



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act Performance Evaluation

**National Exchange Bank and Trust
Charter Number: 13879**

**130 South Main Street
Fond du Lac, Wisconsin 54936**

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Milwaukee Field Office
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NOTE: This document is an evaluation of this 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. 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.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of National Exchange Bank and Trust (NEBAT) with respect to the Lending, Investment, and Service Tests:

Performance Levels	National Exchange Bank and Trust 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:

- NEBAT has demonstrated excellent responsiveness to credit needs in its assessment areas taking into account the number and amount of small business, home mortgage, and small farm loans originated within the assessment areas.
- The bank’s distribution of loans to businesses of different size in its assessment areas is excellent.
- NEBAT’s overall performance in lending to borrowers of different income levels is also excellent.
- A substantial majority of the bank’s loans are originated within its assessment areas.
- Flexible lending products are used to help meet the needs of low- and moderate-income individuals.
- The bank’s service delivery systems are readily accessible to individuals of different income levels. In addition, to the extent changes have been made, NEBAT has improved the accessibility of its service delivery systems.
- NEBAT and its employees provide a high level of community development services. Many are particularly responsive to the needs of the assessment areas.
- Overall, the bank has made an adequate level of community development investments.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. 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 with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

Community Development: Affordable housing (including multifamily rental 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.

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

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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 area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: These loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

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

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

NEBAT is a full-service intrastate community bank headquartered in Fond du Lac, Wisconsin. NEBAT is a wholly owned subsidiary of NEB Corporation, a \$926.5 million, two-bank holding company also headquartered in Fond du Lac. Serving portions of Fond du Lac, Sheboygan, Washington, Dodge, and Columbia counties, NEBAT operates 17 full-service offices, two stand alone drive-up facilities, and 18 Automated Teller Machines (ATMs).

The bank's business strategy has historically been to operate with a community bank orientation while offering a wide range of products. Commercial lending is a strength of NEBAT with small business lending considered one of the bank's market niches. This is evident in the fact that more than 50% of the bank's loan portfolio consists of commercial loans. In addition to offering a wide array of commercial loan products, NEBAT also offers several residential real estate and consumer loan products. The bank also offers internet and telephone banking as well providing trust and investment services.

In addition to the main office, NEBAT operates five full-service branches and one drive-through facility in Fond du Lac County, six offices in Sheboygan County, two in Washington County, three branches in Columbia County and a drive-up structure in Dodge County.

As of December 31, 2002, NEBAT had total assets of \$751 million with net loans representing 63% of total assets. NEBAT's loan portfolio is broken down as follows: \$284 million in commercial and industrial loans (58.8% of total loans); \$143 million in residential real estate loans including loans secured by multifamily residential properties (29.7%); \$41 million in consumer loans (8.5%); \$14.5 million in agricultural loans (3.0%); and \$153 thousand in other loans (.03%).

Based on June 30, 2002 Federal Deposit Insurance Corporation data, the latest available, NEBAT has the largest deposit market share in Fond du Lac County at 28%. The institution with the second largest deposit base in Fond du Lac County has a market share of 12.5%. Approximately 69.6% of NEBAT entire deposit base is from Fond du Lac County. In Sheboygan County, where NEBAT operates six branches, the bank ranks 9th of 17 institutions with a deposit market share of 4.6%. NEBAT ranks 11th of 14 institutions in Washington County with a deposit market share of 1.85%. In Columbia and Dodge County combined, the bank ranks 10th of 27 institutions with a deposit market share of 3.6%.

There are no legal or financial impediments that adversely affect NEBAT's ability to serve its communities. As of December 31, 2002, NEBAT's tier one capital was \$88,623,000. The bank posted a return on average assets of 1.96% and 1.64% at year-end 2002 and 2001, respectively. The bank was rated "Outstanding" at its last CRA evaluation dated November 1, 1999.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We reviewed home mortgage, small business and small farm loans for the time period January 1, 2000 through December 31, 2002. Community development (CD) loans were reviewed from November 1, 1999 through February 24, 2003. We reviewed investments, donations, and grants made between November 1, 1999 and February 24, 2003. We considered investments and donations or grants to organizations that have community development as their primary purpose.

