

# PUBLIC DISCLOSURE

August 13, 2018

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NBW Bank  
RSSD# 881544

210 E. Main Street  
Waupun, Wisconsin 53963

Federal Reserve Bank of Chicago

230 S. LaSalle Street  
Chicago, Illinois 60604

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.

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## CRA RATING

NBW Bank is rated **Satisfactory** and was also rated Satisfactory under the CRA at its March 25, 2014 performance evaluation.

- NBW Bank is meeting the credit needs of its community based on an analysis of lending activity.
- The bank's loan-to-deposit ratio (LTD) is reasonable given the bank's size, financial condition, and assessment area credit needs.
- A majority of the bank's loans are originated inside the assessment area.
- A reasonable dispersion of loans occurs in the bank's assessment area.
- Lending reflects reasonable penetration among individuals of different income levels, including low- and moderate-income, and businesses of different sizes.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

## SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC) Examination Procedures for Small Institutions were utilized to review the bank's CRA performance. The evaluation considered the CRA performance context, including the bank's asset size, financial condition, and market competition, as well as assessment area demographic, economic, and credit needs. Lending performance was assessed within the bank's single assessment area located in central Wisconsin. The assessment area is comprised of portions of metropolitan Fond du Lac County (Fond du Lac, Wisconsin Metropolitan Statistical Area #22540) and non-metropolitan Green Lake and Dodge Counties. The following criteria were reviewed:

- *Loan-to-Deposit Ratio* – A 16-quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.
- *Lending in the Assessment Area, Geographic Distribution of Lending in the Assessment Area, and Lending to Borrowers of Different Income and to Businesses of Different Sizes* – Statistical samples of the bank's Home Mortgage Disclosure Act (HMDA)-reportable loans originated from January 1, 2015 through December 31, 2016 and small business loans originated from January 1, 2016 through December 31, 2016 were reviewed to determine:
  - the percentage of loans originated in the assessment area;
  - the extent to which the bank is making loans in geographies of different income levels; and
  - the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses with different revenue sizes.

- **Response to Substantiated Complaints** – Neither NBW Bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.
- **Community Contacts** – Two community representatives from economic development and housing organizations were contacted to provide insight into the needs of low- and moderate-income individuals and small businesses within the assessment area.

**DESCRIPTION OF INSTITUTION**

NBW Bank is a community bank headquartered in Waupun, Wisconsin. The bank’s characteristics include:

- Total assets of \$150.4 million as of March 31, 2018.
- In addition to its main office in Waupun, the bank has three offices located in Brandon, Fairwater, and Rosendale, Wisconsin.
- The main office has a full-service ATM, and the bank operates four additional cash-only ATMs located in assessment area communities.
- As of March 31, 2018, the bank’s loan portfolio is primarily comprised of loans to finance commercial businesses, as these loans represented 51.9 percent of the bank’s total loans.

<b>Composition of Loan Portfolio as of March 31, 2018</b>		
<b>Loan Type</b>	<b>\$ in 000s</b>	<b>%</b>
Commercial	58,972	51.9
Agriculture	25,113	22.1
Residential Real Estate	23,618	20.8
Consumer	4,798	4.2
Other	1,144	1.0
<b>Total Loans</b>	<b>113,645</b>	<b>100.0</b>

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

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

**DESCRIPTION OF ASSESSMENT AREA**

The bank’s assessment area is comprised of contiguous portions of Fond du Lac County (Fond du Lac, WI MSA #22540) and Non-MSA Green Lake County and Dodge County, Wisconsin.

- See Appendix A for an assessment area map.
- The assessment area is comprised of nine census tracts, eight of which are middle-income and one of which is upper-income.
- The assessment area’s composition is unchanged since the 2014 performance evaluation.
- As of June 30, 2017, the bank’s combined market share of 3.3 percent of Federal Deposit Insurance Corporation (FDIC)-insured deposits in Fond du Lac, Dodge and Green Lake

Counties, ranked 11<sup>th</sup> of 23 institutions in the counties. National Exchange Bank and Trust, with a 24.1 percent market share, had the largest level of assessment area FDIC-insured deposits.

