMETROPOLITAN**

### **LENDING TEST**

HMDA-reportable loans categorized as home purchase and refinancing, as well as loans to small businesses were analyzed.

### **Geographic Distribution of Loans**

The table below indicates adequate geographic distribution when compared to aggregate lenders and the percentage of owner-occupied units in 2014. As noted above, there are no low-income census tracts within the assessment area. In Appendix A, geographic distribution of 2013 HMDA-reportable loans show comparable results. Due to low loan volumes of home improvement and multi-family loans, only home purchase and refinance loans will be discussed.

<b>Geographic Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2014 WI Non MSA</b>								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2014			Dollar			
		Count		Agg	Bank	Agg		
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	2.9	6.2	324	2.3	5.0	8.7
	Middle	60	85.7	83.8	10,867	78.2	80.8	78.2
	Upper	8	11.4	10.0	2,714	19.5	14.2	13.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>70</b>	<b>100.0</b>	<b>100.0</b>	<b>13,905</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	4.3	6.4	378	4.6	6.3	8.7
	Middle	40	85.1	85.4	7,284	88.1	84.3	78.2
	Upper	5	10.6	7.7	608	7.4	9.3	13.2
	Unknown	0	0.0	0.5	0	0.0	0.0	0.0
	<b>Total</b>		<b>47</b>	<b>100.0</b>	<b>100.0</b>	<b>8,270</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	4.9	0	0.0	3.1	8.7
	Middle	9	69.2	68.9	781	44.0	54.9	78.2
	Upper	4	30.8	23.0	992	56.0	41.4	13.2
	Unknown	0	0.0	3.3	0	0.0	0.5	0.0
	<b>Total</b>		<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>1,773</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	100.0	0	0.0	100.0	99.2
	Upper	0	0.0	0.0	0	0.0	0.0	0.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	4	3.1	6.2	702	2.9	5.3	8.7
	Middle	109	83.8	83.6	18,932	79.1	82.1	78.2
	Upper	17	13.1	9.8	4,314	18.0	12.5	13.2
	Unknown	0	0.0	0.4	0	0.0	0.0	0.0
	<b>Total</b>		<b>130</b>	<b>100.0</b>	<b>100.0</b>	<b>23,948</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2014 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

### **HMDA-Reportable Loans - Home Purchase**

Baylake Bank's geographic distribution of home purchase loans in the moderate-income census tracts reflects an adequate distribution within the assessment area. Home purchase loans represent 53.8 percent of the bank's total HMDA-related loans reported in 2014. In 2014, the bank made 2.9 percent by number and 2.3 percent by dollar amount of its home purchase loans in the moderate-income census tract. Aggregate performed better in the moderate-income census tract with 6.2 percent by number and 5.0 percent by dollar amount. The bank made the majority, 85.7 percent by number, of its home purchase loans in middle-income census tracts, exceeding the performance of aggregate lenders of 83.8 percent and the percentage of owner-occupied housing in middle-income census tracts of 78.2 percent.

In 2013, the bank's distribution of home purchase lending reflected a good distribution within the assessment area as 2.2 percent by number and 3.3 percent by dollar amount of loans were originated in the moderate-income census tract. By comparison, aggregate lenders originated 3.8 percent by number of loans in moderate-income census tracts, representing 3.3 percent of dollar volume. Lending in middle-income census tracts represented 87.9 percent of originations, which was slightly above aggregate lenders of 85.3 percent and above the percentage of owner-occupied housing of 78.2 percent. Neither the bank nor the aggregate lenders achieved parity with the percentage of owner occupied housing unit in the moderate-income census tract in 2013 and 2014.

### **HMDA-Reportable Loans - Refinances**

Baylake Bank's geographic distribution of refinance loans in the moderate-income census tract reflects an adequate distribution within the assessment area. Refinance loans represent 36.2 percent of the bank's total HMDA-related loans reported in 2014. In 2014, the bank made 4.3 percent by number of its refinance loans in moderate-income census tracts. Aggregate performed slightly better in the moderate-income census tract with 6.4 percent by number. The majority, 85.1 percent by number and 88.1 percent by dollar, of refinance loans were originated in middle-income census tracts where 78.2 percent of owner-occupied housing units are located. This is comparable to aggregate lenders who originated 85.4 percent by number and 84.3 percent by dollar amount in middle-income census tracts.

In 2013, the bank's geographic distribution of refinance loans in the moderate-income census tract reflects a good distribution within the assessment area. The bank outperformed the aggregate lenders by number and dollar volume of loans in moderate-income census tracts. Originations in the moderate-income census tract accounted for 5.0 percent by number of the bank's loans and 5.4 percent of loan dollar volume. By comparison, aggregate lenders made 4.4 percent by number and 2.4 percent by dollar amount of their loans in the moderate-income census tract. The majority of lending, 77.7 percent by number, took place in middle-income census tract in which the majority, 78.2 percent by number, of owner occupied housing is located. Neither the bank nor the aggregate lenders achieved parity with the percentage of owner occupied housing unit in moderate-income

census tracts in 2013 and 2014.

**CRA – Reportable Loans – Small Business**

Baylake Bank’s geographic distribution of CRA- reportable loans in the moderate-income census tract reflects a good distribution within the assessment area. The table below shows the bank’s performance of small business lending compared to aggregate lenders, and the distribution of small businesses throughout the assessment area. In 2014, the bank originated 6.0 percent by number of small business loans in the moderate-income census tract, equal to aggregate lenders and comparable to the percentage of small businesses in the moderate-income census tract at 6.2 percent. In 2013, small business lending was better, with the bank originating 9.4 percent by number in the moderate-income census tract, exceeding aggregate lenders of 7.8 percent by number, and the percentage of small businesses in moderate-income census tracts of 5.9 percent.

<b>Geographic Distribution of Small Business Loans</b>							
<b>Assessment Area: 2014 WI Non MSA</b>							
Tract Income Levels	<b>Bank &amp; Aggregate Lending Comparison</b>						Total Businesses %
	2014						
	Count		Dollar				
	Bank #	Bank %	Agg %	Bank \$ (000s)	Bank \$ %	Agg \$ %	
Small Business Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	17	6.0	6.0	1,689	3.9	4.3	6.2
Middle	254	89.4	78.7	39,724	92.0	89.9	83.6
Upper	13	4.6	7.1	1,753	4.1	4.6	10.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tr Unknown			8.3			1.2	
<b>Total</b>	<b>284</b>	<b>100.0</b>	<b>100.0</b>	<b>43,166</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

**Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes**

The bank’s borrower distribution reflects good dispersion among borrowers of different income levels and businesses of different sizes. The table below shows the bank’s borrower distribution compared to aggregate lenders and the percentage of families by income level in 2014. In Appendix A, borrower distribution of 2013 HMDA-reportable loans show comparable results. Due to low loan volumes of home improvement and multi-family loans, only home purchase and refinance loans will be discussed.