Our evaluation of services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail-banking services. We analyzed the effect of changes in branch locations since our previous CRA examination. We also considered the extent and responsiveness of community development services in meeting the needs of AAs. This analysis covered the period between November 1, 1999 and February 24, 2002.

Data Integrity

As part of this CRA evaluation, NEBAT's publicly filed information on home mortgage loans and small loans to businesses and farms was tested for accuracy. The data we reviewed was collected and reported by NEBAT over the assessment period. The testing indicated inaccuracies in small business reporting throughout the assessment period. We also identified inaccuracies in HMDA data, primarily data reported in 2000. Management made strong efforts to correct the data; afterward we completed additional tests to reassess the accuracy of reported data. Our follow-up tests indicated that the corrected data is substantially accurate and this evaluation is based on that corrected, accurate data.

We also reviewed information on bank-identified CD loans, investments, and services to verify that the activities meet the regulatory definition of CD. NEBAT had accurately identified the majority of activities submitted for consideration. Those loans, investments, and services meeting the definition of CD are included in this performance evaluation.

Selection of Areas for Full-Scope Review

Our analysis included full-scope evaluations for the Fond du Lac County non-MA, Sheboygan County MA, and Washington County MA. These areas comprise the bulk of NEBAT activity, particularly Fond du Lac County. The Sheboygan AA contains 6 of the bank's 18 offices and ranks second in terms of the number of loan originations. The Washington County AA ranks second in dollar amount of loan originations and has experienced strong growth since the bank's last CRA evaluation, especially in residential lending. We performed a limited-scope evaluation for the Columbia/Dodge County non-MA. NEBAT operates three branches and two ATMs in the Columbia/Dodge AA; however, less than 7% of the loans originated over the assessment period and 12.0% of the bank's total deposits are from within this AA. Please refer to the table in Appendix A for additional information on the scope of our review.

Ratings

The bank's overall rating is based primarily on those areas receiving full-scope reviews. When determining the overall rating, performance in the Fond du Lac assessment area (AA) was afforded the most weight. A significant majority of the bank's loan volume and deposit base is within this AA. When determining conclusions for the Lending Test in the Fond du Lac AA, small loans to business were weighed more heavily than home mortgage loans or small loans to farms. This loan category represents a larger volume of NEBAT's lending during the evaluation period and is the bank's market niche.

In the Sheboygan AA, fairly equal weight was placed on the bank's small business and home mortgage performance. While home mortgage loans represents a slightly higher percentage of total reported loans in the AA, community contact information indicated a need for small business loans.

In the Washington AA, home mortgage loans were given the most weight in determining lending test conclusions. Compared to the bank's other AAs, mortgage loans represent a higher percentage of total lending in this AA than in any other AA. Additionally, community contact information indicated a need for affordable housing. In general, within the home mortgage category, home purchase and home refinance performance were given fairly equal weight. The volume of both categories of loans is relatively high in each AA. In the Washington AA, though, home purchase loan performance was given more weight, considering community contact information indicated a need for affordable housing loans along with the population influx during the assessment period.

Afforded less weight in determining the lending test rating is the bank's performance in originating loans secured by residential real estate with a business purpose. The volume of loans in this category is not large in comparison to other loan categories. However, evaluation of this category supplements the analysis of the bank's overall small loans to businesses performance. In all AAs, small loans to farms were given less weight, as NEBAT is not an active agricultural lender. Finally, no weight was placed on the bank's multi-family lending performance. Multi-family loan originations reported by all lenders, including NEBAT, was minimal. The bank's multi-family loan performance is; however, illustrated in Table 5 of Appendix C.

Other

We conducted five community contact interviews during our examination. The contacts included discussions with personnel at a community action agency, a local community development agency, and a local economic development agency in the Fond du Lac AA. We also interviewed a community development program director in the Sheboygan AA and a representative of a community development agency in the Washington AA. All contacts were generally complimentary of the banks in these areas and said they were doing a good job of meeting the credit needs in their communities.