## PERFORMANCE CONTEXT

- See Appendix B for demographic information.
- Fond du Lac County is the largest county by population that partially comprises the assessment area.
- All three counties have had minimal population increase or decrease, all falling below the State of Wisconsin increase of 1.0 percent.

Population Change 2000 and 2010			
Area	2010 Population	2011-2015 Population	Percentage Change (%)
Fond du Lac County	101,633	101,920	0.3
Dodge County	88,759	88,547	(0.2)
Green Lake County	19,051	18,966	(0.4)
State of Wisconsin	5,686,986	5,742,117	1.0

Source: U.S. Census Bureau Decennial Census and American Community Survey

- According to the 2011-2015 American Community Survey data, median family income has risen in both Fond du Lac and Dodge Counties, surpassing the State of Wisconsin rate of 4.9 percent. However, the median family income in Green Lake County has decreased by nearly 2.0 percent.
- A community representative attributed the decrease in median family income to a lack of higher-paying jobs available in Green Lake County in relation to neighboring counties.

Median Family Income Change 2000 and 2010			
Area	2006-2010 Median Family (\$)	2011-2015 Median Family Income (\$)	Percentage Change (%)
Fond du Lac County	64,173	67,472	5.1
Dodge County	62,341	66,765	7.1
Green Lake County	61,232	60,068	(1.9)
State of Wisconsin	64,869	68,064	4.9

Source: U.S. Census Bureau: Decennial Census and American Community Survey

- Dodge County experienced a decrease in median housing value consistent with the State of Wisconsin. Both Fond du Lac and Green Lake Counties experienced an increase in median housing value.
- Median gross rent increased consistently among all three counties, as well as the State of Wisconsin.

- A community representative in Green Lake and Fond du Lac County indicated that it is difficult for lower income families to find affordable housing in areas of the county where a public transportation infrastructure is in place, indicating a need for affordable housing units in these areas.

Housing Costs Change 2000 and 2010						
Area	Median Housing Value		% Change	Median Gross Rent		% Change
	2006-2010	2011-2015		2006-2010	2011-2015	
Fond du Lac County	143,000	146,100	2.2	635	688	8.3
Dodge County	155,900	153,100	(1.8)	704	761	8.1
Green Lake County	137,500	140,300	2.0	564	615	9.0
State of Wisconsin	169,000	165,800	(1.9)	713	776	8.8

Source: U.S. Census Bureau: Decennial Census and American Community Survey

- Unemployment among all three counties in the assessment area has decreased since 2013. The unemployment rate in Green Lake County is higher than that of Fond du Lac and Dodge Counties, and the State of Wisconsin rate of 4.1 percent.
- A community representative attributed the high rate of unemployment in Green Lake County to an aging population and a younger population seeking employment at larger business operations outside of the county.

Unemployment Rates (%)				
Region	2013	2014	2015	2016
Fond du Lac County	6.3	5.0	4.1	3.6
Dodge County	7.2	5.6	4.4	3.8
Green Lake County	8.2	6.5	5.4	5.0
State of Wisconsin	6.7	5.5	4.6	4.1

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics and Iowa Workforce Development

- The assessment area's major employers are largely comprised of manufacturing and goods-producing businesses. The location quotient data, which measures industry concentrations in relation to county, state, and national industry concentrations, indicates that assessment area counties have higher relative concentrations in the goods-producing and manufacturing than elsewhere in the state and U.S.