<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2014 WI Non MSA</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2014			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	3	4.3	3.6	329	2.4	1.7	14.3
	Moderate	7	10.0	12.1	871	6.3	7.0	20.7
	Middle	13	18.6	19.3	1,976	14.2	14.3	22.7
	Upper	39	55.7	53.1	8,946	64.3	65.4	42.3
	Unknown	8	11.4	11.9	1,783	12.8	11.7	0.0
	<b>Total</b>	<b>70</b>	<b>100.0</b>	<b>100.0</b>	<b>13,905</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	3	6.4	5.2	299	3.6	3.6	14.3
	Moderate	10	21.3	11.9	912	11.0	6.7	20.7
	Middle	11	23.4	18.1	1,476	17.8	13.2	22.7
	Upper	20	42.6	51.0	5,189	62.7	63.2	42.3
	Unknown	3	6.4	13.9	394	4.8	13.3	0.0
	<b>Total</b>	<b>47</b>	<b>100.0</b>	<b>100.0</b>	<b>8,270</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	4.9	0	0.0	4.5	14.3
	Moderate	2	15.4	14.8	148	8.3	12.9	20.7
	Middle	4	30.8	18.0	411	23.2	15.9	22.7
	Upper	6	46.2	55.7	589	33.2	48.6	42.3
	Unknown	1	7.7	6.6	625	35.3	18.0	0.0
	<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>1,773</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	14.3
	Moderate	0	0.0	0.0	0	0.0	0.0	20.7
	Middle	0	0.0	0.0	0	0.0	0.0	22.7
	Upper	0	0.0	0.0	0	0.0	0.0	42.3
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	6	4.6	4.4	628	2.6	2.5	14.3
	Moderate	19	14.6	12.1	1,931	8.1	6.8	20.7
	Middle	28	21.5	18.6	3,863	16.1	13.3	22.7
	Upper	65	50.0	52.1	14,724	61.5	61.0	42.3
	Unknown	12	9.2	12.8	2,802	11.7	16.4	0.0
	<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	<b>23,948</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2014 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								



### **HMDA-Reportable Loans - Home Purchase**

Baylake Bank's borrower distribution of home purchase loans reflects a good distribution among borrowers of different income levels, specifically those considered low-income. In 2014, the bank originated 4.3 percent by number and 2.4 percent by dollar amount of its home purchase loans to low-income borrowers, outperforming aggregate lenders. By comparison, aggregate lenders originated 3.6 percent of loans by volume to low-income borrowers which represented 1.7 percent of dollar amount.

Lending patterns were better in 2013. The bank originated 7.7 percent by number and 4.3 percent by dollar volume to low-income borrowers; comparatively, aggregate lenders had 4.6 percent of originations and 2.2 percent of its home purchase dollar volume go to low-income borrowers.

The bank's borrower distribution of home purchase loans reflects a good distribution among borrowers of different income levels, specifically, those considered moderate-income. In 2014, the bank originated 10.0 percent by number and 6.3 percent by dollar amount of the bank's loans to moderate-income borrowers, comparable to aggregate lenders with 12.1 percent by number and 7.0 percent by dollar amount. The majority of originations were made to upper-income borrowers for both the bank and aggregate. The bank originated 55.7 percent by number and 64.3 percent by dollar amount to upper-income borrowers. Similarly, 53.1 percent of aggregate lenders' loans were to upper-income borrowers, representing 65.4 percent of dollar volume.

In 2013, the bank's distribution of home purchase loans reflects an adequate distribution among borrowers of different income levels, specifically to moderate-income borrowers. The bank originated 6.6 percent by number and 3.6 percent by dollar amount of loans to moderate-income borrowers which is below the performance of aggregate lenders of 13.9 percent by number and 7.6 percent by dollar amount. Similar to 2014, the majority of loans for the bank and aggregate lenders were originated to upper-income borrowers (63.7 percent and 57.8 percent, respectively) which comprise the highest share of families within the assessment area (41.9 percent). Neither the bank nor -the aggregate lenders achieved parity with the percentage of low- and moderate-income families in 2013 and 2014.

### **HMDA-Reportable Loans - Refinance**

Baylake Bank's borrower distribution of refinance loans reflects a good distribution among borrowers of different income levels, specifically those considered low-income borrowers. In 2014, the bank outperformed aggregate lenders in refinance loans to low-income borrowers. The bank originated 6.4 percent by number and 3.6 percent by dollar amount of its loans to low-income borrowers. By comparison, aggregate lenders originated 5.2 percent by number and 3.6 percent in dollar amount of their loans to low-income borrowers.

The bank's borrower distribution of refinance loans reflects a good distribution of refinance loans,

specifically to moderate-income borrowers. The bank originated 21.3 percent of refinance loans to moderate-income borrowers, exceeding the aggregate lenders of 11.9 percent by number and comparable with the percentage of moderate-income families (20.7 percent).

The bank also outperformed aggregate lending to low- and moderate-income borrowers in 2013, reflecting a good distribution of refinance loans within the assessment area. The bank originated 6.5 percent by number and 2.3 percent by dollar amount of refinance loans to low-income borrowers. By comparison, aggregate lenders originated 4.3 percent by number and 1.1 percent by dollar amount of loans to low-income borrowers.

Likewise, the bank's refinance loans made to moderate-income borrowers represented 18.0 percent by number of bank originations, exceeding aggregate lenders of 10.7 percent by number and comparable to the percentage of moderate-income borrowers in the assessment area of 20.9 percent.

#### **CRA – Reportable Loans – Small Business**

The bank has an adequate performance of small business lending when compared to aggregate lenders and the percentages of small businesses in the assessment area during the evaluation period. In 2014, the bank outperformed the aggregate of lenders in lending to businesses with revenues of \$1 million or less by number and dollar amount. However, aggregate lenders outperformed the bank in small business loans as they originated 86.4 percent by number of loans of \$100,000 or less. By comparison, the bank originated 54.9 percent of loans in amounts \$100,000 or less. The majority, 70.8 percent, of the bank's small business loans were made to businesses with revenue of \$1 million or less, while 61.2 percent of those loans were in amounts of \$100,000 or less. Neither the bank nor aggregate lenders met or exceeded the number of businesses within the assessment area with revenue of \$1 million or less of 91.4 percent.

