



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

**March 8, 1999**

# **Community Reinvestment Act Performance Evaluation**

**Associated Bank Green Bay N.A.  
Charter Number: 23695**

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Green Bay, Wisconsin 54307-9006**

**Office of the Comptroller of the Currency**

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**NOTE: This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

## Table of Contents

<b>General Information</b> .....	1
<b>Definitions and Common Abbreviations</b> .....	2
<b>Overall CRA Rating</b> .....	4
<b>Description of Institution</b> .....	5
<b>Scope of Evaluation</b> .....	6
<b>Fair Lending Review</b> .....	8
<b>Conclusions with Respect to Performance Tests</b>	
Lending Test.....	9
Investment Test.....	25
Service Test.....	27
<b>Appendix A: Scope of Evaluation</b> .....	32
<b>Appendix B: Market Profiles for Areas Receiving Full-Scope Reviews</b> .....	33
<b>Appendix C: Tables of Performance Data</b> .....	41

## General Information

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of **Associated Bank Green Bay N.A. (ABGB)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **March 8, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

**Assessment Area (AA)** - The geographic area which an institution selects as the community that its regulator will assess the institution's record of Community Reinvestment Act performance. Generally, an urban AA will not extend beyond the boundaries of a Metropolitan Statistical Area. A rural AA may contain one or more neighboring counties.

**Associated Bank Green Bay N.A. (ABGB)** - Associated Bank Green Bay N.A.

**Associated Mortgage, Inc. (AMI)** - A mortgage corporation owned by Associated Banc-Corp. AMI is an affiliate of ABGB.

**Associated Commercial Mortgage, Inc. (ACMI)** - A commercial mortgage corporation owned by Associated Banc-Corp. ACMI is an affiliate of ABGB.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000. A CT is also called a "geography."

**Community Development (CD)** - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review** - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

**Geography** - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

**Home Mortgage Loans** - Such 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.

**Low-Income** - Income levels that are less than 50% of the median family income.

**Median Family Income (MFI)** - The median income determined by the United States 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 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 Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Small Business Loans** - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans** - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

**Upper-Income** - Income levels that are 120% or more of the MFI.

## Overall CRA Rating

**Institution’s CRA Rating:** ABGB is rated "**Outstanding.**"

The following table indicates the performance level of **ABGB** with respect to the Lending, Investment, and Service Tests:

<b>Performance Levels</b>	Associated Bank Green Bay N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- ABGB has demonstrated excellent responsiveness to credit needs in its AAs, taking into account the number and amount of small business, home mortgage and consumer loans in its AAs.
- A substantial majority of the bank’s loans are in its AAs.
- ABGB has an excellent record of serving the credit needs of small businesses throughout its AAs.
- The bank has demonstrated good performance in meeting the credit needs of borrowers of different income levels.
- ABGB makes extensive use of flexible lending programs to help meet the needs of its AAs.
- The level of community development investments and grants is adequate.
- The bank’s delivery systems are accessible to geographies and individuals of different income levels. To the extent changes have been made, ABGB has improved the accessibility of its delivery systems.
- ABGB is a leader in providing community development services.

## Description of Institution

ABGB is 100% owned by Associated Banc-Corp (ABC). ABC, a multi-bank holding company headquartered in Green Bay, Wisconsin, is Wisconsin's third largest publicly traded banking company with assets of \$11.8 billion as of December 31, 1998. ABC has over 200 banking locations in Wisconsin, Illinois and Minnesota. ABC also operates subsidiaries engaged in commercial banking, mortgage lending, trust services, investment services, and insurance activities. Two ABC subsidiaries, Associated Mortgage, Inc. (AMI) and Associated Commercial Mortgage, Inc. (ACMI) are active in ABGB's AAs. At the request of ABGB's management, we considered the lending activities of these affiliates in the performance evaluation of ABGB.

ABGB, an intrastate bank, is the lead bank of ABC and is the largest bank headquartered in its AAs with assets totaling \$1.8 billion. The bank has 22 offices located in Brown, Oconto, Marinette, and Door Counties. Twenty-one of the offices are full-service locations, with twenty of these having drive-up facilities. ABGB also operates one limited service branch in the Moraine Ridge Retirement Community located in the City of Green Bay. The bank owns and operates 43 automatic teller machines (ATMs) in its AAs. We listed the locations of the offices and ATMs in Table 13 - Distribution of Branch and ATM Delivery Systems, in Appendix C.

The bank's business strategy is to operate with a community-bank orientation while offering a large range of products. Commercial lending has long been a strength of ABGB and small business lending is a key market niche for the bank. Residential real estate lending represents the majority of the bank's retail lending. Residential-related lending in the bank's AAs is performed by both ABGB and its affiliate, AMI. The bank primarily originates variable-rate home purchase and refinance loans as well as home improvement loans. AMI focuses on originating fixed-rate home purchase and refinance loans. We considered AMI's lending efforts in ABGB's AAs in this performance evaluation. The tables in Appendix C relating to the bank's home purchase, home improvement, and home refinance lending (Tables 1, 2, 3, 4, 7, 8, and 9), show the combined performance of ABGB and AMI.

There are no impediments that hamper the bank's ability to meet the needs of its communities. The institution's ability to meet credit needs is based on its financial condition and size; product offerings; prior performance; legal impediments; and other factors. As of December 31, 1998, net loans represented 59.2% of total assets and the bank had a return on average assets of 1.63%. ABGB's loan portfolio is broken down as follows: \$615.5 million in commercial loans (56.2% of total loans); \$349.6 million in residential real estate loans (31.9%); \$102.6 million in consumer loans (9.4%); \$12.1 million in agricultural loans (1.1%) and \$14.7 million in other loans (1.4%). Based on June 30, 1998 Federal Deposit Insurance Corporation data, ABGB has the largest deposit market share in Brown County at 27%. ABGB's combined deposit market share in Door, Marinette, Oconto and Kewaunee Counties ranks second at 13%. Approximately 80% of ABGB's deposits come from Brown County.

ABGB's last Performance Evaluation is dated March 31, 1996. At that time the bank was rated as having an "Outstanding record of helping to meet community credit needs."

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation presents information on ABGB's small business, residential real estate-related, small farm, and consumer loan originations from January 1, 1997 through December 31, 1998. We also evaluated Community Development loan originations over the same time period. Unless stated otherwise, references to loans means exclusively these five types of loans and not any other ABGB loan origination. In addition to ABGB's lending activity, we also assessed the bank's retail banking delivery systems, community development investment and grant activity, and community development services over that time period.

### Data Integrity

As part of this evaluation, we tested ABGB's publicly filed information on home mortgage loans and small loans to businesses for accuracy. At management's option, the bank also collected consumer loan data to be considered in this evaluation. Our data accuracy test also included an evaluation of the bank's processes to ensure that data are reliable.

No significant errors were found in the reported home mortgage data; however, we noticed errors in key fields of the small loans to business data. ABGB was able to isolate the source and correct the errors. As a result, this evaluation is based on accurate data. Our test also indicated that consumer loan data provided by ABGB management was accurate.

We verified CD loans, investments, and services submitted by ABGB management to ensure that they met the regulatory definition for CD.

### Selection of Areas for Full-Scope Review

ABGB management selected two AAs within which we evaluated the bank's record of helping to meet community credit needs. One AA is defined as the Green Bay MSA (#3080), which is all of Brown County. The bank's other AA is a non-MSA consisting of all of Door, Marinette, Oconto, and Kewaunee Counties, as well as two CTs in Outagamie County (CT numbers 130.00 and 131.00). Both of ABGB's AAs received full-scope reviews. Our ratings are based on the bank's performance in these two AAs.

For purposes of analyzing performance and presenting data in this Performance Evaluation, we combined all geographies of the non-MSA. The counties of the non-MSA are geographically proximate and have similar performance contexts. Please refer to Appendix B for additional information on ABGB's AAs.



## Ratings

The bank's overall rating is based on the areas receiving full-scope reviews. As indicated above, both of ABGB's AAs received full-scope reviews. When determining overall conclusions, ABGB's performance in both AAs was weighted equally. Although nearly 80% of the bank's deposit base comes from Brown County, just over 50% of ABGB's total loan originations during this assessment period were made in the Brown County MSA. In addition, approximately 40% of all businesses and over 40% of all low- and moderate-income families are in the non-MSA AA. Lastly, large national mortgage or credit corporations have a larger market share in the Green Bay MSA than in the non-MSA. As a result, it is as important to assess ABGB's performance in the non-MSA as in the MSA, because ABGB is the largest institution in the non-MSA.

In assessing the bank's performance under the Lending Test, we gave the most weight to the bank's performance in originating small loans to businesses in both AAs. Not only is business lending a focus of the bank, but small business lending was also noted as being a major credit need in both AAs. Within the home mortgage lending categories, home purchase lending was afforded the greatest weight in the Green Bay MSA. Additionally, ABGB's multi-family lending performance was also important in the Lending Test assessment. We gave more weight to the bank's performance in these home mortgage categories as they were both cited as a community need. In the non-MSA AA, demographic information indicates that home improvement lending is an important need. As a result, we placed the most weight on the bank's performance in this home mortgage loan category in the non-MSA AA. Please refer to the Market Profile of ABGB's AAs in Appendix B for more details.

In assessing the bank's performance under the Investment Test, the number and dollar amount of qualified investments is only one part of the evaluation. We also assess the responsiveness of qualified investments in relation to community needs as well as the complexity of the investments. By assessing the Investment Test in this manner, we can recognize bank efforts that may not result in large dollar amounts of investments but have value to the bank's communities.

Generally, branch distribution and branch openings and closing are afforded the greatest weight under the Service Test. This recognizes the importance of convenient access within AAs. We also assess the bank's hours of operations and services provided by the branch network. In assessing the bank's provision of community development services, we not only assess the number of community development services the bank is involved in, but also the responsiveness of the services to community needs.