The contacts in the Fond du Lac AA identified funding for start-up and small businesses as the primary credit need in the area. Credit counseling for LMI individuals and funding for downtown revitalization projects are secondary needs. The Sheboygan AA contact stated funding for industrial park expansion and business recruitment and retention as primary needs. Funding programs for low and moderate-income (LMI) individuals was the primary credit need identified by the contact in the Washington AA. A secondary need mentioned in the Washington AA is funding for new and small businesses.

Fair Lending Review

An analysis of the most recent public comments and consumer complaint information, HMDA lending data, small business and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated outstanding. Based on full-scope reviews, the bank's performance in the Fond du Lac non-MA AA and the Sheboygan MA AA are excellent. NEBAT's lending performance in the Washington MA AA is good.

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

- NEBAT exhibits excellent responsiveness to credit needs in its AAs taking into account the number and amount of small businesses and home mortgage loan originations in comparison to the bank's size, resources, presence in the AAs, and AA needs.
- Overall, the bank has an excellent distribution of loans to businesses of different sizes and borrowers of different income levels. This includes the bank's record of serving businesses with gross annual revenues \$1million or less.
- A substantial majority of NEBAT's loans are originated within the bank's AAs.
- The bank makes use of flexible lending programs to address credit needs of LMI borrowers.

Lending Activity

Refer to Tables 1 Lending Volume and 1A Other Products in Appendix C for the facts and data used to evaluate the bank's lending activity.

Fond du Lac Assessment Area

Home Mortgage Lending

NEBAT's performance in home mortgage lending in this AA is excellent. The bank originated 1,219 residential real estate-related loans totaling over \$108 million during the assessment period. According to 2001 market share information, the latest available, NEBAT ranks second in home purchase loan market share in the AA at 12.5%. The bank is slightly behind the market leader, a large multi-state bank with a market share of 14.6%. NEBAT ranks third in the market for home improvement loans with a market share of 13.0%. The bank originated only 15 fewer loans than the market leader. NEBAT's home purchase and home improvement market share is lower than the bank's deposit market share and rank in Fond du Lac County. However, 93.0% of the 171 lenders reporting mortgage loan originations in the AA do not take deposits in the AA. These same lenders account for approximately 53.3% of the mortgage lending activity in the AA. This indicates that a significantly higher number of entities are competing for loan market share than deposit market share. The bank's market share of 7.3%

in home refinance loans places NEBAT fourth among the 145 institutions reporting a home refinance loan in 2001. Two of the entities ranking ahead of NEBAT in home refinance market share are significantly larger financial institutions. The other bank with a higher market share is the other NEB Corporation bank subsidiary. NEBAT is ranked fourth in multi-family loan market share at 9.5%. Only 21 multi-family loans were reported by all institutions in 2001. Therefore, the bank's performance in multifamily real estate lending is given minimal weight.

NEBAT's overall mortgage lending volume is even higher when considering the volume of loans sold on the secondary market. From January 1, 2000 through December 31, 2002, NEBAT sold 525 loans located in the AA totaling over \$56 million.

Small Business Lending

NEBAT is a leader in small business lending in the AA. Over the evaluation period, NEBAT originated 1,767 small loans to businesses totaling over \$147 million. Based on 2001 market share information, NEBAT ranked first in small business loan market share at 30.9%. The bank's small business loan market share is higher than its deposit market share in the county. NEBAT's market share of loans to businesses with gross annual revenues less than \$1 million is even higher at 41.5%. Market share information indicates that the second ranked small business lender in the AA had a market share of 10.4%. This information indicates that NEBAT is the premier small business lender in the AA. This is viewed positively given that the AA has the highest concentration of businesses among the bank's four AAs, and community contact information indicates a need for small business loans in this AA (see the Fond du Lac AA Market Profile in Appendix B).

NEBAT also collects and reports data on loans secured by residential real estate where the purpose of the loan is for small business. During the assessment period, NEBAT originated 193 loans of this type in the AA totaling over \$12 million. Market share information on this loan category is not available. Although this category of loans comprises a relatively small percentage of the total loan portfolio (3.4%), the number and dollar volume of originations supplements NEBAT's already strong performance in originating small loans to businesses.