Small Business Lending By Revenue & Loan Size									
Assessment Area: 2014 WI Non MSA									
Product Type		Bank & Aggregate Lending Comparison							
		Count		2014				Total Businesses %	
				Dollar		Total			
Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg		
#	%	%	\$ 000s	\$ %	\$ %	\$ %	\$ %	%	
Small Business	Revenue	\$1 Million or Less	201	70.8	56.5	25,604	59.3	59.8	91.4
		Over \$1 Million or Unknown	83	29.2	43.5	17,562	40.7	40.2	8.6
		Total	284	100.0	100.0	43,166	100.0	100.0	100.0
	Loan Size	\$100,000 or Less	156	54.9	86.4	7,656	17.7	28.5	
		\$100,001 - \$250,000	76	26.8	8.0	12,898	29.9	25.7	
		\$250,001 - \$1 Million	52	18.3	5.6	22,612	52.4	45.8	
		Total	284	100.0	100.0	43,166	100.0	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	123	61.2		5,666	22.1		
		\$100,001 - \$250,000	49	24.4		8,327	32.5		
		\$250,001 - \$1 Million	29	14.4		11,611	45.3		
		Total	201	100.0		25,604	100.0		
	Originations & Purchases								
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS									
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

In 2013, the bank had a similar performance. The majority, 71.1 percent, of the bank's small business loans was made to businesses with revenue of \$1 million or less and 61.4 percent of those loans were in amounts of \$100,000 or less. Baylake Bank exceeded aggregate lender performance by number and dollar amount. However, the bank's performance was below the percentages of businesses with revenues of \$1 million or less of 92.2 percent.

### Community Development Lending

The bank is a leader in making community development loans. During the review period, the bank originated nine qualified community development loans totaling \$7.6 million. In comparison, the bank originated two qualified community development loans totaling \$2.7 million during the previous evaluation. The loans were made to local small businesses with the proceeds being used to fund the creation and retention of jobs for low- and moderate-income individuals. Originated loans were critically important in the role of supporting local small businesses that cater to the tourism industry, which is a primary sector industry within the assessment area. All loans are new to this evaluation period and eclipse the previous evaluation's qualified community development loans by number and dollar amount.

Qualified Community Development Loans August 26, 2013 – October 19, 2015										
Door County Non MSA	Affordable Housing		Community Services		Economic Development		Revitalize & Stabilize		Total	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)
New Loans	1	73	2	100	6	7,421	0	0	9	7,594
Renewed Loans	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>73</b>	<b>2</b>	<b>100</b>	<b>6</b>	<b>7,421</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>7,594</b>

### INVESTMENT TEST

The bank made a significant level of qualified community development investments and grants, occasionally in a leadership position. The bank exhibits good responsiveness to credit and community development needs.

During the review period, the bank invested in two securities totaling \$610,000, and focused on revitalization, stabilization, and economic development. The bank invested \$250,000 in a bond issued by the City of Sturgeon Bay to fund redevelopment in a designated district. The bank also invested \$360,000 in a bond benefitting the Village of Egg Harbor; it was issued under the American Recovery and Reinvestment Act. Both bonds were used to finance harbor improvements. Prior period investments had outstanding balances of \$3,175,000.

Qualified Community Development Investments by Type October 1, 2012 – September 21, 2015									
Door County Non MSA	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$ (000s)	#	\$ (000s)	#	\$ (000s)	% of Total \$	#	\$ (000s)
Affordable Housing	0	0	0	0	0	0	0.0	0	0
Community Services	0	0	0	0	0	0	0.0	0	0
Economic Development	1	360	1	360	2	720	50.0	0	0
Revitalize & Stabilize	1	2,815	1	250	2	3,065	50.0	0	0
<b>Total</b>	<b>2</b>	<b>3,175</b>	<b>2</b>	<b>610</b>	<b>4</b>	<b>3,785</b>	<b>100.0</b>	<b>0</b>	<b>0</b>

In addition, the bank provided 51 grants totaling \$110,325 during the review period, of which \$98,325 were to organizations that provide community services to low- and moderate-income individuals and small businesses.

## SERVICE TEST

The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels. The bank's record of opening and closing of branches has not adversely affected the assessment area, as the bank has not opened or closed any branches during the review period and services do not vary in a way that inconveniences any segment of the assessment area, particularly low- and moderate-income geographies and/or low and moderate-income individuals. The bank provides a relatively high level of community development services.

### Retail Services

The distribution of the branch offices and ATMs is performed using current data (Census 2010) and any changes in the median family income level of the geographies where the branches are located.

Baylake Bank maintains a main office and seven branches within this assessment area. All branches, including the main office are in middle-income census tracts. The hours of operation are similar at all branches and are generally 8:30 to 4:30pm Monday through Thursday with extended hours on Friday and Saturday. The bank also operates seven ATMs in middle-income census tracts. Electronic banking services and information are available through 24-hour telephone banking and internet banking, which benefit customers who do not have easy access to transportation, or who are unable to do their banking during business hours.

### Community Development Services

The bank provides a relatively high level of community development services in this assessment area. Bank officers and employees contribute their financial skills to organizations throughout the assessment area, participating in a variety of community based organizations. Bank employees serve on local economic development committees including the Door County Economic Development Corporation and the Sturgeon Bay Waterfront Development Authority. Bank employees are also involved in the administration of the Door County Revolving Loan Fund and the Sturgeon Bay Revolving Loan Fund programs, which promote business development through financial incentives. The following table presents a summary of the bank's activity.

Qualified Community Development Services by Type October 1, 2012 – September 21, 2015														
Door County Non MSA	Affordable Housing			Community Services			Economic Development			Revitalize & Stabilize			Total	
	#	Hours	%	#	Hours	%	#	Hours	%	#	Hours	%	#	Hours
Services Performed	2	61	2.8	17	1,383	63.3	9	741	33.9	0	0	0.0	28	2,185

**APPLETON, WISCONSIN MSA 11540 - Limited Review**

**SCOPE OF THE EXAMINATION**

The scope of examination is consistent with the description of the overall scope contained in the introduction section.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN APPLETON, WISCONSIN MSA 11540**

The Appleton, Wisconsin MSA #11540 (Appleton, WI MSA) assessment area consists of Outagamie County in its entirety and remains unchanged since the previous evaluation. The Appleton, WI MSA consists of three moderate-income, 33 middle-income, and 12 upper-income census tracts. The bank operates two branches, one with full service ATM, in middle-income census tracts. A branch without an ATM was opened April 10, 2014.