## **Fair Lending Review**

The OCC conducted a fair lending examination of ABGB concurrently with its CRA examination. Our review targeted home purchase loans using the bank's 1998 HMDA-Loan Application Register (LAR). We compared 26 approved owner-occupied home purchase loans to females with no co-applicant to 30 approved owner-occupied home purchase loans to males with no co-applicant. The review focused on the terms and conditions granted to the borrowers in order to identify if there were any loan term or condition variances due to gender. The results of the comparative analysis showed no disparate treatment between female and male applicants during the time period reviewed with respect to home purchase loans.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Green Bay MSA is good. ABGB's performance in the non-MSA is excellent.

The major factors in reaching our conclusion on the bank's overall performance under the Lending Test are as follows:

- Taking into account the number and volume of small business, home mortgage, consumer, and small farm loans originated by ABGB, the bank has exhibited excellent responsiveness to the credit needs of both of its AAs.
- ABGB has an excellent distribution of loans to businesses of different sizes in both AAs. This is viewed very positively considering small business lending was cited as a significant need in both AAs. Furthermore, the bank has an excellent distribution of loans to farms of different sizes in the non-MSA AA.
- The bank's record of originating loans to borrowers of different income levels is good. This is particularly evident in loan categories cited as community credit needs, home purchase lending in the Green Bay MSA and home improvement lending the non-MSA AA.
- The bank's overall geographic distribution of loans in the Green Bay AA is good. The bank has an excellent geographic distribution of loans in the non-MSA AA.
- A substantial majority of the bank's loans are made within its AAs.
- Based on the number of opportunities available, the volume of ABGB's community development loans had a positive impact on the lending test.
- The bank makes extensive use of flexible lending products to help address the needs of low- and moderate-income individuals and geographies. Furthermore, ABGB has been instrumental in developing several of these flexible loan programs.

## Lending Activity

*Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.*

### ***Green Bay Assessment Area***

#### Home Mortgage Lending

ABGB's home mortgage lending performance exhibits excellent responsiveness to credit needs in this AA. The bank originated 3,357 HMDA reportable loans during the assessment period totaling over \$295 million. In total HMDA reportable loans, the bank ranked first in market share<sup>1</sup> at 10.53%. Although ABGB's loan market share is lower than its deposit market share, the bank's lending performance is still considered strong. Over 190 lenders originated HMDA reportable loans in the AA in 1997 compared to 19 institutions with offices in the AA (not including credit unions). This indicates that competition for loans is significantly greater than competition for deposits in the AA.

In home purchase loans, ABGB ranks first with a market share of 12.9%. That performance is also very strong considering that over 130 lenders originated one or more home purchase loans in the AA. ABGB has a similar market share in home improvement loan originations at 12.1%; however, the bank ranked third in market share in this category. Finally, the bank ranks second in home refinance lending over the assessment period with a market share of 7.5%. The institution with the largest home refinance market share in the AA is a significantly larger regional bank. Overall, ABGB's volume of residential-related loans and corresponding market shares indicates excellent performance in this AA.

### ***Non-MSA Assessment Area***

ABGB is the dominant home mortgage lender in this AA. During the assessment period, ABGB originated 2,061 residential-related mortgage loans totaling \$139.6 million. This performance placed the bank first in market share at 18.7%, well above the second ranked lender (10.7%). In comparison to the bank's deposit market share of 13%, ABGB's home mortgage lending performance in this AA is excellent. This is especially true considering 180 lenders originated HMDA reportable loans in this AA.

Not only does ABGB rank first in overall home mortgage loan market share, but the bank also ranks first in each individual category of home mortgage loans. ABGB's market share of home purchase, home improvement, and home refinance loans is 19.3%, 27.8%, and 14.4% respectively. This performance compares very favorably to the bank's deposit market share and exhibits excellent responsiveness to the AA's home mortgage needs.

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<sup>1</sup> All market share data in this Performance Evaluation is based on 1997 data, the latest available.

Small Loans To Businesses***Green Bay Assessment Area***

ABGB is the dominant institution in the AA in originating small loans to businesses. During the assessment period, ABGB originated 1,619 small loans to businesses totaling nearly \$221 million. This performance ranks ABGB first in market share at 26.7%. Furthermore, ABGB's market share is well of the market share of the second ranked lender in the AA (18.7%). ABGB's performance in this lending category is also excellent in light of community contact information indicating a need for small business loans in the AA.

The bank's excellent small business lending record is also evident in a 1997 Small Business Association (SBA) Office of Advocacy report. ABGB was listed as being one of the top small business lenders in the State of Wisconsin. Based on SBA data, ABGB ranks third in the state in total small loans to businesses among banks with assets between \$1 and \$10 billion. This performance again demonstrates ABGB's responsiveness to the credit needs of small businesses.

***Non-MSA Assessment Area***

As in the Green Bay AA, ABGB has exhibited strong performance in originating small loans to businesses in this AA. The bank originated 1,201 small loans over the assessment period totaling nearly \$64 million. This performance ranks second in the AA with a market share of 30.5%. ABGB's market rank and share of small loans to businesses compares very well to its deposit market rank and share in this AA. ABGB's performance indicates that the bank is strongly committed to meeting the credit needs of smaller businesses that may have more difficulty accessing credit.

Small Loans To Farms***Green Bay Assessment Area***

ABGB is not an active agricultural lender as indicated by the small percentage of agricultural loans that make up the bank's loan portfolio (1.1%). Additionally, there are other institutions with more specialized lenders meeting the agricultural needs of this AA. Over the assessment period, ABGB originated seven small loans to farms totaling \$159 thousand. Despite the small number of originations, ABGB ranked fifth in market share of small farm loans at 2.8%.

***Non-MSA Assessment Area***

ABGB has developed a niche market in the non-MSA AA for agricultural-related loans. This is positive as more than half of the farms in ABGB's AAs are located in this AA. Over the assessment period, the bank originated 564 small loans to farms totaling \$15.4 million. This performance places the bank second in market share at 35.4%. Again, ABGB's market share of small loans to farms compares favorably to its deposit market share. Overall, ABGB has demonstrated excellent responsiveness to farm credit needs in this AA even though agricultural lending is not a major product line of the bank.

Consumer Loans***Green Bay Assessment Area***

Information on consumer loans is contained in Table 14 in Appendix C. ABGB originated 7,791 consumer loans in the Green Bay MSA over the assessment period totaling \$91.8 million. No market share data is available for consumer lending; however, official financial reporting indicates ABGB has the largest dollar volume of consumer loans on its books compared to the other banks in its AA. Per our review of publicly reported information, ABGB exhibits strong consumer loan performance.

***Non-MSA Assessment Area***

ABGB is also an active consumer lender in this AA. During the assessment period, ABGB originated 5,291 consumer loans for a total of \$67.8 million. Market share data is not available for consumer loans but this is considered strong performance.

**Distribution of Loans by Income Level of the Geography*****Home Mortgage Loans***

*Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.*

Home Purchase Loans***Green Bay Assessment Area***

ABGB has a good geographic distribution of home purchase loans in this AA. The bank's percentage of home purchase loans in low-income CTs is equal to the owner-occupied characteristics of the AA. This is viewed positive especially in light of the limited opportunities to make mortgage-related loans in these two geographies (see the Green Bay MSA Market Profile in Appendix B for details). The bank's percentage of home purchase loans in moderate-income geographies is; however, below the owner-occupied characteristics of the AA.

The bank's market share of home purchase loans in low- and moderate-income geographies are very comparable to its overall home purchase loan market share. In the low-income CTs, ABGB's market share exceeds its overall market share. Additionally, ABGB ranks first in market share in low-income CTs. In moderate-income tracts, the bank's market share is slightly below its overall market share. Still, ABGB originated only seven fewer loans in moderate-income CTs than the market share leader, a much larger regional institution. Overall, ABGB has demonstrated good performance in originating home purchase loans throughout this AA. This is considered positive in light of affordable home loans being cited as a need in the area.

***Non-MSA Assessment Area***

ABGB's geographic distribution of home purchase loans in this AA is good. The percentage of the bank's loans in moderate-income geographies was somewhat below the demographic characteristics of this AA. Additionally, the bank's market share of 16.9% was slightly below its overall home purchase loan market share. However, the bank's market share in moderate-income geographies ranks first among 42 lenders that originated home purchase loans in moderate-income geographies. ABGB's market share in moderate-income geographies was well above the second ranked lenders' 12.8%. There are no low-income CTs in the non-MSA AA.

In addition, ABGB's home purchase, home improvement, and home refinance loan performance in the non-MSA AA is significant given the location of the bank's branches. In counties with moderate-income CTs (Marinette and Oconto), ABGB's branches are located in the southern part of the county closest to Green Bay. The moderate-income CTs in those counties are in the northern portion of the counties. Consequently, although ABGB's branches are not in close proximity to the moderate-income CTs in the non-MSA, the bank's market share performance indicates the ABGB is actively lending in those geographies.

**Home Improvement Loans*****Green Bay Assessment Area***

ABGB has an adequate geographic distribution of home improvement loans in the Green Bay MSA. The bank's percentage of loans in the low-income CTs is slightly below the owner-occupied characteristics of the AA. However, had the bank originated just one more home improvement loan in a low-income CT, its percentage of home improvement loans in low-income tracts would have equaled the percentage of owner-occupied units in those tracts. ABGB's percentage of home improvement loans in moderate-income CTs is also below the percent of owner-occupied housing of the AA.

In terms of market share, the bank ranks second in low-income geographies with a market share that is slightly above its overall home improvement market share. In moderate-income geographies, ABGB ranks third with a market share of 10.3%. Although the bank's market share in moderate-income geographies is below its overall market share, ABGB was four home improvement loan originations away from having a market share in moderate-income CTs equal to its overall market share.

***Non-MSA Assessment Area***

The bank's geographic distribution of home improvement loans in this AA is excellent. The percentage of ABGB's home improvement loan originations in moderate-income geographies exceeds the demographic characteristics of the AA. This performance is viewed positively as our research indicates a need for home rehabilitation loans in portions of this AA. Additionally, ABGB originated over half of its home improvement loans in this AA.