Small Farm Lending

NEBAT is not an active agricultural lender as evidenced by the small percentage of agricultural loans that make up the bank's loan portfolio (3.0%). There are other institutions with more specialized lenders that meet the agricultural needs of the AA. Still, the bank originated 367 agricultural loans in the AA over the assessment period for a total of over \$14 million. Of the 11 institutions reporting at least one agricultural loan in the AA during 2001, NEBAT ranked second with a market share of 39.0%.

Sheboygan County Assessment Area

Home Mortgage Lending

NEBAT's performance in home mortgage lending in this AA is good. The bank originated 452 residential real estate-related loans totaling over \$36 million during the assessment period. In home purchase loans, NEBAT ranks eighth with a market share of 4.5%. The bank originated only 14 fewer loans than the third ranked institution. NEBAT ranks fifth in home improvement loans in the AA with a market share of 5.8%, only five loan originations behind the second ranked institutions. The bank's dollar amount of home improvement loans ranks third in the AA. The bank also ranks fifth in home refinance loans with a market share of 4.4%. NEBAT's market share of the three products discussed above is very comparable to its deposit market share in the county of 4.6%. The bank originated only one multifamily real estate loan in the AA over the assessment period. Based on 2001 market share information, only seven multifamily real estate loans were originated by all lenders. Due to the very small number of multi-family loan originations, minimal weight was placed on the bank's performance in this category.

Small Business Lending

NEBAT has a strong presence in originating small loans to businesses in the Sheboygan AA. During the evaluation period, NEBAT originated 377 small loans to businesses totaling over \$17 million. Based on 2001 market share information, NEBAT ranked fourth in small business market share at 6.3%. The bank's dollar amount of small loans to businesses ranks third in the AA. NEBAT's market share of small business loans is above its deposit market share in the AA of 4.6%. NEBAT's market share of loans to businesses with gross annual revenues less than \$1 million is higher than its overall market share at 11.8%. This information indicates that NEBAT is strongly committed to meeting the credit needs of smaller businesses that may have a more difficult time accessing credit.

As discussed in the Fond du Lac AA, NEBAT collects and reports data on loans secured by residential real estate where the purpose of the loan is for small business. During the assessment period, NEBAT originated 38 loans of this type in the AA totaling \$2.7 million. Market share information on this loan category is not available. Again, this only bolsters the bank's strong performance in originating small loans to businesses in this AA.

Small Farm Lending

Over the assessment period, NEBAT originated 107 agricultural loans in the AA for a total of \$3.3 million. Even though NEBAT is not an active agricultural lender, the bank ranked first in market share among banks reporting at least one agricultural loan origination in 2001. Significant weight, however, was not placed on the bank's performance in this loan category as only 104 agricultural loan originations were reported by all lenders in the AA in 2001.

Washington County Assessment Area

Home Mortgage Lending

NEBAT's performance in home mortgage lending in this AA is good. Over the assessment period, the bank originated 431 residential real estate related loans totaling over \$54 million. Based on 2001 market share information, NEBAT ranks 14th of 130 lenders with at least one home purchase loan origination in the AA with a market share of 2.2%. The bank rated 17th in home improvement loan market share at 1.5%. In the home refinance loan category, NEBAT's market share was 2.8% with a rank of tenth out of 163 institutions. The bank did not originate any multifamily real estate loans in the AA over the assessment period. The bank's market share in home purchase and home refinance originations is above its deposit market share of 1.9% in the AA.

Small Business Lending

NEBAT's performance in small business lending in this AA is excellent. Over the evaluation period, the bank originated 254 small loans to businesses totaling over \$22 million. Based on 2001 market share information, NEBAT ranked tenth in the AA with a market share of 3.6%. In total dollar amount of small business loans, NEBAT is ranked third in the AA. The bank's market share of loans to businesses with gross annual revenues less than \$1 million is higher than its overall market share of small loans to businesses at 6.5%. NEBAT's market share of small business loans is well above its deposit market share in the AA of 1.9%.