Major Employers in the Assessment Area		
Company	# of Employees	Industry
Ferrell Gas	3,908	Gas-Propane Refilling Station
Mercury Marine	3,000	Boats-Manufacturers
Agnesian Healthcare Hospice	2,000	Home Health Services
Alliance Laundry Systems, LLC	1,700	Commercial Laundry Dry-clean Manufacturers
John Deere Horicon Works	1,650	Garden & Lawn Equipment & Supplies Manufacturers
Quad/Graphics, Inc.	1,500	Printers - Manufacturers
St. Agnes Hospital	1,497	Hospitals

Source: America's Labor Market Information System (ALMIS) – Department of Labor

## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### LENDING TEST

#### Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable given its size, financial condition, assessment area credit needs, and comparison to several of its local competitor FDIC-insured institutions.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	16 Quarter Average
NBW Bank	77.0
<b>Competitors</b>	
Bristol Morgan Bank	81.6
Fox Valley Savings Bank	62.4
Markesan State Bank	92.0

#### Assessment Area Concentration

A majority of the bank's loans, by number, are originated in the assessment area (72.4 percent), which is lower than the previous evaluation when it totaled 88.1 percent by number.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Residential Real Estate Loans	62	71.3	5,297	64.5	25	28.7	2,921	35.5
Small Business Loans	35	74.5	2,607	54.0	12	25.5	2,219	46.0
Total Loans	97	72.4	7,904	60.6	37	27.6	5,140	39.4

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

#### Geographic Distribution of Loans

The bank's geographic distribution of loans reflects a reasonable dispersion throughout the assessment area. As the assessment area is comprised entirely of middle-income and upper-income census tracts, the analysis of the performance criterion was limited and received less weighting than other criteria of the lending test.

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

The bank's lending has a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

### HMDA-reportable Lending

HMDA-reportable lending is reasonable. In 2015, the level of lending to low- and moderate-income individuals was below the demographic measure for percent of families and the aggregate of peer lenders. However, the bank's lending significantly improved in 2016, surpassing both the demographic measure for percent of families and the aggregate of peer lenders. Most notably, lending improved in home purchase and refinance loans to low- and moderate-income individuals, indicating the bank is responsive to the needs of low- and moderate-income borrowers.



<b>Borrower Distribution of HMDA Reportable Loans</b>								
<b>Assessment Area: 2016 Combined Assessment Area</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		Count		2016				
		Bank #	Bank %	Agg %	Dollar		Agg \$ %	
					\$(000s)	\$ %		
Home Purchase	Low	1	9.1	4.8	63	6.0	1.8	13.4
	Moderate	3	27.3	23.1	225	21.6	14.8	17.0
	Middle	3	27.3	20.3	352	33.7	16.7	26.2
	Upper	2	18.2	41.6	104	10.0	56.6	43.4
	Unknown	2	18.2	10.2	300	28.7	10.0	0.0
	<b>Total</b>		<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>1,044</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	4	21.1	5.3	248	14.2	2.5	13.4
	Moderate	4	21.1	14.8	158	9.1	8.9	17.0
	Middle	2	10.5	22.8	188	10.8	18.4	26.2
	Upper	9	47.4	46.5	1,150	65.9	59.4	43.4
	Unknown	0	0.0	10.6	0	0.0	10.9	0.0
	<b>Total</b>		<b>19</b>	<b>100.0</b>	<b>100.0</b>	<b>1,744</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	0	0.0	6.0	0	0.0	1.9	13.4
	Moderate	1	25.0	15.5	12	3.6	11.6	17.0
	Middle	1	25.0	26.2	52	15.6	28.0	26.2
	Upper	2	50.0	52.4	269	80.8	58.4	43.4
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>333</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	13.4
	Moderate	0	0.0	0.0	0	0.0	0.0	17.0
	Middle	0	0.0	0.0	0	0.0	0.0	26.2
	Upper	0	0.0	0.0	0	0.0	0.0	43.4
	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	5	14.7	5.1	311	10.0	1.9	13.4
	Moderate	8	23.5	18.4	395	12.7	10.3	17.0
	Middle	6	17.6	21.9	592	19.0	16.0	26.2
	Upper	13	38.2	44.6	1,523	48.8	51.8	43.4
	Unknown	2	5.9	10.1	300	9.6	19.9	0.0
	<b>Total</b>		<b>34</b>	<b>100.0</b>	<b>100.0</b>	<b>3,121</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2016 FFIEC Census Data								
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