In this AA, ABGB ranks second in home improvement loan market share in moderate-income geographies only five loans behind the market leader. Also, ABGB's market share of home improvement loans in moderate-income geographies is substantially above its overall home improvement loan market share.

### Home Refinance Loans

#### ***Green Bay Assessment Area***

The bank has a good geographic distribution of home refinance loans in the Green Bay MSA. The bank's percentage of loans in low- and moderate-income CTs is below the owner-occupied characteristics of those geographies. However, the bank's percentage of loans in these geographies has been skewed somewhat due to the interest rate environment of 1998. During much of 1998, interest rates for home mortgage loans were fairly low. Our research indicates that a significantly higher percentage of homeowners in middle- and upper-income geographies refinanced their homes than those in low- and moderate-income geographies. Because there are many more owner-occupied housing units in the middle- and upper-income geographies, this resulted in a much higher number of home loan refinancings in those geographies. For example, the total number of home refinance loans by all lenders in moderate-income geographies during 1998 was equal to approximately 18% of the number of owner-occupied units in those geographies. The total number of refinancings in middle- and upper-income geographies in 1998 was equal to approximately 31% of the total number of owner-occupied units in those geographies. Conversely, in 1997 the percentage of home refinance loans to owner-occupied units was nearly identical in each type of geography.

The bank's market share of home refinance loans in low-income CTs exceeds the bank's overall home refinance market share. However, ABGB's market share in moderate-income geographies is below its overall market share. In moderate-income CTs, ABGB's market share ranked third behind two large national financial institutions. Taking into account the size of the institutions ahead of ABGB, the bank market share performance in moderate-income geographies is good.

#### ***Non-MSA Assessment Area***

ABGB has an excellent geographic distribution of home refinance loans in this AA. The bank's percentage of home refinance loans in the moderate-income geographies is slightly below the percentage of owner-occupied housing units in those geographies. However, ABGB's performance is still considered excellent. Similar to the Green Bay AA, the low interest rate environment of 1998 resulted in a significantly higher percentage of home refinance loans to borrowers in middle- and upper-income CTs.

The bank's home refinance loan market share of 23.2% in moderate-income geographies is well above both ABGB's overall market share and the second ranked lender. Again, this demonstrates ABGB's willingness to serve all areas of the AA, including those furthest away from branch locations.



## **Small Loans To Businesses**

*Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.*

### ***Green Bay Assessment Area***

ABGB's overall geographic distribution of small loans to businesses in the Green Bay AA is good. Over the assessment period, ABGB originated 5.3% of its small loans to businesses in low-income geographies. That percentage is lower than the percentage of businesses located in low-income CTs. Similarly, the bank's percentage of small loans to businesses in moderate-income geographies was below the percentage of businesses located in those geographies. The bank ranks first in market share of small loans to businesses in both low- and moderate-income CTs. In the two low-income CTs, ABGB's market share of 33.6% is well above its overall market share of small loans to businesses. The bank's market share in moderate-income geographies is consistent with its overall market share. This performance demonstrates a real commitment to meeting the credit needs of smaller businesses throughout the AA.

### ***Non-MSA Assessment Area***

ABGB has an excellent geographic distribution of small loans to businesses in this AA. Over the assessment period, ABGB originated 13.7% of its small loans to businesses in moderate-income geographies. This is higher than the percentage of businesses located in those geographies.

The bank's market share of small loans to businesses in moderate-income geographies ranks first. In fact, ABGB has exhibited dominant performance. ABGB's market share of 48.7% is well above its overall small loans to businesses market share and is significantly stronger than the second ranked lender. Considering that efforts are being made to expand businesses to meet the growing labor force, the bank's performance in this AA is clearly viewed as outstanding.

## **Small Loans to Farms**

*Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of ABGB's origination/purchase of small loans to farms.*

### ***Green Bay Assessment Area***

As indicated under the "Lending Activity" section above, ABGB is not an active agricultural lender in this AA. As a result, an analysis of the geographic distribution of loans to small farms did not produce meaningful conclusions.

### ***Non-MSA Assessment Area***

ABGB has an excellent geographic distribution of small loans to farms in this AA. The bank originated 22.5% of its small loans to farms in moderate-income geographies during the assessment period. That percentage is significantly above the percentage of farms located in

moderate-income CTs. ABGB has a dominant market share of 71.6% in moderate-income CTs,. This is well above the bank's overall market share.

### **Consumer Loans**

*Refer to Table 14 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.*

#### ***Green Bay Assessment Area***

ABGB has an adequate distribution of consumer loans throughout the Green Bay MSA AA. The bank's percentage of consumer loans in low-income geographies is slightly below the percentage of the AA's population that lives in low-income tracts. The bank's percentage of consumer loans in the moderate-income geographies also lags the percentage of the population that lives in those tracts. Still, considering the volume of consumer loans originated by the bank, the geographic distribution of consumer loans originated by ABGB is reasonable.

#### ***Non-MSA Assessment Area***

The bank's geographic distribution of consumer loans in this AA is excellent. During the assessment period, ABGB originated 12% of its consumer loans in moderate-income geographies. This is consistent with the percentage of the population that lives in those CTs. This is an excellent distribution considering the location of the bank's branches in proximity to the moderate-income CTs in this AA.

#### ***Other Loan Information***

Appendix C does not contain a separate table illustrating HMDA reportable multi-family loan originations. The volume of multi-family loan originations by all lenders in the AAs is not large; however, ABGB has the highest market share of multi-family loan originations in both AAs combined. Furthermore, ABGB originated three of its ten multi-family loan originations over the assessment period in moderate-income tracts; with two of them being in the Green Bay AA. This is considered positively in light of community contact information indicating a need for multi-family housing in the AA (see Market Profile of the Green Bay MSA in Appendix B).

#### ***Lending Gap Analysis***

As part of our assessment of ABGB's performance, we reviewed lending patterns to determine if any gaps were present. For example, we reviewed loan origination data to ascertain what, if any, areas or CTs in the bank's AAs had limited or no ABGB loan originations. Our analysis did not identify any areas receiving limited or no loan activity. This indicates that the bank is originating loans throughout its AAs.

### ***Inside/Outside Ratio***

A substantial majority of loans originated during this evaluation period were made in ABGB's AAs. During 1997 and 1998, ABGB originated 97% of the number and 91% of the dollar volume of HMDA-reportable loans within its AAs. This information is based on HMDA-Loan Application Register information for ABGB only and does not include loans originated by AMI. Based on ABGB's 1997 and 1998 Small Business Data Collection Register, ABGB originated 91% of the number and 85% of the dollar volume of small loans to businesses within the AAs. The bank made all of its farm loan originations within its AAs in 1997 and 1998. Finally, the bank originated 93% of the number and 91% of the dollar amount of its consumer loans during the assessment period within the AA. This information indicates that ABGB is committed to meeting the credit needs of the communities in which it operates.

### **Distribution of Loans by Income Level of the Borrower**

#### ***Home Mortgage Loans***

*Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.*

#### Home Purchase Loans

#### ***Green Bay Assessment Area***

ABGB has a good overall distribution of home purchase loans to borrowers of different income levels in this AA. Table 7 in Appendix C indicates that the bank's percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. However, the bank's performance is considered good taking into account the percentage of low-income families with income below the poverty level (40%) and the median sales price of homes in the AA (see the Green Bay MSA Market Profile in Appendix B). The bank's percentage of loans to moderate-income borrowers is consistent with the percentage of moderate-income families in the AA.

The bank's market share to both low- and moderate-income borrowers is slightly below its overall market share. ABGB ranks second in market share to low-income borrowers only four loans behind the market share leader. The market share leader is a much larger national institution. Similarly, the bank ranks second in market share to moderate-income borrowers with ABGB being very close to the leader's market share of 12%. Market share data also indicates that Brown County is a very competitive market for loans with approximately 70 lenders originating home purchase loans to low- and moderate-income borrowers. Considering this information, ABGB's performance in originating home purchase loans to low- and moderate-income borrowers is good.

***Non-MSA Assessment Area***

ABGB's overall performance in originating home purchase loans to borrowers of different income levels in this AA is good. ABGB originated 5.6% of its home purchase loans to low-income borrowers during the assessment period. This is below the percentage of low-income families in the AA. Like the Green Bay AA, though, ABGB's performance is good when taking into account the percentage of low-income families with income below the poverty level (44%) and the median sales price of homes in the AA (see the Market Profile for the Non-MSA AA in Appendix B). The bank's percentage of loans to moderate-income borrowers, in comparison to the demographic characteristics of the AA, is good.

While ABGB's market share of home purchase loans to low-income borrowers is below its overall home purchase loan market share, the bank ranks second in market share to low-income borrowers, trailing only a large national mortgage corporation. ABGB's market share of home purchase loans to moderate-income borrowers exceeds its overall market share. Furthermore, ABGB ranks first in market share of home purchase to moderate-income borrowers. Overall, the bank's market share performance to both low- and moderate-income borrowers is excellent.

**Home Improvement Loans*****Green Bay Assessment Area***

The bank's distribution of home improvement loans to borrowers of different income levels in the Green Bay MSA is adequate. ABGB's percentage of home improvement loans to both low- and moderate-income borrowers is somewhat below the demographic characteristics of the AA. The percentage of home improvement loans to low- and moderate-income borrowers is reasonable, though.

In terms of market share, ABGB's market share to low-income borrowers is excellent. Not only does the bank's market share of home improvement loans to low-income borrowers exceed its overall market share; but ABGB is also tied for first in home improvement loan market share to low-income borrowers. The bank's market share of home improvement loans to moderate-income borrowers is not nearly as strong. ABGB's market share of 7.5% is below its overall market share and ranks fifth in the AA.

***Non-MSA Assessment Area***

ABGB has an excellent distribution of home improvement loans to borrowers of different income levels in this AA. This is viewed positively considering information discussed in the Non-MSA Market Profile in Appendix B. The bank's percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. However, considering the percentage of borrowers with incomes below the poverty level, ABGB's performance is reasonable. ABGB originated a higher percentage of its home improvement loans to moderate-income borrowers than the percentage of moderate-income population in the AA. This is viewed as excellent performance.