During the assessment period, NEBAT originated another 30 loans totaling \$1.3 million that were secured by residential real estate but for a business purpose. Similar to the other AAs discussed above, these originations supplement the bank's strong performance in originating small loans to businesses.

Small Farm Lending

The bank originated only 17 agricultural loans in this AA over the assessment period. Based on the 2001 market share information, only 65 agricultural loans were originated by all lenders. Due to the very limited nature of NEBAT's agricultural activity in this AA, and based on the fact that only a small number of agricultural loans were reported by all lenders in the AA, significant weight was not placed on the bank's performance in this lending category.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

NEBAT has no low-income geographies in its AAs and only one moderate-income geography. The moderate-income geography is situated within the Fond du Lac AA. Based on this information, an analysis of the bank's geographic distribution of loans in the Sheboygan and Washington AAs would not be meaningful. An analysis of the bank's geographic distribution of home mortgage loans in the Fond du Lac AA does not produce very meaningful results. The

moderate-income geography in the Fond du Lac AA contains only 48 owner-occupied units. Market share data from 2001 also indicates that all reporting lenders originated only four home purchase loans, one home improvement loan, 13 home refinance loans, and no multifamily loans in that geography. Still, NEBAT's percentage of home purchase, home improvement, and home refinance loans in the moderate-income geography exceeds the percentage of owner-occupied units in that geography.

Small Loans to Businesses

Refer to Table 6 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.

For reasons discussed above, an analysis of the geographic distribution of loans in the Sheboygan and Washington AAs is not meaningful. We did, however, complete an analysis of NEBAT's geographic distribution of small business loans in the Fond du Lac AA. Because there is only one moderate-income tract in the analysis, this portion of the lending test did not carry a significant amount of weight in assessing NEBAT's overall performance.

NEBAT's overall performance in lending to small businesses in the moderate-income tract of the Fond du Lac AA is good. Over the evaluation period, NEBAT originated 7.7% of its small business loans in the moderate-income geography. This is slightly lower than the percentage of businesses located in that geography.

NEBAT's market share of small business loans in the moderate-income geography is 46.9%. This is well above the bank's overall market share and places the bank first in market share in the moderate-income geography. The lender with the second highest market share is a national finance corporation, with an 11.3% market share. NEBAT is also the leader in market share of loans to businesses with \$1 million or less in revenues in the moderate-income geography, at 60.0%. The bank's market share performance indicates that NEBAT is the area's strongest performer in making small loans to businesses in the moderate-income geography of the Fond du Lac AA. Over the evaluation period, NEBAT also originated another five business-purpose loans secured by residential real estate in the AA's moderate-income geography. This represents nearly 3% of all residential real estate secured business purpose loans originated by the bank in the AA.

Small Loans to Farms

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

As discussed in the home mortgage loans section, an analysis of the geographic distribution of loans in the Sheboygan and Washington AAs is not meaningful. Additionally, Dun and Bradstreet data indicates that very few farms are located in the moderate-income geography in the Fond du Lac AA. Market share data from 2001 shows that all lenders originated only one agricultural loan in the geography. Based on this information, an analysis of the bank's geographic distribution of agricultural loans does not produce meaningful results.

Lending Gap Analysis

We completed a lending gap analysis within all of the AAs. We noted that NEBAT originated home mortgage and small business loans throughout its AAs, including geographies with the highest level of LMI borrowers and small businesses. There are no significant clusters of geographies with a low penetration of lending.

Inside/Outside Ratio

A substantial majority (81.5%) of home mortgage, small business, small farm, and small business purpose secured by residential real estate loans, originated or purchased by NEBAT over the evaluation period, were within the bank's AAs. During the evaluation period, 82.5% of the bank's home mortgage loans, 78.9% of its small business loans, 90.3% of its small farm loans, and 80.4% of its small business loans secured by residential real estate were originated within the four AAs. This performance demonstrates a strong commitment to meeting the credit needs of its AAs.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Fond du Lac Assessment Area

Home Purchase Loans

NEBAT's distribution of home purchase loans to borrowers of different income levels is excellent in the Fond du Lac AA. The bank originated 9.1% of its home purchase loans to low-income borrowers and 21.6% to moderate-income borrowers over the assessment period. Home purchase loans made to low-income borrowers were below the percentage of low-income families within the assessment area of 11.7%. However, considering that nearly 50% of all low-income families have incomes below the poverty level and the relatively high median housing sales price in the AA (see the Market Profile of the Fond du Lac AA in Appendix B), this performance is excellent. The bank's percentage of loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA of 15.9%.