Small Business Lending

Small business lending is reasonable. During the evaluation period, the bank originated 35 small business loans, of which 94.3 percent were made to businesses with gross revenues of \$1 million or less. This lending pattern is above the gross revenue composition of businesses in the assessment area. The majority of loans to those borrowers were in dollar amounts of \$100,000 or less, which is considered most beneficial to small businesses.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2016 Combined Assessment Area							
Product Type		Bank & Demographic Comparison					
		2016		2016		Total Businesses	
Revenue	Loan Size	Count		Dollar			
		#	%	\$ 000s	\$ %	%	
Small Business	\$1 Million or Less		33	94.3	2,182	83.7	86.8
		Over \$1 Million or Unknown	2	5.7	425	16.3	13.2
		Total	35	100.0	2,607	100.0	100.0
	\$100,000 or Less		28	80.0	906	34.8	
		\$100,001 - \$250,000	4	11.4	627	24.1	
		\$250,001 - \$1 Million	3	8.6	1,074	41.2	
		Total	35	100.0	2,607	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	27	81.8	877	40.2	
		\$100,001 - \$250,000	4	12.1	627	28.7	
		\$250,001 - \$1 Million	2	6.1	678	31.1	
		Total	33	100.0	2,182	100.0	
	Originations & Purchases						
2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS							
<i>Note: Percentages may not add to 100.0 percent due to rounding</i>							

**Response to Complaints**

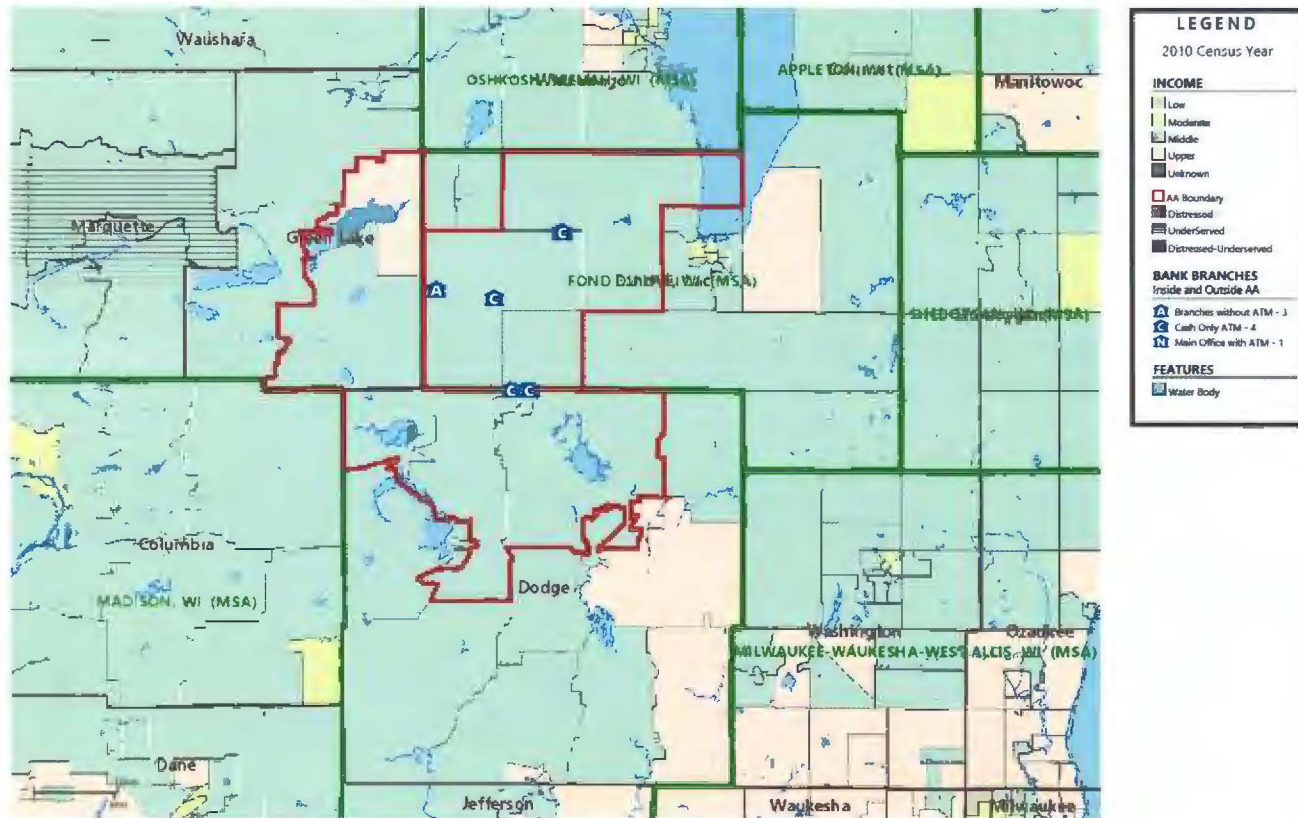
Neither the bank nor this Reserve Bank has received any CRA-related complaints since the previous examination.