The FDIC Deposit Market Share Report from June 30, 2015 indicated Baylake Bank ranked 13th in Outagamie County of 27 financial institutions with 1.6 percent of the market share. The top market holder and competition are BMO Harris Bank with 24.5 percent, JPMorgan Chase Bank with 15.9 percent, Associate Bank with 9.8 percent, American National Bank with 6.7 percent, and Wells Fargo Bank with 6.5 percent of the deposit market share.

As shown in the Assessment Areas Demographics report below, 69.5 percent of the assessment area housing units are owner-occupied. A vast majority of owner-occupied units are located in middle-income census tracts. Moderate-income census tracts contain 4.5 percent of the owner-occupied housing units in the assessment area. Additionally, 87.1 percent of businesses in the assessment area are considered small, with gross revenue of \$1 million or less. Of these, 10.3 percent are located in the three moderate-income census tracts.

<b>Assessment Area Demographics 2014</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low-income	0	0.0	0	0.0	0	0.0	7,979	17.2
Moderate-income	3	7.5	2,306	5.0	408	17.7	8,856	19.1
Middle-income	33	82.5	38,227	82.4	2,099	5.5	12,079	26.0
Upper-income	4	10.0	5,856	12.6	118	2.0	17,475	37.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>40</b>	<b>100.0</b>	<b>46,389</b>	<b>100.0</b>	<b>2,625</b>	<b>5.7</b>	<b>46,389</b>	<b>100.0</b>
	<b>Housing</b>	<b>Housing Types by Tract</b>						

	Units by Tract	Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	0	0	0.0	0.0	0	0.0	0	0.0	
Moderate-income	5,200	2,242	4.5	43.1	2,378	45.7	580	11.2	
Middle-income	59,810	41,857	83.3	70.0	15,543	26.0	2,410	4.0	
Upper-income	7,303	6,136	12.2	84.0	906	12.4	261	3.6	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>72,313</b>	<b>50,235</b>	<b>100.0</b>	<b>69.5</b>	<b>18,827</b>	<b>26.0</b>	<b>3,251</b>	<b>4.5</b>	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%		
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	733	10.3	620	10.0	84	12.0	29	13.4	
Middle-income	5,699	80.2	4,970	80.3	549	78.7	180	82.9	
Upper-income	674	9.5	601	9.7	65	9.3	8	3.7	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>7,106</b>	<b>100.0</b>	<b>6,191</b>	<b>100.0</b>	<b>698</b>	<b>100.0</b>	<b>217</b>	<b>100.0</b>	
<b>Percentage of Total Businesses:</b>			<b>87.1</b>		<b>9.8</b>		<b>3.1</b>		
Based on 2014 D&B information according to 2010 ACS Boundaries. Note: Percentages may not total 100.0 percent due to rounding									

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS APPLETON, WISCONSIN  
MSA 11540**

Assessment Area	Lending Test	Investment Test	Service Test
Appleton, WI MSA #11540	Consistent	Consistent	Below

**LENDING TEST**

The bank's performance is consistent with its overall performance.



Geographic Distribution of HMDA Reportable Loans							
Assessment Area: 2014 Appleton, WI MSA 11540							
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units
		2014					
		Count		Agg	Dollar		
		Bank	%	%	Bank	Agg	
		#	%	%	\$ (000s)	\$ %	\$ %
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0	4.0	0	0.0	2.5
	Middle	11	68.8	82.7	1,663	66.7	78.7
	Upper	5	31.3	13.4	830	33.3	18.7
	Unknown	0	0.0	0.0	0	0.0	0.0
	<b>Total</b>		<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,493</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0	4.5	0	0.0	3.3
	Middle	9	100.0	81.2	941	100.0	78.3
	Upper	0	0.0	14.3	0	0.0	18.5
	Unknown	0	0.0	0.0	0	0.0	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>941</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0	6.5	0	0.0	5.5
	Middle	1	100.0	78.3	13	100.0	74.1
	Upper	0	0.0	15.2	0	0.0	20.5
	Unknown	0	0.0	0.0	0	0.0	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0	8.7	0	0.0	1.7
	Middle	0	0.0	91.3	0	0.0	98.3
	Upper	0	0.0	0.0	0	0.0	0.0
	Unknown	0	0.0	0.0	0	0.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0	4.4	0	0.0	2.8
	Middle	21	80.8	81.7	2,617	75.9	79.8
	Upper	5	19.2	13.8	830	24.1	17.4
	Unknown	0	0.0	0.0	0	0.0	0.0
	<b>Total</b>		<b>26</b>	<b>100.0</b>	<b>100.0</b>	<b>3,447</b>	<b>100.0</b>

Originations & Purchases  
2014 FFIEC Census Data  
*Note: Percentages may not add to 100.0 percent due to rounding*

Geographic Distribution of Small Business Loans							
Assessment Area: 2014 Appleton, WI MSA 11540							
Tract Income Levels	Bank & Aggregate Lending Comparison						Total Businesses %
	2014			2014			
	Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)		\$ %			
Small Business	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	2	5.6	16.2	816	7.5	22.9
	Middle	34	94.4	67.5	10,110	92.5	62.5
	Upper	0	0.0	12.0	0	0.0	11.1
	Unknown	0	0.0	0.0	0	0.0	0.0
	Tr Unknown			4.3			3.6
	<b>Total</b>	<b>36</b>	<b>100.0</b>	<b>100.0</b>	<b>10,926</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases							
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

**Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes**

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2014 Appleton, WI MSA 11540</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2014						
		Count		Dollar				
		Bank #	Agg %	Bank \$ (000s)	Agg \$ %	Bank \$ %	Agg \$ %	
Home Purchase	Low	2	12.5	11.9	243	9.7	6.9	17.2
	Moderate	4	25.0	23.9	210	8.4	17.9	19.1
	Middle	3	18.8	22.4	616	24.7	22.1	26.0
	Upper	7	43.8	29.1	1,424	57.1	41.8	37.7
	Unknown	0	0.0	12.7	0	0.0	11.4	0.0
	<b>Total</b>		<b>16</b>	<b>100.0</b>	<b>100.0</b>	<b>2,493</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	9.2	0	0.0	5.5	17.2
	Moderate	1	11.1	20.5	128	13.6	15.5	19.1
	Middle	7	77.8	24.7	762	81.0	23.1	26.0
	Upper	1	11.1	34.3	51	5.4	42.4	37.7
	Unknown	0	0.0	11.2	0	0.0	13.5	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>941</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	10.8	0	0.0	6.6	17.2
	Moderate	0	0.0	19.4	0	0.0	15.4	19.1
	Middle	1	100.0	27.1	13	100.0	25.2	26.0
	Upper	0	0.0	39.2	0	0.0	48.0	37.7
	Unknown	0	0.0	3.5	0	0.0	4.7	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.1
	Middle	0	0.0	0.0	0	0.0	0.0	26.0
	Upper	0	0.0	0.0	0	0.0	0.0	37.7
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	2	7.7	10.6	243	7.0	5.9	17.2
	Moderate	5	19.2	22.0	338	9.8	15.6	19.1
	Middle	11	42.3	23.7	1,391	40.4	21.1	26.0
	Upper	8	30.8	32.0	1,475	42.8	39.3	37.7
	Unknown	0	0.0	11.7	0	0.0	18.1	0.0
	<b>Total</b>		<b>26</b>	<b>100.0</b>	<b>100.0</b>	<b>3,447</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
2014 FFIEC Census Data  
*Note: Percentages may not add to 100.0 percent due to rounding*

Small Business Lending By Revenue & Loan Size								
Assessment Area: 2014 Appleton, WI MSA 11540								
Product Type		Bank & Aggregate Lending Comparison						
		Count		2014				Total Businesses %
		Bank #	Agg %	Dollar		Agg %		
		Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %		
Revenue	\$1 Million or Less	13	36.1	73.5	2,587	23.7	54.8	87.1
	Over \$1 Million or Unknown	23	63.9	26.5	8,339	76.3	45.2	12.9
Total		36	100.0	100.0	10,926	100.0	100.0	100.0
Loan Size	\$100,000 or Less	12	33.3	90.6	561	5.1	58.3	
	\$100,001 - \$250,000	8	22.2	8.5	1,529	14.0	34.4	
	\$250,001 - \$1 Million	16	44.4	0.9	8,836	80.9	7.3	
	Total	36	100.0	100.0	10,926	100.0	100.0	
Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	8	61.5		404	15.6		
	\$100,001 - \$250,000	1	7.7		137	5.3		
	\$250,001 - \$1 Million	4	30.8		2,046	79.1		
	Total	13	100.0		2,587	100.0		
Originations & Purchases								
2014 FFIEC Census Data & 2014 Dun & Bradstreet information according to 2010 ACS								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

**Community Development Lending**

Baylake Bank made one loan in the amount of \$1,350,000 to be used for economic development.

**INVESTMENT TEST**

The bank’s performance is consistent with its overall performance. Baylake Bank made two investments in the amount of \$1,630,000 to be used for economic development.

**SERVICE TEST**

The bank’s performance is below its overall performance.

**Retail Service**

The bank operates two branches, one with full service ATM, in middle-income census tracts. A branch without an ATM was opened April 10, 2014.

**Community Development Services**

The bank provided a level of community services in the assessment area that is below overall performance. During the review period, employees provided 117 hours of community development service. The services were provided organizations targeting low- and moderate-income individuals and affordable housing.

**APPENDIX A – 2013 HMDA & CRA LOAN DISTRIBUTION TABLES**

<b>Geographic Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2013 Green Bay, WI MSA 24580</b>								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2013			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.6	0	0.0	0.3	0.9
	Moderate	5	7.5	14.4	387	3.4	8.7	15.8
	Middle	34	50.7	50.0	5,002	44.0	46.6	55.3
	Upper	28	41.8	34.9	5,969	52.6	44.3	28.1
	Unknown	0	0.0	0.1	0	0.0	0.0	0.0
	<b>Total</b>		<b>67</b>	<b>100.0</b>	<b>100.0</b>	<b>11,358</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.8	0	0.0	0.4	0.9
	Moderate	7	4.9	12.2	626	2.9	7.2	15.8
	Middle	91	63.2	50.7	13,099	61.7	49.9	55.3
	Upper	46	31.9	36.3	7,503	35.3	42.4	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>144</b>	<b>100.0</b>	<b>100.0</b>	<b>21,228</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.8	0	0.0	0.4	0.9
	Moderate	3	14.3	10.2	91	4.8	5.5	15.8
	Middle	16	76.2	59.8	1,645	86.3	55.5	55.3
	Upper	2	9.5	29.3	170	8.9	38.6	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>1,906</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	2.0
	Moderate	0	0.0	28.6	0	0.0	18.3	25.6
	Middle	1	100.0	61.2	1,035	100.0	54.6	57.5
	Upper	0	0.0	10.2	0	0.0	27.1	14.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>1,035</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.7	0	0.0	0.3	0.9
	Moderate	15	6.4	12.9	1,104	3.1	8.1	15.8
	Middle	142	60.9	50.9	20,781	58.5	49.3	55.3
	Upper	76	32.6	35.5	13,642	38.4	42.2	28.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>233</b>	<b>100.0</b>	<b>100.0</b>	<b>35,527</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2013 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