The bank's market share of home purchase loans to low-income borrowers is significantly above its overall home purchase market share. Based on 2001 market share information, the NEBAT ranks first in home purchase loans to low-income borrowers at 21.8%. This compares very favorably to its overall home purchase market share of 12.5%. NEBAT's market share to moderate-income borrowers, 12.7%, is slightly above its overall market share. NEBAT ranks second in the AA in home purchase loans to moderate-income borrowers.

Home Improvement Loans

The borrower distribution of home improvement loans is also excellent. The bank originated 8.3% of its home improvement loans over the assessment period to low-income borrowers.

This percentage is below the percentage of low-income families in the AA; however, is considered excellent given the demographics of the low-income families in the AA (see the Market Profile of the Fond du Lac AA in Appendix B). The bank's percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

NEBAT ranks second in market share of home improvement loans to low-income borrowers at 19.1% and is only two loans behind the market leader. This market share is well above the bank's overall home improvement loan market share in the AA of 13.0%. NEBAT's market share of home improvement loans to moderate-income borrowers in the AA ranks fourth at 10.6%. The bank is tied with two other lenders in market share and is only three loans behind the market leader.

Home Refinance Loans

NEBAT has an adequate record of home refinance lending in the Fond du Lac AA. The bank's percentage of refinance loans to both low- and moderate-income borrowers during the assessment period is below the LMI demographics of the AA. The bank originated 2.7% of its home refinance loans over the assessment period to low-income borrowers and 12.6% to moderate-income borrowers.

Aggregate 2001 market share data indicates that the bank's overall market rank of home refinance loans was fourth. NEBAT ranks eighth in the AA in refinance loans to low-income borrowers and third to moderate-income borrowers. The bank's market share of home refinance loans to low-income borrowers, 3.9%, is below its over all market share of 7.3%. However, NEBAT's home refinance loan market share of 7.7% to moderate-income borrowers is above its overall market share.

Sheboygan Assessment Area

Home Purchase Loans

NEBAT's record of home purchase lending in the AA is excellent. The bank's percentage of home purchase loans to low-income families, 16.2%, exceeds the percentage of low-income families in the AA. NEBAT also originated a significantly higher percentage of its loans to moderate-income borrowers than the percentage of moderate-income families in the AA. This is excellent performance, especially considering that this AA has the highest percentage of low-income families among all of the bank's AAs.

Market share data from 2001 indicates that NEBAT has a significantly higher market share of home purchase loans to low-income borrowers than its overall market share of 4.5%. The bank's market share of home purchase loans to moderate-income borrowers is slightly below its overall market share. NEBAT ranks first in market share to low-income borrowers and sixth in market share to moderate-income borrowers. For moderate-income borrowers, the bank originated only three fewer loans than the fourth ranked institution.

Home Improvement Loans

NEBAT also has an excellent record of home improvement lending in the Sheboygan AA. The bank's percentage of home improvement loans to both low- and moderate-income borrowers significantly exceeds the percentage of LMI families in the AA. During the assessment period, 18.9% and 35.8% of the bank's home improvement loans were made to low- and moderate-income borrowers, respectively. These percentages indicate that the bank is making strong efforts to meet the needs of LMI borrowers in the AA.

According to 2001 market share data, NEBAT's market share of 7.4% to low-income borrowers ranked fourth in the AA. The bank is second in market share to moderate-income borrowers at 9.8%. In both cases, a large credit union ranked first with a market share well above other lenders with at least one home improvement loan origination in the AA. NEBAT's market share of home improvement loans to both low- and moderate-income borrowers was above its overall market share in the AA.