**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.

APPENDIX A – Map of the Assessment Area

**NBW Bank 881544**  
 Combined Assessment Area



APPENDIX B – Demographic Information

Assessment Area: 2016 Combined Assessment Area								
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	1,440	13.4
Moderate-income	0	0.0	0	0.0	0	0.0	1,836	17.0
Middle-income	8	88.9	9,930	92.2	526	5.3	2,819	26.2
Upper-income	1	11.1	845	7.8	29	3.4	4,680	43.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>9</b>	<b>100.0</b>	<b>10,775</b>	<b>100.0</b>	<b>555</b>	<b>5.2</b>	<b>10,775</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	15,067	11,000	91.2	73.0	2,543	16.9	1,524	10.1
Upper-income	1,968	1,060	8.8	53.9	275	14.0	633	32.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>17,035</b>	<b>12,060</b>	<b>100.0</b>	<b>70.8</b>	<b>2,818</b>	<b>16.5</b>	<b>2,157</b>	<b>12.7</b>
	Total Businesses 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	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	960	84.2	832	84.1	101	84.9	27	84.4
Upper-income	180	15.8	157	15.9	18	15.1	5	15.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,140</b>	<b>100.0</b>	<b>989</b>	<b>100.0</b>	<b>119</b>	<b>100.0</b>	<b>32</b>	<b>100.0</b>
	Percentage of Total Businesses:		86.8		10.4		2.8	
	Total Farms by Tract	Farms 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	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	249	93.6	242	93.8	7	87.5	0	0.0
Upper-income	17	6.4	16	6.2	1	12.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>266</b>	<b>100.0</b>	<b>258</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
	Percentage of Total Farms:		97.0		3.0		0.0	