The bank's market share of home improvement loans to both low- and moderate-income borrowers exceeds its overall market share. Also, ABGB ranks first in market share of home improvement loans to both low- and moderate-income borrowers. This, too, demonstrates excellent performance in this AA.

### Home Refinance Loans

#### ***Green Bay Assessment Area***

ABGB's distribution of home refinance loans to borrowers of different income levels in the Green Bay MSA is adequate. The percentage of the bank's home refinance loans to low-income borrowers over the assessment period lags the demographic characteristics of the AA. ABGB's performance in originating home refinance loans to moderate-income borrowers was better. The bank originated 16.5% of its home refinance loans over the assessment period to moderate-income borrowers. This percentage is closer to the demographic characteristics of the AA.

ABGB's market share of home refinance loans to low-income borrowers is only half of its overall market share. ABGB's market share of home refinance loans to moderate-income borrowers is near its overall market share. However, there was strong competition for home refinance loans in this AA. Nearly 90 different lenders originated home refinance loans to moderate-income borrowers in 1997. ABGB ranked fourth in market share only nine loans behind the second ranked lender. The market leader in home refinance lending to moderate-income borrowers is a large national financial institution.

#### ***Non-MSA Assessment Area***

ABGB has a good overall distribution of home refinance loans to borrowers of different income levels in this AA. The bank's percentage of home refinance loans to low-income borrowers is below the percentage of low-income families in the AA. ABGB's percentage of home refinance loans to moderate-income borrowers is near the demographic characteristics of the area. Overall, the bank's percentage of loans to low-income borrowers is adequate and the percentage of loans to moderate-income borrowers is good.

Market share information indicates excellent performance on the part of ABGB. The bank's market share of home refinance loans to low-income borrowers substantially meets its overall market share. ABGB ranks second in market share in home refinance loans to low-income borrowers only one loan behind the market leader. The market leader is a large national financial institution. The bank's market share of home refinance loans to moderate-income borrowers exceeds its overall market share. Additionally, ABGB ranks first in home refinance loan market share to moderate-income borrowers.

## **Small Loans to Businesses**

*Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.*

### ***Green Bay Assessment Area***

ABGB's distribution of loans to businesses of different sizes is excellent. This is viewed very positively when taking into account community contact information indicating a need for small business financing in the AA (see the Market Profile for the Green Bay MSA in Appendix B). During the assessment period, 76.5% of ABGB's small loans to business were to businesses with revenues of less than \$1 million. That percentage is near the percentage of businesses with revenues less than \$1 million in the AA. However, ABGB is one of the larger banks in the area and has the resources to originate loans to the largest of businesses in the area. As a result, it is expected that ABGB's percentage of loans to businesses with revenues less than \$1 million may lag the demographic characteristics of the AA. Although not included in Table 10, ABGB's percentage of loans to businesses with revenues of less than \$1 million was significantly higher than that of all reporting institutions in the AA. This demonstrates excellent performance.

ABGB's market share of loans to businesses with revenues less than \$1 million in revenue is substantially higher than its overall market share. Furthermore, the bank is ranked first in market share in loans to business with less than \$1 million in revenue. This performance demonstrates ABGB's emphasis on meeting the credit needs of the AA's smallest businesses.

During the assessment period, ABGB originated 69.2% of all business loans in an amount equal to or less than \$100,000. This is a significant percentage of the bank's business loans, especially considering the volume of business lending ABGB undertakes. Reviewing the size of loan originations serves as a proxy to meeting small business lending needs as smaller companies typically demand smaller loans. The bank's percentage of loans in original amounts less than \$100,000 demonstrates the bank's willingness to originate small loans to businesses.

### ***Non-MSA Assessment Area***

ABGB also has an excellent distribution of small loans to businesses in this AA. Slightly over 88% of the bank's small business loans were to businesses with revenue less than \$1 million. This is very comparable to the percentage of businesses with revenue less than \$1 million in the AA and higher than the percentage of all lenders combined in the AA. Furthermore, the bank's market share of loans to businesses with revenues less than \$1 million exceeds its overall market share. In terms of market share, ABGB is the number one ranked lender to businesses with revenue less than \$1 million. This performance demonstrates excellent responsiveness to the credit needs of small businesses.

During the assessment period, ABGB originated a significant percentage of its business loans in amounts of \$100,000 or less. This indicates a strong willingness to originate smaller business loans.

### **Small Loans to Farms**

*Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.*

#### **Green Bay Assessment Area**

As indicated earlier in this Performance Evaluation, ABGB is not an active agricultural lender in this AA. Other, more specialized lenders are meeting the agricultural needs of the AA. Although a complete analysis would not be meaningful due to the small volume of agricultural loans originated by ABGB in this AA, the bank's market share of loans to farms with revenues less than \$1 million is still 3%.

#### **Non-MSA Assessment Area**

ABGB's distribution of small loans to farms of different sizes in this AA is excellent. The bank's percentage of loans to farms with revenues less than \$1 million is consistent with the percentage of farms with revenues less than \$1 million. In addition, the bank's market share of loans to farms with revenues less than \$1 million exceeds its overall market share. In this AA, ABGB ranks first in market share in originating loans to farms with revenues less than \$1 million. Lastly, nearly all of the bank's small loans to farms were in original amounts less than \$100,000.

### **Consumer Loans**

*Refer to Table 14 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.*

#### **Green Bay Assessment Area**

The bank has an excellent distribution of consumer loans to borrowers of different income levels in the Green Bay AA. The bank's percentage of loans to low-income households exceeds the percentage of low-income households in the AA. Likewise, ABGB's percentage of loans to moderate-income households exceeds the demographic characteristics of the AA. Over the assessment period, nearly 60% of the bank's consumer loans were to low- and moderate-income borrowers.

#### **Non-MSA Assessment Area**

ABGB also has an excellent distribution of consumer loans to borrowers of different income levels in this AA. The bank's percentage of loans to both low-and moderate-income borrowers exceeds the AA demographics. In fact, the bank's percentage of loans to moderate-income borrowers is nearly double the percentage of moderate-income households in the AA. Consistent

with the performance in the Green Bay AA, 60% of all the bank's consumer loans were made to low- or moderate-income household.

## Community Development Lending

*Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.*

ABGB has made a reasonable number of community development loans based on the available opportunities and area demographics. Opportunities for making qualified community development loans are not as prevalent as in larger communities. Opportunities that do exist in the AAs include making loans to agencies or corporations that have a community development purpose. However, there are not a significant number of these types of agencies or corporations in ABGB's AAs. Furthermore, several loans that have a community development purpose were already considered under the other lending tests above. Community development lending activity is discussed below.

In 1997, the bank's affiliate, Associated Commercial Mortgage Inc. (ACMI), lent \$800,000 to a Green Bay-based affordable housing agency. The purpose of the loan is to construct the remaining 16 units of a 72-unit complex targeted to provide affordable housing for low- and moderate-income individuals. This project, located in the Green Bay MSA, began in 1994 and was financed by a consortium of lenders in the Green Bay area. At the project's inception, ACMI originated a loan totaling \$3,000,000. There is still \$2,900,000 of the original ACMI loan outstanding. Although the original \$3,000,000 was originated prior to this assessment period, the \$2,900,000 still outstanding is footnoted in Table 1 in Appendix C.

In October 1998, ABGB agreed to provide up to \$100,000 in financing for a community action agency. The organization's headquarters is located outside of the assessment area; however, the proceeds of the loan went to a program serving low-income individuals in Door and Kewaunee counties. This particular community action agency provides housing services, financial assistance, counseling services, and job placement for low-income residents in several communities. The bank's loan allowed the agency to buy several existing homes in Door and Kewaunee counties and remodel them to accommodate low-income persons. The bank will provide 20% of the purchase price of the homes at below market rate and terms with the remaining 80% of the cost funded by a federal grant.

## Product Innovation and Flexibility

ABGB makes extensive use of flexible-lending programs and products to help serve the credit needs of low- and moderate-income individuals and geographies. The bank's use of these programs has a positive impact on the Lending Test assessment as they are responsive to community needs. Furthermore, ABGB was instrumental in the development of three of the programs discussed below.

**Oneida Tribal Loan Credit Program** - The bank developed this home purchase loan program which provides Native Americans of the Oneida Tribe access to credit to purchase homes on



Tribal land. In the past, legal and collateral securitization concerns made lending on Tribal land difficult. However, ABGB developed this program to meet the credit needs of the Tribe. The program allows a smaller down payment (the Tribe provided low-interest loans for the down payment) and offers one-, three-, five, or seven-year adjustable rate mortgage products. During the assessment period, the bank made eight of these loans for \$551,000. Since the program began in 1990, the bank has made 82 loans for \$4,425,000. The bank's performance in this program received praise from the United States Senate in a General Accounting Office publication entitled *Native American Housing* in 1998.

**Wisconsin Housing and Economic Development Authority (WHEDA)** - The bank participates in two WHEDA loan programs, the First Time Home Purchase loan program and the Home Improvement loan program. Both programs target low- and moderate-income borrowers. The home purchase program allows for a down payment of only 3% on the purchase of a single-family home, a below market interest rate, and offers several repayment term options. The home improvement program also offers below market rates and terms. The bank originated 31 loans totaling \$1,883,382 in 1997 and 30 loans totaling \$1,926,295 in 1998 under the Home Purchase program. Under the Home Improvement program, the bank originated three loans in 1997 for a total of \$28,785 and three more loans totaling \$25,469 in 1998.

**Neighborhood Housing Service (NHS)** - ABGB has been participating in this program with other area lenders since 1996. The NHS mission is to provide mortgage loans to low- and moderate-income first time homebuyers. The program requires only 3% down, and offers below market rates and terms. NHS projects target low- and moderate-income neighborhoods and borrowers. The Bank made six of these loans in 1997 for \$392,000 and four in 1998 for \$269,000.