Home Refinance Loans

The bank's record for home refinance lending is excellent. NEBAT originated 7.3% of its home refinance loans in the AA to low-income borrowers. That is below the percentage of low-income families residing in the AA. However, the percentage of home refinancing loans to moderate-income borrowers, 24.1%, was significantly above the percentage of moderate-income families in the AA%.

Based on 2001 HMDA data, the bank ranked fourth and third in market share to low- and moderate-income borrowers, respectively. The bank's market share of 5.5% to both low- and moderate-income borrowers is above NEBAT's overall home refinance market share of 4.4% in the AA.

Washington Assessment Area

Home Purchase Loans

The bank has demonstrated good performance in home purchase lending in this AA. NEBAT originated nearly 6% of its home purchase loans to low-income borrowers. This is below the percentage of low-income borrowers in the AA. However, 20% of all low-income families in the AA have income below the poverty level. These families may have difficulty qualifying for home purchase loans. The bank's percentage of home purchase loans to moderate-income borrowers of 22.0% exceeds the percentage of moderate-income families in the AA. Overall, this performance reflects good responsiveness to the AA's needs (see Market Profile for Washington AA in Appendix B).

The bank's market share of home purchase loans to both low- and moderate-income borrowers in the Washington AA is comparable to their overall market share of 2.2%. According to 2001 market share data, NEBAT is ranked 12th and 14th to low- and moderate-income borrowers, respectively. For low-income borrowers, the bank originated only four fewer home purchase loans than the second ranked lender. NEBAT also originated only seven fewer home purchase loans to moderate-income borrowers than the fifth ranked institution.

Home Improvement Loans

Although the bank did not originate a significant number of home improvement loans in the Washington AA over the assessment period, overall performance is considered adequate. The bank's percentage of home improvement loans to LMI borrowers is below the demographics of the area. NEBAT's market share of home improvement loans to moderate-income borrowers exceeds its overall market share. Market share data for 2001 indicates that NEBAT did not originate a home improvement loan to a low-income borrower in 2001. However, only 12 home improvement loans were originated to low-income borrowers by all lenders in the AA. Taking into consideration the few loans originated by not only NEBAT, but also all lenders in the AA, and considering that this AA has a relatively newer and growing housing stock (see Market Profile for this AA in Appendix B), minimal weight was placed on this category in determining overall lending performance.

Home Refinance Loans

NEBAT's performance in home refinance lending in the Washington AA is adequate. The percentage of home refinance loans to low- and moderate-income borrowers are below the respective percentage of families in each income category. The bank's market share of home refinance loans to both low- and moderate-income borrowers is comparable to its overall market share of 2.8%. According to 2001 market share information, NEBAT ranks eighth in home refinance loans to low-income borrowers and ninth in loans to moderate-income borrowers. NEBAT's market share ranking of home refinance loans to both low- and moderate-income borrowers exceeds its deposit market share rank.

Small Loans to Businesses

Refer to Table 11 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.

Fond du Lac Assessment Area

NEBAT's small business lending performance in this AA was weighted quite heavily in assessing the bank's overall performance. This was done for a number of reasons. NEBAT has developed a market niche in small business lending and the majority of the bank's small business loans are originated within this AA. Fond du Lac County has experienced a stable economic environment despite the current recession in the national economy. According to one community contact, significant time is spent on entrepreneurial business assistance and existing business development efforts by a local economic development agency. These factors led us to place significant weight on the bank's performance in this loan category.

NEBAT has an excellent record of lending to small businesses within the Fond du Lac AA. Over the assessment period, NEBAT originated 76.9% of its small business loans to businesses with gross annual revenues \$1 million or less. While that percentage is below the percentage of businesses with revenues \$1 million or less in the assessment area, market share data indicates that NEBAT is the dominant small business lender in the AA. NEBAT's market share of loans to businesses with gross annual revenues \$1 million or less significantly exceeds its overall small business market share of 30.9%. The bank's overall market share of

small loans to businesses is nearly three times larger than the second ranked lender. In addition, NEBAT's market share of 41.5% for loans to businesses reporting \$1 million or less in gross annual revenues is nearly four times greater than the second ranked lender in the AA. This represents dominant performance.