2016 FFIEC Census Data & 2016 Dun & Bradstreet information according to 2010 ACS

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

Assessment Area: 2015 Combined Assessment Area									
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	1,440	13.4	
Moderate-income	0	0.0	0	0.0	0	0.0	1,836	17.0	
Middle-income	8	88.9	9,930	92.2	526	5.3	2,819	26.2	
Upper-income	1	11.1	845	7.8	29	3.4	4,680	43.4	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>9</b>	<b>100.0</b>	<b>10,775</b>	<b>100.0</b>	<b>555</b>	<b>5.2</b>	<b>10,775</b>	<b>100.0</b>	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacant			
		#	%	%	#	%	#	%	
Low-income	0	0	0.0	0.0	0	0.0	0	0.0	
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0	
Middle-income	15,067	11,000	91.2	73.0	2,543	16.9	1,524	10.1	
Upper-income	1,968	1,060	8.8	53.9	275	14.0	633	32.2	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>17,035</b>	<b>12,060</b>	<b>100.0</b>	<b>70.8</b>	<b>2,818</b>	<b>16.5</b>	<b>2,157</b>	<b>12.7</b>	
	Total Businesses 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	0	0.0	0	0.0	0	0.0	0	0.0	
Middle-income	1,077	84.7	954	84.4	99	87.6	24	82.8	
Upper-income	195	15.3	176	15.6	14	12.4	5	17.2	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>1,272</b>	<b>100.0</b>	<b>1,130</b>	<b>100.0</b>	<b>113</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	
	Percentage of Total Businesses:			88.8		8.9		2.3	
	Total Farms by Tract		Farms 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	0	0.0	0	0.0	0	0.0	0	0.0	
Middle-income	312	95.1	305	95.3	7	87.5	0	0.0	
Upper-income	16	4.9	15	4.7	1	12.5	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
<b>Total Assessment Area</b>	<b>328</b>	<b>100.0</b>	<b>320</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	
	Percentage of Total Farms:			97.6		2.4		0.0	
2015 FFIEC Census Data & 2015 Dun & Bradstreet information according to 2010 ACS									
Note: Percentages may not add to 100.0 percent due to rounding									

APPENDIX C – Additional Data

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2016 Combined Assessment Area								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2016			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	0.0	0	0.0	0.0	0.0
	Middle	11	100.0	89.3	1,044	100.0	85.2	91.2
	Upper	0	0.0	10.7	0	0.0	14.8	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>11</b>	<b>100.0</b>	<b>100.0</b>	<b>1,044</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	0.0	0	0.0	0.0	0.0
	Middle	19	100.0	88.6	1,744	100.0	81.3	91.2
	Upper	0	0.0	11.4	0	0.0	18.7	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>19</b>	<b>100.0</b>	<b>100.0</b>	<b>1,744</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	0.0	0	0.0	0.0	0.0
	Middle	4	100.0	92.9	333	100.0	88.9	91.2
	Upper	0	0.0	7.1	0	0.0	11.1	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>333</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	83.3	0	0.0	90.8	85.0
	Upper	0	0.0	16.7	0	0.0	9.2	15.0
	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	0.0	0	0.0	0.0	0.0
	Middle	34	100.0	89.2	3,121	100.0	84.1	91.2
	Upper	0	0.0	10.8	0	0.0	15.9	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>34</b>	<b>100.0</b>	<b>100.0</b>	<b>3,121</b>	<b>100.0</b>	<b>100.0</b>

Originations & Purchases  
 2016 FFIEC Census Data  
 Note: Percentages may not add to 100.0 percent due to rounding



Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2015 Combined Assessment Area								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison					Owner Occupied % of Units	
		2015			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	0.0	0	0.0	0.0	0.0
	Middle	13	100.0	90.1	1,297	100.0	85.8	91.2
	Upper	0	0.0	9.9	0	0.0	14.2	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>1,297</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	0.0	0	0.0	0.0	0.0
	Middle	10	100.0	90.6	599	100.0	87.8	91.2
	Upper	0	0.0	9.4	0	0.0	12.2	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>10</b>	<b>100.0</b>	<b>100.0</b>	<b>599</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	0.0	0	0.0	0.0	0.0
	Middle	5	100.0	92.5	280	100.0	93.5	91.2
	Upper	0	0.0	7.5	0	0.0	6.5	8.8
	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>280</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	0	0.0	100.0	0	0.0	100.0	85.0
	Upper	0	0.0	0.0	0	0.0	0.0	15.0
	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	0.0	0	0.0	0.0	0.0
	Middle	28	100.0	90.7	2,176	100.0	88.3	91.2
	Upper	0	0.0	9.3	0	0.0	11.7	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	<b>Total</b>		<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>2,176</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases								
2015 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: 2016 Combined Assessment Area</b>						
	<b>Tract Income Levels</b>	<b>Bank &amp; Demographic Comparison</b>				<b>Total Businesses</b>
		<b>Count Bank</b>		<b>2016 Dollar Bank</b>		
		<b>#</b>	<b>%</b>	<b>\$ 000s</b>	<b>\$ %</b>	
<b>Small Business</b>	Low	0	0.0	0	0.0	0.0
	Moderate	0	0.0	0	0.0	0.0
	Middle	35	100.0	2,607	100.0	84.2
	Upper	0	0.0	0	0.0	15.8
	Unknown	0	0.0	0	0.0	0.0
	<b>Total</b>	<b>35</b>	<b>100.0</b>	<b>2,607</b>	<b>100.0</b>	<b>100.0</b>