**Green Bay Mayor's Neighborhood Resource Board (NRB)** - ABGB was a leader in developing this program. The NRB provides a pool of loan money to help low- and moderate-income individuals purchase housing. The bank, along with four other local financial institutions, helps provide \$4 million in loan money to applicants who want to purchase one or two-family dwellings in designated low- and moderate-income areas of downtown Green Bay. In addition to providing housing for low- and moderate-income individuals, the purpose of the program is to stabilize and rebuild the downtown area. The rates and terms are all below market, with a 5.25%, 5 year ARM, a 5.75%, 10 year ARM, and an amortization of 15 to 30 years. (ABGB is one of only two banks out of the five to offer the 10-year ARM.) The bank made two of these loans in 1998 (the first year of the bank's participation) for \$111,000.

**Guaranteed Rural Housing Loan Program** - The bank participates in this U.S. Department of Agriculture lending program, which provides housing loans for low- and moderate-income rural families. The program features market rates, allows for a higher than normal debt ratio, provides financing up to 100% of the purchase price, and has a 90% Housing and Urban Development guarantee. During the assessment period, ABGB originated four loans under this program for \$264,000. To further provide rural customers with access to credit for housing needs, the bank frequently makes loans to rural housing applicants who do not meet the lending standards of this program.

**De Pere Main Street Program** - A program designed in 1990 to stimulate the redevelopment of downtown east and west De Pere (moderate-income areas) through loans to businesses. The bank offers lower than prime rates and terms that are further subsidized by the program itself. ABGB has originated 12 loans totaling \$190,000 since the program began.

**Green Bay AOn Broadway@Main Street Program** - A program developed by ABGB in conjunction with the AOn Broadway@program in 1998. The purpose of the program is to stimulate the redevelopment of west Green Bay (low-income areas) through loans to businesses. The bank offers lower than market rates and terms, and has made one direct loan for \$18,000 since the program began. However, the bank has also made five other loans to businesses in this area where the request to the program was larger than the program could accommodate. These loans, totaling over \$3,211,000, would have not been made unless the program had been in place.

## INVESTMENT TEST

ABGB's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Green Bay MSA and the non-MSA AA is adequate.

The major factors in reaching our conclusion on the bank's overall performance under the Investment Test are as follows:

- In both AAs, ABGB has made an adequate level of qualified investments and grants.
- Although the number and dollar amount of qualified community development investments is not large for a bank this size, ABGB has taken a leadership role in one community development investment in the Green Bay MSA.

*Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments. The table categorizes the investments by purpose; affordable housing, community service, economic development, and revitalization or stabilization.*

A review of community contact information and discussions with the Green Bay Mayor's Neighborhood Resources Board, the Neighborhood Housing Service office, and the Small Business Administration office disclosed that there is very little opportunity for community development investing in the community. The directors of these groups went on to state that ABGB has always been ready to invest in any economically viable project developed by their organizations. Considering this information, ABGB's level of qualified investments and grants is adequate. Details on the bank's investments and grants are provided below.

### *Investments*

ABGB is the largest investor in the **Brown County Affordable Housing Limited Liability Corporation (BCAH)**, an organization designed to help provide low cost housing for low- and moderate-income individuals and families in the Green Bay area. The BCAH was formed in 1995 but did not begin fully functioning until late 1997. The organization consists of ABGB, three other local banks, and a local public utility. ABGB took the leadership position in the formation of the BCAH and has continued to do so. A bank officer is the managing member of the organization. ABGB has the largest percentage interest in the BCAH at 35%, or \$298,265 of the \$850,000 in capital raised. The next largest interest among the ownership group is 24%. In 1998, ABGB invested an additional \$63,000 in BCAH raising the investment to \$361,265.

Each investor makes investments directly to the Limited Liability Corporation (LLC), and the LLC then invests in specific housing projects. During the assessment period, the bank's investment helped provide 21 housing units for low- and moderate-income families in the community. The 21 units were rented immediately after construction.

The bank's leadership role in this organization is significant. Before the BCAH was established, bank management studied several Chicago-area multi-bank Community Development Corporations (CDCs) to assess the strengths and weaknesses of multi-bank CDCs. They learned that although the establishment of a multi-bank CDC can be an effective way for banks to satisfy community development needs, there are also numerous concerns. Primarily, it can be very difficult in ventures of this kind to satisfy the objectives of each bank, especially when many of the participants and decision-makers are located out of the AA. Despite the concerns, ABGB management took the initiative to form a multi-bank CDC. The formation of the BCAH was a time consuming and complex initiative and ABGB's leadership position in it is considered very positive; especially in light of community contacts citing the need for affordable housing for low- and moderate-income individuals or families. Furthermore, LLCs like the BCAH are not routinely provided by private investors.

### *Grants*

During the assessment period, ABGB contributed approximately \$18,000 to the following seven groups, who have as their primary purpose economic development and revitalization of the community or providing affordable housing and social services for low- and moderate-income individuals: **Christmas in May, On Broadway, Neighborhood Housing Services, Inc., Door County Economic Development Corporation, De Pere Main Street, Advance, and Door County Habitat for Humanity.**

In addition to the grants, the bank also contributes an additional \$1,000 per year to the **De Pere Main Street Program (DPMS)** for operating expenses. ABGB also grants an additional \$5,000 per year to DPMS's loan program fund. During the assessment period, ABGB contributed \$2,000 and \$10,000 for operating expenses and loan program funding respectively. DPMS provides funds for small businesses to help revitalize low- and moderate-income areas.

The bank sponsors its own **School Banking Program** to help educate grade-school students on the importance of saving and to help them learn the basics of bank transactions. Bank employees present seminars to the students and teach them basic functions such as how to balance a checkbook and how checks clear an account. The bank provides approximately \$80,000 a year to fund the program. The program is targeted to low- and moderate-income students and to schools in the low- and moderate-income areas of the community. As of February 1999, 1,745 students participated in this program, although the seminars reach over 3,000 students.

In 1997 and 1998 the bank contributed \$44,300 to groups affiliated with the **United Way of Brown County**. These groups provide services primarily to low- and moderate-income individuals. This amount went specifically to organizations which serve low- and moderate-income members of the AA. In 1998, ABGB's contribution level ranked 5th of 39 contributors.

In 1998, the bank granted \$20,000 to **Urban Hope**, a local organization that assists low- and moderate-income women and minorities in starting their own business. The monies will help the organization with operating funds, and will provide a pool of money for start-up business loans.

## SERVICE TEST

ABGB's performance under the Service Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Green Bay MSA is excellent and in the non-MSA AA performance is adequate.

The major factors in reaching our conclusion on the bank's overall performance under the Service Test are as follows:

- In the Green Bay MSA, ABGB's delivery systems are accessible to geographies and individuals of different income levels. The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in the non-MSA AA.
- To the extent changes have been made, ABGB's record of opening and closing offices in the Green Bay MSA has improved the accessibility of its delivery systems. There were no delivery system changes in the non-MSA AA.
- The bank's services, including business hours, do not vary in a way that inconveniences its AAs.
- The bank is a leader in providing community development services.

## Retail Banking Services

*Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.*

ABGB's branch distribution in the Green Bay MSA is accessible to geographies and individuals of different income levels. Additionally, the bank's branch network does not exhibit conspicuous gaps that could negatively impact portions of either AA, particularly low- and moderate-income geographies. The bank's main office is located in one of the AA's two low-income CTs. Furthermore, since the last examination ABGB acquired a branch in one the AAs moderate-income tracts. This has improved overall accessibility, particularly to low- and moderate-income geographies. As a result, although only 8% of the bank's branches are situated in moderate-income geographies and 20% of the population lives in moderate-income geographies, the bank's locations are in very close proximity to all the AA's low-and moderate-income geographies which are in or near the downtown Green Bay area. Also, ABGB has office locations in or within one mile of the CTs with the highest number of low- and/or moderate-income families in the county.

All of ABGB's branches in the non-MSA AA are in middle-income CTs. However, they are reasonably accessible to geographies and individuals of different income levels. The bank operates five branches in Door County. There are no low- or moderate-income geographies in

Door County. However, ABGB has branch locations in the two CTs with the highest number of low- and moderate-income families in the county. There are three branch locations in Oconto County. All of ABGB's branches in the county are in the southern portion of the county nearest the main office in Green Bay. All five of Oconto County's moderate-income tracts are in the northern part of the county. Still, ABGB's offices are located in the two CTs with the highest number of low- and moderate-income families in the county. The bank has two offices in Marinette County, both in the same middle-income CT (#9610). This CT is in the southern most portion of the county closest to the main office in Green Bay. Marinette County's moderate-income CTs are all located in the center to the northern half of the county. The CT with ABGB's branches does contain the second highest number of low- and moderate-income families in the county, though. ABGB does not have any offices in Kewaunee County; however, there are no low- or moderate-income CTs in that county.

The full-service branches offer loan products and deposit services, with loan officers located at all of these locations. More complicated business loan requests are referred to the main office. In addition, business bankers will meet with customers at branch locations, at the customer's place of business, or at their home. The bank also offers trust services and investment services to customers at bank locations or at customer's home if requested. These services are also available to community development organizations. The bank provides cash management services for small businesses, such as payroll processing and lock box collections. In addition, ABGB offers money management retirement planning services for small businesses and individuals.

Services and hours of operation by branch location do not vary in a way that inconveniences the bank's AAs. All branches have extended hours on Friday and a majority of branch lobbies and drive-up facilities are open on Saturday. Some offices are not open on Saturday; however, these locations have more seasonal customer traffic patterns due to being situated in summer tourism locations. Bank studies indicate that these offices have not had sufficient customer traffic to necessitate Saturday hours. As a result, there has not been a negative impact on branch accessibility to low- and moderate-income individuals or geographies. All non-MSA drive-up facilities have extended hours of operation. ABGB management made the decision to extend drive-up hours at these locations to provide banking services for people who commute to and from Green Bay for work. This adds to the convenience of AA needs, particularly for Oconto County. One-third of Oconto County residents work outside of the county with the Green Bay area being the destination for over 70% of the commuters.