<b>Geographic Distribution of Small Business Loans</b>								
<b>Assessment Area: 2013 Green Bay, WI MSA 24580</b>								
Tract Income Levels	Bank & Aggregate Lending Comparison						Total Businesses %	
	2013			2013				
	Count		Agg %	Dollar		Agg \$ %		
Bank #	%	Bank \$ (000s)		\$ %				
Small Business	Low	2	0.6	1.0	293	0.4	1.3	1.5
	Moderate	60	17.4	17.1	14,970	21.0	20.0	17.1
	Middle	219	63.5	49.8	39,887	56.1	49.7	53.9
	Upper	64	18.6	28.5	16,003	22.5	28.2	27.5
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Tr Unknown			3.6			0.8	
	<b>Total</b>	<b>345</b>	<b>100.0</b>	<b>100.0</b>	<b>71,153</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2013 Green Bay, WI MSA 24580</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2013			2013			
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)	\$ %					
Home Purchase	Low	5	7.5	9.9	342	3.0	5.5	18.3
	Moderate	12	17.9	24.6	1,323	11.6	18.6	17.8
	Middle	18	26.9	24.1	2,965	26.1	23.3	23.7
	Upper	29	43.3	31.4	6,158	54.2	42.8	40.2
	Unknown	3	4.5	10.0	570	5.0	9.8	0.0
	<b>Total</b>	<b>67</b>	<b>100.0</b>	<b>100.0</b>	<b>11,358</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	13	9.0	7.0	916	4.3	3.7	18.3
	Moderate	27	18.8	18.2	2,915	13.7	12.4	17.8
	Middle	33	22.9	23.2	4,898	23.1	18.7	23.7
	Upper	61	42.4	37.7	11,228	52.9	43.3	40.2
	Unknown	10	6.9	13.9	1,271	6.0	22.0	0.0
	<b>Total</b>	<b>144</b>	<b>100.0</b>	<b>100.0</b>	<b>21,228</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	1	4.8	7.1	39	2.0	4.2	18.3
	Moderate	7	33.3	20.7	468	24.6	15.5	17.8
	Middle	5	23.8	27.6	360	18.9	22.9	23.7
	Upper	6	28.6	42.1	965	50.6	54.2	40.2
	Unknown	2	9.5	2.5	74	3.9	3.3	0.0
	<b>Total</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>1,906</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.3
	Moderate	0	0.0	0.0	0	0.0	0.0	17.8
	Middle	0	0.0	0.0	0	0.0	0.0	23.7
	Upper	0	0.0	0.0	0	0.0	0.0	40.2
	Unknown	1	100.0	100.0	1,035	100.0	100.0	0.0
	<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>1,035</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	19	8.2	7.9	1,297	3.7	4.0	18.3
	Moderate	46	19.7	20.1	4,706	13.2	13.7	17.8
	Middle	56	24.0	23.6	8,223	23.1	19.3	23.7
	Upper	96	41.2	35.8	18,351	51.7	41.4	40.2
	Unknown	16	6.9	12.6	2,950	8.3	21.6	0.0
	<b>Total</b>	<b>233</b>	<b>100.0</b>	<b>100.0</b>	<b>35,527</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2013 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								



Small Business Lending By Revenue & Loan Size									
Assessment Area: 2013 Green Bay, WI MSA 24580									
Product Type		Bank & Aggregate Lending Comparison							
		2013							
		Count		Dollar			Total		
		Bank	Agg	Bank	Agg	Agg	Businesses		
		#	%	%	\$ 000s	\$ %	\$ %	%	
Small Business	Revenue	\$1 Million or Less	215	62.3	41.9	35,219	49.5	35.6	88.7
		Over \$1 Million or Unknown	130	37.7	58.1	35,934	50.5	64.4	11.3
		Total	345	100.0	100.0	71,153	100.0	100.0	100.0
	Loan Size	\$100,000 or Less	182	52.8	86.3	8,746	12.3	20.9	
		\$100,001 - \$250,000	75	21.7	6.3	13,108	18.4	17.2	
		\$250,001 - \$1 Million	88	25.5	7.4	49,299	69.3	62.0	
		Total	345	100.0	100.0	71,153	100.0	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	129	60.0		5,555	15.8		
		\$100,001 - \$250,000	47	21.9		7,963	22.6		
		\$250,001 - \$1 Million	39	18.1		21,701	61.6		
		Total	215	100.0		35,219	100.0		
	Originations & Purchases								
2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS									
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2013 WI Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2013			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	2.2	3.8	550	3.3	3.3	8.7
	Middle	80	87.9	85.0	13,976	82.9	81.2	78.2
	Upper	9	9.9	10.8	2,334	13.8	14.6	13.2
	Unknown	0	0.0	0.4	0	0.0	1.0	0.0
	<b>Total</b>		<b>91</b>	<b>100.0</b>	<b>100.0</b>	<b>16,860</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	7	5.0	4.4	1,329	5.4	2.4	8.7
	Middle	108	77.7	82.8	19,294	78.7	89.8	78.2
	Upper	24	17.3	11.8	3,887	15.9	7.6	13.2
	Unknown	0	0.0	1.1	0	0.0	0.2	0.0
	<b>Total</b>		<b>139</b>	<b>100.0</b>	<b>100.0</b>	<b>24,510</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	2	6.1	7.6	122	2.5	4.0	8.7
	Middle	30	90.9	72.8	4,672	97.0	79.0	78.2
	Upper	1	3.0	13.0	22	0.5	16.3	13.2
	Unknown	0	0.0	6.5	0	0.0	0.7	0.0
	<b>Total</b>		<b>33</b>	<b>100.0</b>	<b>100.0</b>	<b>4,816</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	1	100.0	100.0	154	100.0	100.0	99.2
	Upper	0	0.0	0.0	0	0.0	0.0	0.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>154</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	11	4.2	4.4	2,001	4.3	2.6	8.7
	Middle	219	83.0	82.9	38,096	82.2	87.8	78.2
	Upper	34	12.9	11.5	6,243	13.5	9.2	13.2
	Unknown	0	0.0	1.2	0	0.0	0.3	0.0
	<b>Total</b>		<b>264</b>	<b>100.0</b>	<b>100.0</b>	<b>46,340</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
2013 FFIEC Census Data  
*Note: Percentages may not add to 100.0 percent due to rounding*

<b>Geographic Distribution of Small Business Loans</b>							
<b>Assessment Area: 2013 WI Non MSA</b>							
<b>Bank &amp; Aggregate Lending Comparison</b>							
<b>Tract Income Levels</b>	<b>2013</b>						<b>Total Businesses %</b>
	<b>Count</b>			<b>Dollar</b>			
	<b>Bank #</b>	<b>Bank %</b>	<b>Agg %</b>	<b>Bank \$ (000s)</b>	<b>Bank \$ %</b>	<b>Agg \$ %</b>	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	26	9.4	7.8	3,236	7.6	8.5	5.9
Middle	237	85.6	75.2	38,590	90.4	85.8	83.8
Upper	14	5.1	7.4	864	2.0	3.3	10.3
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tr Unknown			9.7			2.5	
<b>Total</b>	<b>277</b>	<b>100.0</b>	<b>100.0</b>	<b>42,690</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Small Business