2016 FFIEC Census Data & 2016 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: 2015 Combined Assessment Area</b>								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2015			2015			
		Count		Agg	Dollar		Agg	
		Bank			Bank			
		#	%	%	\$(000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0	5.8	0	0.0	2.9	13.4
	Moderate	1	7.7	22.9	41	3.2	17.2	17.0
	Middle	4	30.8	20.0	407	31.4	17.3	26.2
	Upper	8	61.5	39.0	849	65.5	51.8	43.4
	Unknown	0	0.0	12.3	0	0.0	10.8	0.0
	<b>Total</b>		<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>1,297</b>	<b>100.0</b>	<b>100.0</b>
Refinance	Low	0	0.0	6.1	0	0.0	3.6	13.4
	Moderate	0	0.0	14.6	0	0.0	9.2	17.0
	Middle	3	30.0	21.6	261	43.6	17.2	26.2
	Upper	7	70.0	44.4	338	56.4	55.3	43.4
	Unknown	0	0.0	13.2	0	0.0	14.7	0.0
	<b>Total</b>		<b>10</b>	<b>100.0</b>	<b>100.0</b>	<b>599</b>	<b>100.0</b>	<b>100.0</b>
Home Improvement	Low	1	20.0	6.5	14	5.0	4.5	13.4
	Moderate	1	20.0	18.7	80	28.6	14.1	17.0
	Middle	0	0.0	26.2	0	0.0	21.5	26.2
	Upper	3	60.0	46.7	186	66.4	59.0	43.4
	Unknown	0	0.0	1.9	0	0.0	0.8	0.0
	<b>Total</b>		<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>280</b>	<b>100.0</b>	<b>100.0</b>
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	13.4
	Moderate	0	0.0	0.0	0	0.0	0.0	17.0
	Middle	0	0.0	0.0	0	0.0	0.0	26.2
	Upper	0	0.0	0.0	0	0.0	0.0	43.4
	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	1	3.6	6.0	14	0.6	3.1	13.4
	Moderate	2	7.1	18.3	121	5.6	11.8	17.0
	Middle	7	25.0	21.3	668	30.7	16.0	26.2
	Upper	18	64.3	42.1	1,373	63.1	49.5	43.4
	Unknown	0	0.0	12.3	0	0.0	19.6	0.0
	<b>Total</b>		<b>28</b>	<b>100.0</b>	<b>100.0</b>	<b>2,176</b>	<b>100.0</b>	<b>100.0</b>
Originations & Purchases 2015 FFIEC Census Data <i>Note: Percentages may not add to 100.0 percent due to rounding</i>								

**APPENDIX D – Scope of Examination**

SCOPE OF EXAMINATION			
<b>TIME PERIOD REVIEWED</b>	HMDA-reportable loans originated from January 1, 2015 through December 31, 2016 Small business loans originated from January 1, 2016 through December 31, 2016.		
<b>FINANCIAL INSTITUTION</b>		<b>PRODUCTS REVIEWED</b>	
NBW Bank		HMDA-reportable loans, statistical sample Small business loans, statistical sample	
<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			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED</b>	<b>OTHER INFORMATION</b>
Fond du Lac, WI MSA #22540	Full Scope	None	None

## APPENDIX E – 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 householder 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 a 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.