### *Alternative Delivery Systems*

Alternative delivery systems offered by ABGB were not given significant weight in determining the bank's Service Test rating. This is because the bank's alternative delivery systems are not specifically designed for low- and moderate-income individuals or geographies and are not substantially different from those offered by other institutions. Still, the alternative delivery systems provided by ABGB add convenience to the AA.

ABGB owns and operates 43 automated teller machines (ATMs): 36 in the Green Bay MSA and seven in the non-MSA AA. ATMs are well disbursed throughout the Green Bay MSA with the location of ATM's consistent with the population distribution of the AA. Furthermore, information provided by management indicates that the volume of ATM transactions in or near low- and moderate-income areas is significant. All seven of the non-MSA ATMs are located in middle-income geographies.

ABGB also offers a check cashing service designed for low- and moderate-income individuals. Business Employee Check Cashing is an onsite, bi-weekly check cashing service developed for a local business but available to any other business that desires the service. The business has its payroll account at ABGB, but the check cashing service is provided to employees even though they may not have an account at the bank. The majority of the firm's employees are low- and moderate-income individuals and the bank does not charge for this service.

### **Community Development Services**

Senior management, bank officers, and employees contribute time and expertise to community organizations that focus on developing and revitalizing the local economy; to groups dedicated to the revitalization of low- and moderate-income neighborhoods; and to groups that provide affordable housing and social services for low- and moderate-income individuals. This is particularly true in the Green Bay MSA where ABGB is a leader in providing community development services. The bank is involved in fewer community development services in the four county non-MSA AA; however, those that the bank is involved with are responsive to community needs. We gave positive credit to the overall rating because of the bank's level of responsive services and leadership. We provide examples of programs and organizations which ABGB has provided community development services for below.

**Brown County Affordable Housing** - An organization consisting of four local banks and the Wisconsin Public Service. The group's primary purpose is to serve the housing needs of low- and moderate-income individuals. As stated in the Investment Test section above, ABGB took a leadership role in the formation of this organization and a member of senior management is the managing member of the BCAH.

**Neighborhood Housing Service** - A consortium of area lenders that provide mortgage loans to low- and moderate-income first time homebuyers. Members of the consortium provide homebuyer seminars and other financial counseling services to low- and moderate-income members of the community. A member of senior management serves in a leadership capacity in the organization. The bank employee helps the consortium make decisions regarding fund allocation and seminar or counseling scheduling.

**Mayor's Neighborhood Resource Board** - A group which provides guidance to local government regarding community housing and economic development needs. Bank officers advise this group in the area of loan products and financial services available.

**On Broadway** - A civic committee that promotes economic development in downtown Green Bay, a moderate-income area. A member of senior management provided financial expertise by serving as Treasurer of this group during 1998.

**Christmas in May** - A civic project that focuses on providing improved housing for low-income members of the community. Bank employees provide time and expertise to this group in the form of financing options available for low-income individuals.

**Green Bay Chamber of Commerce, Advance Board** - A subgroup of the Chamber that assists individuals in starting their own businesses. Although any individual is eligible for assistance, the group targets low- and moderate-income individuals. Two senior members of the bank serve as board members of the Chamber and are on the Advance Board. They provide financial expertise on a wide array of matters pertaining to the formation of start-up businesses.

Several members of senior management serve on various committees devoted to revitalizing downtown Green Bay, including the **Economic Restructuring Committee** (a part of "On Broadway"), the **Green Bay Redevelopment Authority**, and **Downtown Green Bay, Inc.** In all cases, bank employees provide financial expertise to these groups.

The vice-president of business banking serves as a member of the **U.S. Small Business Administration's** local Advisory Board. The committee meets quarterly at the bank. Bank loan officers routinely develop and present seminars to the group on how to finance a start-up business and how to write a business plan.

A senior member of the bank is a member of the **YMCA's Partnership with Youth**, is president-elect of the Brown county **United Way**, and is on the board of the Brown County Incubator, a Chamber of Commerce subgroup. This member of the bank's management team provides these groups with expertise to help with the allocation and administration of available resources. These organizations provide services primarily for the benefit of low- and moderate-income individuals or small businesses.

Two bank employees presented mortgage lending topics at a homebuyer's seminar sponsored by the **Oneida Indian Tribe**. The section on Flexible Lending Practices and Programs discusses loan programs created by the bank to meet credit needs of Native Americans of the Oneida Tribe.

A bank officer won the Wisconsin Banker's Association (WBA) "Banker of the Year" award for her involvement in the WBA's **Personal Economics Program (PEP)**. This program teaches children the basics of financial management with a focus on children from low- to moderate-income families. In addition to the officer winning the award, ABGB also won the state **PEP** award.



Several bank officers are actively involved in the De Pere Development Corporation's **Main Street De Pere Program**. This program fosters economic development of downtown De Pere by not only recruiting new small businesses to the area, but also by providing financial services to these businesses. The bank also provides office space, pays for telephone service, and provides parking for the organization.

A community branch manager serves as Chairman of the Board of the **Door County Economic Development Corporation**. Additionally, a senior lender of the bank serves as the chairman of the organization's Revolving Loan Fund. The Corporation's main purpose is to help the area's economic development by promoting and fostering the expansion of existing or new small businesses. The bank employee provides expertise in prudent lending decisions.

A bank officer is a director of the **Door County United Way**. This employee adds financial expertise in regards to United Way resource allocation.

Another area branch manager serves as a director of the **Oconto County Economic Development Corporation (OCEDC)**, and as chairman of the **City of Oconto Industrial Development Committee's Revolving Loan Fund**. Again, financial expertise is provided in the credit decision process. The OCEDC primarily benefits small businesses located in, or wishing to locate, in this portion of the bank's AA.

Several loan officers of the bank work with the **Farm Service Agency (FSA)** to identify the credit needs of low- and moderate-income farmers in Marinette and Oconto Counties. The FSA, an arm of the United States Department of Agriculture, administers farm commodity programs; provides operating and emergency loans; and, oversees international food assistance and international export credit programs. The primary beneficiaries of FSA programs are small farm owners.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. Both of the bank's Assessment Areas received full-scope reviews.

<b>Time Period Reviewed</b>	Lending Test, CD Loans, Investment Test, and Service Tests: January 1, 1997 to December 31, 1998	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Associated Bank Green Bay N.A. (ABGB) Green Bay, Wisconsin	All HMDA reportable loans Community Development loans Small loans to businesses Small loans to farms Consumer loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Associated Mortgage, Incorporated (AMI)	Holding Company subsidiary	HMDA loans
Associated Commercial Mortgage, Incorporated (ACMI)	Holding Company subsidiary	Community Development loans
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Green Bay MSA #3080 (Brown County)	Full-Scope	None
Non-MSA Area (Door, Marinette, Oconto, and Kewaunee Counties)	Full-Scope	

## **Appendix B: Market Profiles for Full-Scope Areas**

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### **Table of Contents**

#### **Market Profiles for Areas Receiving Full-Scope Reviews**

Green Bay MSA #3080 (Brown County) .....	34
Non-MSA (Door, Marinette, Oconto, and Kewaunee Counties) .....	37

## Green Bay MSA #3080 (Brown County)

Demographic Information for Full-Scope Area: Green Bay MSA #3080 (Brown County)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	49	4.1%	20.4%	57.2%	16.3%	2.0%
Population by Geography	194,594	1.6%	20.2%	57.4%	20.4%	0.4%
Owner-Occupied Housing by Geography	47,423	0.5%	19.3%	58.2%	22.0%	0.0%
Businesses by Geography	7,384	8.1%	17.4%	59.7%	14.7%	0.1%
Farms by Geography	172	0.0%	11.0%	72.7%	16.3%	0.0%
Family Distribution by Income Level	50,732	17.1%	17.9%	28.6%	36.4%	0.0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	17,748	2.2%	32.4%	52.9%	12.5%	0.0%
Median Family Income		Median Housing Value		= \$61,209		
HUD Adjusted Median Family Income for 1998	= \$37,121	Unemployment Rate		= 2.8%		
Households Below the Poverty Level	= \$50,900	% Families below the poverty level		= 6.7%		
	= 6,716					

Source: 1990 U.S. Census, and 1998 HUD updated MFI.

(\*) The NA category consists of geographies that have not been assigned an income classification.

(\*\*) Source: Wisconsin Department of Workforce Development - November 1998 seasonally adjusted figure.

### *Operations Within the Green Bay MSA*

ABGB's main office, as well as ten full-service branches, is located in Brown County. The bank also operates one limited service branch in the Moraine Ridge Retirement Community located in the City of Green Bay. All of the banking locations, with the exception of Moraine Ridge, have drive-up facilities. Furthermore, ABGB owns and operates 36 automated teller machines in Brown County. The majority of the bank's deposit base is in Brown County and approximately 57% of ABGB's loan originations during the assessment period were made in this AA.

ABGB offers a wide range of banking services in the AA. While business banking is the bank's focus, retail lending, specifically home mortgage and consumer loans, remains an important part of the bank's product mix. In Brown County, ABGB is not a major agricultural lender. More specialized lenders are meeting the agricultural needs in this AA.

### *Assessment Area Information*

The Green Bay MSA (#3080) includes all geographies in Brown County. This AA consists of 49 CTs of which two are considered low-income and ten are moderate-income. ABGB's delineation of this, and the non-MSA AA, meets the requirements of the Community Reinvestment Act and does not arbitrarily exclude low- and moderate-income geographies.

### *Demographic Information*

The table above presents some of the key demographic information of the Green Bay MSA. Approximately 60% of the population, businesses, and owner-occupied housing in ABGB's AAs are in the Green Bay MSA. Similarly, 56% of all low- and moderate-income families in ABGB's AAs reside in Brown County. Of the 8,670 low-income families in Brown County, approximately 40% have income below the poverty level. These families may have difficulties qualifying for housing-related loan products.