Originations & Purchases  
2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2013 WI Non MSA</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2013			Dollar			
		Count		Agg	Bank			Agg
		Bank #	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	7	7.7	4.6	726	4.3	2.2	14.5
	Moderate	6	6.6	13.9	613	3.6	7.6	20.9
	Middle	16	17.6	14.6	2,434	14.4	11.1	22.8
	Upper	58	63.7	57.8	12,528	74.3	68.7	41.9
	Unknown	4	4.4	9.1	559	3.3	10.4	0.0
	<b>Total</b>	<b>91</b>	<b>100.0</b>	<b>100.0</b>	<b>16,860</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	9	6.5	4.3	573	2.3	1.1	14.5
	Moderate	25	18.0	10.7	2,521	10.3	3.5	20.9
	Middle	38	27.3	16.9	5,632	23.0	7.0	22.8
	Upper	63	45.3	56.4	15,262	62.3	39.2	41.9
	Unknown	4	2.9	11.8	522	2.1	49.1	0.0
	<b>Total</b>	<b>139</b>	<b>100.0</b>	<b>100.0</b>	<b>24,510</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	2	6.1	5.4	195	4.0	2.0	14.5
	Moderate	3	9.1	10.9	262	5.4	4.7	20.9
	Middle	8	24.2	25.0	792	16.4	19.3	22.8
	Upper	17	51.5	54.3	3,238	67.2	68.5	41.9
	Unknown	3	9.1	4.3	329	6.8	5.4	0.0
	<b>Total</b>	<b>33</b>	<b>100.0</b>	<b>100.0</b>	<b>4,816</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	14.5
	Moderate	0	0.0	0.0	0	0.0	0.0	20.9
	Middle	0	0.0	0.0	0	0.0	0.0	22.8
	Upper	0	0.0	0.0	0	0.0	0.0	41.9
	Unknown	1	100.0	100.0	154	100.0	100.0	0.0
	<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>154</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
HMDA Totals	Low	18	6.8	4.4	1,494	3.2	1.4	14.5
	Moderate	34	12.9	11.6	3,396	7.3	4.3	20.9
	Middle	62	23.5	16.7	8,858	19.1	8.2	22.8
	Upper	138	52.3	56.6	31,028	67.0	45.7	41.9
	Unknown	12	4.5	10.7	1,564	3.4	40.4	0.0
	<b>Total</b>	<b>264</b>	<b>100.0</b>	<b>100.0</b>	<b>46,340</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2013 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending By Revenue & Loan Size										
Assessment Area: 2013 WI Non MSA										
Product Type		Bank & Aggregate Lending Comparison								
		Count		2013 Dollar				Total Businesses %		
		Bank #	Agg %	Bank \$ 000s	Agg \$ %	Bank \$ %				
Small Business	Revenue	\$1 Million or Less	197	71.1	56.5	27,408	64.2	57.5	92.2	
		Over \$1 Million or Unknown	80	28.9	43.5	15,282	35.8	42.5	7.8	
		<b>Total</b>	<b>277</b>	<b>100.0</b>	<b>100.0</b>	<b>42,690</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	
	Loan Size	\$100,000 or Less	156	56.3	84.2	6,978	16.3	25.0		
		\$100,001 - \$250,000	67	24.2	8.7	10,923	25.6	22.0		
		\$250,001 - \$1 Million	54	19.5	7.2	24,789	58.1	52.9		
		<b>Total</b>	<b>277</b>	<b>100.0</b>	<b>100.0</b>	<b>42,690</b>	<b>100.0</b>	<b>100.0</b>		
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	121	61.4		4,827	17.6			
		\$100,001 - \$250,000	44	22.3		6,939	25.3			
		\$250,001 - \$1 Million	32	16.2		15,642	57.1			
<b>Total</b>		<b>197</b>	<b>100.0</b>		<b>27,408</b>	<b>100.0</b>				

Originations & Purchases  
2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2013 Appleton, WI MSA 11540								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2013			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	5.3	0	0.0	3.6	4.5
	Middle	9	100.0	80.6	1,394	100.0	77.1	83.3
	Upper	0	0.0	14.1	0	0.0	19.3	12.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>1,394</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	3.6	0	0.0	2.3	4.5
	Middle	14	93.3	80.3	1,611	88.3	78.7	83.3
	Upper	1	6.7	16.1	213	11.7	19.0	12.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>15</b>	<b>100.0</b>	<b>100.0</b>	<b>1,824</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	3.3	0	0.0	3.4	4.5
	Middle	1	100.0	82.1	60	100.0	80.0	83.3
	Upper	0	0.0	14.6	0	0.0	16.6	12.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	11.1	0	0.0	3.9	14.9
	Middle	0	0.0	80.6	0	0.0	66.2	80.7
	Upper	0	0.0	8.3	0	0.0	29.8	4.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	4.2	0	0.0	2.8	4.5
	Middle	24	96.0	80.5	3,065	93.5	77.6	83.3
	Upper	1	4.0	15.4	213	6.5	19.5	12.2
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>25</b>	<b>100.0</b>	<b>100.0</b>	<b>3,278</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2013 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Geographic Distribution of Small Business Loans Assessment Area: 2013 Appleton, WI MSA 11540							
Tract Income Levels	Bank & Aggregate Lending Comparison						Total Businesses %
	2013			2013			
	Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)		\$ %			
Small Business	Low	0	0.0	0.0	0	0.0	0.0
	Moderate	2	4.7	9.5	234	2.1	9.2
	Middle	40	93.0	74.6	10,590	93.5	79.5
	Upper	1	2.3	12.2	500	4.4	10.7
	Unknown	0	0.0	0.0	0	0.0	0.0
	Tr Unknown			3.7		0.6	
	<b>Total</b>	<b>43</b>	<b>100.0</b>	<b>100.0</b>	<b>11,324</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS  
*Note: Percentages may not add to 100.0 percent due to rounding*