The majority of low- to moderate-income families in Brown County lives in middle-income census tracts. In fact, only 489 families in total live in the two low-income census tracts. Furthermore, Brown County's two low-income census tracts contain just 240 owner-occupied housing units. These statistics indicate that residential lending opportunities are very limited in the County's low-income tracts. Furthermore, Wisconsin Realtor's Association data indicates the median sales price of a home in Brown County during 1998 was \$107,600. Based on standard debt-to-income underwriting ratios, low-income families may have difficulties qualifying for homes at this price range. A moderate-income family could afford housing in this price range, but would generally have to a minimal amount of other debt.

Brown County's population increased by approximately 12% between 1990 and 1998. This growth rate is higher than both the State of Wisconsin and national rates. Experiencing even stronger growth, though, was the county's employment force. Between 1992 and 1997, Brown County's labor force grew by nearly 19%. The growth in the labor force indicates a strong need for business financing in the AA. This factor also played a significant role in our decision to weigh ABGB's business lending performance more heavily than residential lending performance.

A significant majority of the businesses in Brown County are considered smaller in nature. Just over 86% of all businesses with known revenues in the AA has annual revenue less than \$1 million. This information also indicates the importance of meeting the credit needs of smaller businesses in the AA.

### *Economy, Major Industries and Employers*

The economy of Brown County is considered healthy and diverse. The county's November 1998 unemployment rate of 2.8% compares favorably to the Wisconsin statewide average of 3.5%. The county has experienced significant growth in finance, insurance and real estate industries over the last five years. However, manufacturing remains as one of the county's largest employers. Newly developed industrial parks along major highways have helped maintain Brown County's industrial base. The industry group with the largest employment base, though, is health services. Major employers in the county include Fort James Corporation (paper products), Employers Health Insurance Corporation, Oneida Tribe of Indians of Wisconsin (gaming operations), Shopko Stores, Incorporated, and Saint Vincent and Bellin Memorial hospitals.

### *Financial Competition*

Financial competition is strong. According to June 30, 1998 Federal Deposit Insurance Corporation information, there are 19 financial institutions with offices in Brown County. Furthermore, there are several credit unions in the county. Several of the financial institutions are large regional banks including Firststar, Bank One, Norwest Bank, and Marshall & Ilsley Bank (M&I). These four banks provide ABGB's main competition for commercial loans. A wide variety of financial institutions provide competition for residential mortgage loans. Besides the banks already discussed, ABGB faces strong competition for mortgage loans from mortgage companies, insurance companies, credit unions, and loan brokers.

ABGB has the largest deposit market share in Brown County. Bank One, Wisconsin and M&I have the next largest deposit market shares at 12% and 19% respectively.

### *Community Contacts and Credit Needs*

In an effort to assess the credit needs of the AA, we reviewed three community contacts conducted by our office in November 1998. Two of these contacts were with economic development organizations and one was with a local housing coalition. During the current examination, we conducted one community contact with a local housing-related agency. All of the contacts were with organizations located in the Green Bay MSA. The most frequently cited credit needs were loans for business rehabilitation in the downtown Green Bay area, start-up loans for small business, affordable first time home buyer loans, and multi-family real estate loans to provide housing for low-income families. The multi-family real estate loans are most needed in Green Bay's Target Area. This Target Area consists of two low-income census tracts and three moderate-income census tracts designated by the Mayor of Green Bay as an area in need of revitalization; in terms of economic development.

**Non-MSA Area (Door, Marinette, Oconto, and Kewaunee Counties)**

Demographic Information for Full-Scope Area: Non-MSA Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	51	N/A	23.5%	64.7%	2.0%	9.8%
Population by Geography	123,983	N/A	11.9%	86.2%	1.9%	0.0%
Owner-Occupied Housing by Geography	36,668	N/A	13.1%	84.7%	2.2%	0.0%
Businesses by Geography	4,965	N/A	10.7%	87.9%	1.4%	0.1%
Farms by Geography	202	N/A	5.4%	92.6%	2.0%	0.0%
Family Distribution by Income Level	34,241	20.3%	19.3%	25.5%	34.9%	0.0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	13,544	N/A	18.6%	80.2%	1.2%	0.0%
Median Family Income***	= \$30,290	Median Housing Value***		= \$51,200		
HUD Adjusted MFI for 1998***	= \$41,800	Unemployment Rate **		= 5.0%		
Households Below the Poverty Level	= 5,448	% Families below the poverty level		= 8.6%		

Source: 1990 U.S. Census, and 1998 HUD updated MFI.

(\*) The NA category consists of geographies that have not been assigned an income classification.

(\*\*) Source: Wisconsin Department of Workforce Development - November 1998 seasonally adjusted figure.

(\*\*\*) These items do not include information from the two census tracts in Outagamie County.

*Operations Within the Non-MSA AA*

ABGB operates ten full-service offices in the non-MSA AA. Five of the ten offices are located in Door County, two are in Marinette County, and three are in Oconto County. All of the offices have a drive-through facility. ABGB does not have a branch in Kewaunee County; however, management has elected to include that county as part of their AA. ABGB also owns and operates seven ATMs in the AA.

ABGB’s combined deposit market share in this AA ranks second at 13%. The bank ranks second in deposit market share in Door County, and fourth in market share in both Marinette and Oconto Counties. Over 40% of the bank’s loan originations during the assessment period were made in the non-MSA AA.

Banking services provided in this AA are similar to those offered in the Green Bay MSA. Like the Green Bay MSA, commercial lending is a focus with home mortgage and consumer lending also comprising a large percentage of the bank’s product mix. In the non-MSA AA, though, ABGB has carved out an agricultural lending niche. An agricultural lending specialist is located in a non-MSA branch resulting in nearly all of the bank’s agricultural loan originations being made in the non-MSA AA.

### *Assessment Area Information*

The non-MSA AA consists of all geographies in Door, Oconto, Marinette, and Kewaunee Counties. It also includes two census tracts in Outagamie County. The bank's performance in these two tracts was given less weight in this analysis as they lie furthest away from any bank branch and ABGB has not originated a significant volume of loans in these two tracts. There are a large number of other financial institutions in the area of those two tracts meeting the credit needs there. The remainder of the information presented here, then, focuses on the four counties that comprise nearly this entire AA.

The non-MSA AA consists of 51 CTs. The majority of the geographies (33) are considered middle-income tracts. There are 12 moderate-income tracts in this AA; seven in Marinette County and five in Oconto County. There is only one upper-income CT in the AA with the remaining five geographies not having an assigned income level.

### *Demographic Information*

Important demographic information on ABGB's non-MSA AA is presented in the table above. Approximately 40% of the population, businesses, and owner-occupied housing in ABGB's AAs are in the non-MSA. In addition, 42% of all low- and moderate-income families in ABGB's AAs reside in the non-MSA. Approximately 44% of the low-income families in the non-MSA have income below the poverty level. Again, these families may have difficulties qualifying for housing-related loan products.

The majority of low- to moderate-income families in ABGB's non-MSA AA reside in middle-income CTs. In fact, 80% of the low- and moderate-income families in this AA live in middle-income CTs. This AA contains 36,668 owner-occupied housing units of which only 13%, or 4,799, are located in moderate-income tracts. Wisconsin Realtor's Association information indicates that the median housing sales price in 1998 for Oconto, Door, and Kewaunee Counties was \$83,700, \$132,500, and \$86,000 respectively. Low-income families may have difficulties qualifying for housing in these price ranges based on standard debt-to-income underwriting guidelines. Median housing sales price data was not available for Marinette County. Finally, Wisconsin Department of Administration information indicates that the housing unit growth rate in Door, Kewaunee, and Marinette Counties was lower than the State of Wisconsin housing unit growth rate. Housing unit growth information is based on data collected between April 1, 1990 and April 1, 1998. This information indicates that new housing lending opportunities in these counties was not as strong as in other parts of the state. Only Oconto County had a housing unit percentage increase greater than the state average.

A large percentage of the AA's housing stock is vacant. This is because much of the AA is considered recreational and a significant percentage of the housing stock is held for seasonal or occasional use. Based on 1990 demographic data, nearly 40% of all housing in this AA is considered vacant. Only Kewaunee County has a vacancy percentage less than 35% (10.5%).



Between 1990 and 1998, the non-MSA AA population increased by approximately 5.8%. This growth rate is below the State of Wisconsin growth rate. The non-MSA's employment force growth rate between 1992 and 1997 was slightly higher than the AA's population growth at 6.1%. Considering this information, the relatively low new housing growth rate in this AA, and that ABGB's historical focus has been on business lending, we placed more weight on ABGB's small business lending performance in assessing an overall lending test rating.

A significant percentage of the businesses in the non-MSA are considered smaller in nature. Approximately 92% of businesses with known revenues have annual revenue less than \$1 million. This information indicates the importance of meeting the credit needs of smaller businesses in the AA.

### *Economy, Major Industries and Employers*

The economy of the non-MSA AA is generally healthy. Although the unemployment rate is higher in the non-MSA than in Brown County or the state, unemployment rates fluctuate as much of the AA is recreational, or seasonal, in nature. Overall, the economy of the non-MSA is diverse, although there is a concentration of employment in the paper product manufacturing sector in Oconto County. The health services industry is strong throughout the AA as is eating and drinking places and durable goods manufacturing. The services industry has experienced the strongest growth over the last five years. In general, unemployment rates in the area have declined over the past five years. Major employers in Marinette County include Karl Schmidt Unisia, Incorporated (piston machining), Waupaca Foundry Incorporated (gray iron foundry), and Marinette Marine Corporation (water craft manufacturer). In Oconto County, the major employers are KCS International, Incorporated (boat manufacturer) and Saputo Cheese USA, Incorporated. Door County's major employers include Door County Memorial Hospital, Manitowoc Marine Group, Incorporated (water craft manufacturer), and Hatco Corporation (industrial machinery manufacturer). The largest employers in Kewaunee County are Wisconsin Label Corporation (specialized printing services) and Algoma Hardwoods (wood products).

### *Financial Competition*

There is strong competition for both deposit and loan market share in ABGB's non-MSA AA. According to June 30, 1998 Federal Deposit Insurance Corporation information, there are 17 financial institutions with offices in this AA. In addition, there are several credit unions throughout the AA. In two of the AA's counties, deposit market share is dominated by one or two institutions. Baylake Bank has over 50% of the deposit market share in Door County and F&M Bank Northeast and Norwest Bank, Wisconsin each share more than 30% of the market share in Oconto County. ABGB does not have a dominant deposit market share in any of the non-MSA counties. Similar to Brown County, ABGB also faces competition from non-bank financial institutions in this AA.

*Community Contacts and Credit Needs*

In an effort to assess the credit needs of the AA, we reviewed recently completed community contacts conducted by regulatory agencies as well as other demographic and informational materials. Based on our evaluation, business lending has been an area of focus. Efforts to reduce the unemployment rate in the non-MSA AA as well as business expansion to meet the growing labor force of the AA have placed an emphasis on business lending. This is particularly evident in Marinette County. Our research also indicated a need for small business loans in the other counties of the AA as well. Most areas we reviewed indicated a need for multi-family housing and home improvement or rehabilitation loans as approximately half the housing stock in this AA was built prior to 1960. Additionally, research indicated a need for affordable first-time homebuyer mortgage products. We noted that in Door County in particular, recent increases in real estate values have lead to less affordability for first-time homeowners and entry-level employees.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.

**Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. Geographic Distribution of Refinance Loans** - See Table 2.

**Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the

percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.

**Table 9. Borrower Distribution of Refinance Loans** - See Table 7.

**Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.
- Table 13. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.
- Table 14. Geographic and Borrower Distribution of Consumer Loans** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

**Table 1. Lending Volume**

LENDING VOLUME													State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses**		Small Loans to Farms**		Community Development**		Total Reported Loans		% of Rated Area Loans(#) in MSA/AA				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Green Bay MSA	80%	3,357	295,637	1,619	220,861	7	159	1	880 ***	4,984	517,537	57%				
Non-MSA	20%	2,061	139,623	1,201	63,924	564	15,421	1	100	3,827	219,068	43%				

(\*) Deposit data as of June 30, 1998.

(\*\*) The evaluation period for Home Mortgage Loans, Small Loans to Businesses, Small Loans to Farms, and Community Development Loans is January 1, 1997 to December 31, 1998.

(\*\*\*) Note: There is still \$2.9 million in community development loans outstanding that were not originated during this assessment period.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE																State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overa ll	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Green Bay MSA	0.5%	0.5%	19.3%	12.1%	58.2%	65.2%	22.0%	22.2%	1	12.9%	16.0%	9.8%	14.1%	12.1%	983	63%			
Non-MSA	N/A	N/A	13.1%	9.3%	84.7%	89.8%	2.2%	0.9%	1	19.3%	N/A	16.9%	19.6%	16.7%	570	37%			

(\*) Based on 1997 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT															State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans						
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overa ll	Low	Mod	Mid	Upp	#	% of Total**					
Full-Scope:																					
Green Bay MSA	0.5%	0.3%	19.3%	15.2%	58.2%	55.9%	22.0%	28.6%	3	12.1%	12.5%	10.3%	11.1%	16.8%	297	42%					
Non-MSA	N/A	N/A	13.1%	14.1%	84.7%	85.9%	2.2%	0.0%	1	27.8%	N/A	28.4%	28.1%	0.0%	403	58%					

(\*) Based on 1997 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans						
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overa ll	Low	Mod	Mid	Upp	#	% of Total**					
Full-Scope:																					
Green Bay MSA	0.5%	0.3%	19.3%	9.3%	58.2%	65.5%	22.0%	24.9%	2	7.5%	10.7%	4.7%	7.6%	9.1%	2,068	66%					
Non-MSA	N/A	N/A	13.1%	10.2%	84.7%	88.1%	2.2%	1.7%	1	14.4%	N/A	23.2%	13.4%	16.7%	1,080	34%					

(\*) Based on 1997 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES										State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Green Bay MSA	8.1%	5.3%	17.4%	13.0%	59.7%	56.0%	14.7%	25.7%	1	26.7%	33.6%	26.3%	25.3%	29.4%	1,619	57%
Non-MSA	N/A	N/A	10.7%	13.7%	87.9%	86.2%	1.4%	0.1%	2	30.5%	N/A	48.7%	29.0%	4.8%	1,201	43%

(\*) Based on 1997 Aggregate Small Business Data only. Market rank is for all income categories combined.

(\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

**Table 6. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS										State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Green Bay MSA	0.0%	0.0%	11.0%	0.0%	72.7%	100%	16.3%	0.0%	5	2.8%	0.0%	0.0%	3.1%	0.0%	7	1%
Non-MSA	N/A	N/A	5.4%	22.5%	92.6%	77.5%	2.0%	0.0%	2	35.4%	N/A	71.6%	30.9%	0.0%	564	99%

(\*) Based on 1997 Aggregate Small Farm Data only. Market rank is for all income categories combined.

(\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.



**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE					State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998					Total Home Purchase Loans				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					#	% of Total***
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overa ll	Low	Mod	Mid	Upp		
Full-Scope:																
Green Bay MSA	17.1%	3.7%	17.9%	17.7%	28.6%	36.1%	36.4%	42.5%	1	12.9%	9.1%	11.2%	13.2%	16.7%	983	63%
Non-MSA	20.3%	5.6%	19.3%	15.5%	25.5%	32.5%	34.9%	46.4%	1	19.3%	13.8%	20.4%	21.4%	20.3%	570	37%

(\*) As a percentage of loans with borrower income information available. No information was available for less than 1% of loans originated and purchased by the bank.

(\*\*) Based on 1997 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT					State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998					Total Home Improvement Loans				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					#	% of Total***
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overa ll	Low	Mod	Mid	Upp		
Full-Scope:																
Green Bay MSA	17.1%	9.5%	17.9%	12.2%	28.6%	29.8%	36.4%	48.5%	3	12.3%	15.7%	7.5%	10.0%	16.0%	297	42%
Non-MSA	20.3%	7.8%	19.3%	20.6%	25.5%	36.9%	34.9%	34.7%	1	27.8%	32.6%	29.1%	30.7%	24.6%	403	58%

(\*) As a percentage of loans with borrower income information available. No information was available for 1.0% of loans originated and purchased by the bank.

(\*\*) Based on 1997 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE				State: Wisconsin				Evaluation Period: January 1, 1997 to December 31, 1998								
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overal l	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Green Bay MSA	17.1%	3.6%	17.9%	14.6%	28.6%	35.1%	36.4%	46.7%	2	7.5%	3.3%	6.6%	7.8%	9.1%	2,068	66%
Non-MSA	20.3%	3.8%	19.3%	16.5%	25.5%	32.1%	34.9%	47.6%	1	14.4%	14.0%	15.6%	15.2%	15.4%	1,081	34%

(\*) As a percentage of loans with borrower income information available. No information was available for 0.8% of loans originated and purchased by the bank.

(\*\*) Based on 1997 Aggregate HMDA Data only. Market rank is for all income categories combined.

(\*\*\*) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES				State: Wisconsin				Evaluation Period: January 1, 1997 to December 31, 1998			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses			
	% of Businesses*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total****		
Full-Scope:											
Green Bay MSA	86.4%	76.5%	69.2%	15.2%	15.6%	26.7%	32.5%	1,619	57%		
Non-MSA	92.2%	88.1%	87.5%	9.2%	3.3%	30.5%	33.6%	1,201	43%		

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for less than 1% of small loans to businesses originated and purchased by the bank.

(\*\*\*) Based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS			State: Wisconsin			Evaluation Period: January 1, 1997 to December 31, 1998			
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share***		Total Small Farm Loans	
	% of Farms*	% BANK Loans**	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full-Scope:									
Green Bay MSA	95.8%	100%	100%	0.0%	0.0%	2.8%	3.0%	7	1%
Non-MSA	98.9%	99.8%	94.3%	5.7%	0.0%	35.4%	36.8%	564	99%

(\*) Farms with revenues of \$1 million or less as a percentage of all farms.

(\*\*) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. Information was available for all small loans to farms originated and purchased by the bank.

(\*\*\*) Based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS				State: Wisconsin				Evaluation Period: January 1, 1997 to December 31, 1998			
MSA/Assessment Areas:	Affordable Housing		Community Service		Economic Development/ Small Business		Revitalize or Stabilize		Total Investments		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$-s
Full-Scope:											
Green Bay MSA	6	369	4	204	5	36	3	3	18	612	99%
Non-MSA	1	1	0	0	2	3	0	0	3	4	1%

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998							
MSA/Assessment Area:	Deposits		Branches					Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches In MSA/AA	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Green Bay MSA	80%	12	55%	8%	8%	84%	0%	0	3	0	+1	+2	0	2%	20%	58%	20%
Non-MSA	20%	10	45%	N/A	0%	100%	0%	0	0	N/A	N/A	N/A	N/A	N/A	12%	86%	2%

Table 14. Geographic and Borrower Distribution of Consumer Loans

Geographic and Borrower Distribution: CONSUMER LOANS								State: Wisconsin		Evaluation Period: January 1, 1997 to December 31, 1998								
MSA/Assessment Area:	Geographic Distribution								Borrower Distribution									
	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Consumer Loans	
	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Pop*	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	% of Hshlds	% BANK Loans	#	% of Total**
Full-Scope:																		
Green Bay MSA	2%	1%	20%	12%	58%	62%	20%	25%	22%	30%	16%	29%	23%	21%	39%	20%	7,791	60%
Non-MSA	N/A	N/A	12%	12%	86%	88%	2%	0%	25%	29%	16%	31%	20%	23%	39%	17%	5,291	40%

(\*) The percentage of the population in the MSA/assessment area that resides in these geographies.

(\*\*) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.