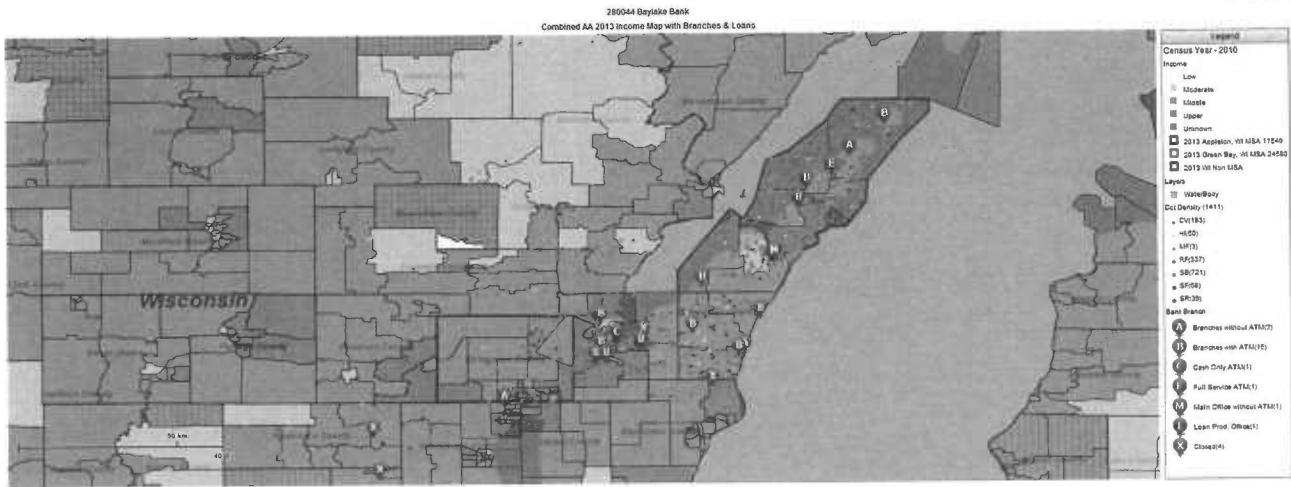


<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2013 Appleton, WI MSA 11540</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					Families by Family Income %	
		2013			Dollar			
		Count		Agg	Bank			Agg
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	2	22.2	15.2	134	9.6	9.0	17.2
	Moderate	1	11.1	23.8	160	11.5	18.4	19.1
	Middle	2	22.2	25.8	234	16.8	25.3	26.0
	Upper	3	33.3	27.8	542	38.9	40.7	37.7
	Unknown	1	11.1	7.3	324	23.2	6.5	0.0
	<b>Total</b>		<b>9</b>	<b>100.0</b>	<b>100.0</b>	<b>1,394</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	1	6.7	8.8	66	3.6	5.1	17.2
	Moderate	1	6.7	19.7	48	2.6	14.4	19.1
	Middle	6	40.0	25.9	678	37.2	21.9	26.0
	Upper	4	26.7	34.2	671	36.8	40.6	37.7
	Unknown	3	20.0	11.4	361	19.8	18.0	0.0
	<b>Total</b>		<b>15</b>	<b>100.0</b>	<b>100.0</b>	<b>1,824</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	11.2	0	0.0	7.7	17.2
	Moderate	0	0.0	18.7	0	0.0	12.4	19.1
	Middle	0	0.0	28.7	0	0.0	25.9	26.0
	Upper	1	100.0	39.0	60	100.0	50.4	37.7
	Unknown	0	0.0	2.4	0	0.0	3.5	0.0
	<b>Total</b>		<b>1</b>	<b>100.0</b>	<b>100.0</b>	<b>60</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	17.2
	Moderate	0	0.0	0.0	0	0.0	0.0	19.1
	Middle	0	0.0	0.0	0	0.0	0.0	26.0
	Upper	0	0.0	0.0	0	0.0	0.0	37.7
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	<b>Total</b>		<b>0</b>	<b>0.0</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>100.0</b>
HMDA Totals	Low	3	12.0	10.9	200	6.1	6.2	17.2
	Moderate	2	8.0	20.9	208	6.3	14.9	19.1
	Middle	8	32.0	26.0	912	27.8	22.1	26.0
	Upper	8	32.0	32.3	1,273	38.8	39.1	37.7
	Unknown	4	16.0	9.9	685	20.9	17.7	0.0
	<b>Total</b>		<b>25</b>	<b>100.0</b>	<b>100.0</b>	<b>3,278</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2013 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending By Revenue & Loan Size									
Assessment Area: 2013 Appleton, WI MSA 11540									
Product Type		Bank & Aggregate Lending Comparison							
		2013			2013			Total Businesses %	
		Count		Agg	Dollar		Agg		
#	%	%	Bank \$ 000s	\$ %	\$ %				
Small Business	Revenue	\$1 Million or Less	23	53.5	35.6	5,844	51.6	32.0	88.0
		Over \$1 Million or Unknown	20	46.5	64.4	5,480	48.4	68.0	12.0
		Total	43	100.0	100.0	11,324	100.0	100.0	100.0
	Loan Size	\$100,000 or Less	18	41.9	87.0	886	7.8	19.4	
		\$100,001 - \$250,000	10	23.3	5.8	1,735	15.3	16.6	
		\$250,001 - \$1 Million	15	34.9	7.2	8,703	76.9	64.0	
		Total	43	100.0	100.0	11,324	100.0	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	12	52.2		636	10.9		
		\$100,001 - \$250,000	4	17.4		690	11.8		
		\$250,001 - \$1 Million	7	30.4		4,518	77.3		
		Total	23	100.0		5,844	100.0		
	Originations & Purchases								
2013 FFIEC Census Data & 2013 Dun & Bradstreet information according to 2010 ACS									
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>									

APPENDIX B – Map of Assessment Areas

Restricted FR



**APPENDIX C – Scope of Examination**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>		HMDA- and CRA- reportable lending activity: January 1, 2013 through December 31, 2014 Community development activities: August 26, 2013 through October 19, 2015	
<b>FINANCIAL INSTITUTION</b> Baylake Bank, Sturgeon Bay, Wisconsin			<b>PRODUCTS REVIEWED</b> HMDA-reportable loans CRA – reportable loans Community development activities
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONSHIP</b>		<b>PRODUCTS REVIEWED</b>
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Green Bay, Wisconsin MSA 24580	Full scope	None	N/A
Door County, Wisconsin Non-Metropolitan Area	Full scope	None	N/A

Appleton, Wisconsin MSA 11540	Limited Review	None	N/A
-------------------------------	----------------	------	-----

## APPENDIX D - Glossary

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Affordability ratio:** To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

**Aggregate lending:** The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**Census tract:** Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Consumer loan:** A loan to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, home equity, other secured loan, and other unsecured loan.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

**Fair market rent:** Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income

families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

**Geography:** A census tract or a block numbering area delineated by the U.S. Bureau of the Census in the most recent decennial census.

**Home mortgage loans:** Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Low-income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area:** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area (MMSA). Performance within



each MMSA is analyzed separately as a full-scope review and receives its own ratings under the Lending, Investment and Service Tests provided the financial institution has its main office, branch, or deposit-taking ATM located in each applicable state making up the MMSA.

**Middle-income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

**Moderate-income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Small loans to business:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small loans to farms:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-income:** Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.