Another indication of the bank's commitment to small business is evident in the distribution of small loans to businesses by origination amount. Table 11 in Appendix C illustrates NEBAT's loan originations by dollar amount regardless of business size. Over 79% of the bank's small loans to businesses were in original amounts of \$100,000 or less. This demonstrates a strong willingness to originate and process small loans to businesses, especially as NEBAT is large enough to originate business loans of significant size.

NEBAT's performance in lending to businesses with annual revenues \$1 million or less where the loan is secured by residential real estate is also excellent. Over the assessment period, the bank originated 193 loans of this type. Of these, 186 or 96.4%, were extended to businesses with gross annual revenues \$1 million or less.

Sheboygan Assessment Area

NEBAT's record of lending to small businesses in the Sheboygan AA is excellent. Over the assessment period, NEBAT originated 377 small business loans in the AA. Nearly 91% of these loans were to businesses with gross annual revenues \$1 million or less. This performance exceeds the percentage of businesses in the AA that report revenues \$1 million or less. In addition, the bank's market share to businesses with revenues \$1 million or less of 11.8% exceeds its overall small loans to business market share. This performance demonstrates the bank's commitment to meeting the needs of small businesses in the AA.

Over 89% of the bank's small loans to businesses were in original amounts of \$100,000 or less. As indicated earlier, this demonstrates a strong commitment to originate small loans to businesses.

NEBAT's performance in lending to businesses with annual revenues \$1 million or less where the loan is secured by residential real estate is excellent. Over the assessment period, the bank originated 38 loans of this type, all of which were to businesses with gross annual revenues \$1 million or less.

Washington Assessment Area

NEBAT has done an excellent job of meeting small business credit needs in the Washington AA. Over the assessment period, the bank originated 254 small business loans in the AA. Over 75% of these loans were to businesses reporting gross annual revenues \$1 million or less. This performance is somewhat below the percentage of businesses in the AA with gross annual revenues \$1 million or less. However, NEBAT originated a large number of small dollar loans to a large corporation in this AA affecting the percentage of loans to businesses with revenues \$1 million or less. Market share data indicates excellent performance. The bank's market share of loans to businesses with \$1 million or less in annual revenues is well above its overall business loan market share.

NEBAT originated 78% of its small loans to businesses in amounts of \$100,00 or less. Similar to the other AAs, this demonstrates a strong commitment to small business needs.

The bank has also done an excellent job of originating business-purpose loans secured by residential real estate. Among the 30 loans of this type originated during the assessment period, 26 or 86.7% were made to businesses with annual revenues \$1 million or less.

Small Loans to Farms

Refer to Table 12 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.

We did not place much weight on the bank's performance in lending to small farms. The bank is not an active agricultural lender, as only 3.0% of the bank's outstanding loans are agricultural-related. Also, more specialized lenders are meeting the agricultural credit needs of the AAs. The bank's performance in agricultural lending is discussed below.

Fond du Lac Assessment Area

NEBAT's record of lending to small farms in the Fond du Lac AA is excellent. The bank originated 367 agricultural loans over the assessment period at an average loan size of \$39 thousand. All but two of the bank's small farm loan originations were to farms with annual revenues \$1 million or less. This performance exceeds the percentage of farms with annual revenues \$1 million or less in the AA. According to 2001 market share information, only 11 institutions reported one or more farm loan origination in 2001. NEBAT ranked second among these lenders with a market share of 39.0%. The bank's market share to farms with annual revenues \$1 million or less is slightly above this overall market share at 39.7%. Additionally, over 90% of the bank's small loans to farms were in original amounts of \$100,000 or less.

Sheboygan Assessment Area

NEBAT's record of lending to small farms in the Sheboygan AA is also excellent. The bank originated 107 small farm loans over the assessment period. Over 94% of these loans were to farms with annual revenues \$1 million or less. This performance exceeds the percentage of farms in the AA with annual revenues of \$1 million or less. Based on 2001 market share information, NEBAT ranks first in market share to farms with annual revenues \$1 million or less, at 41.9%. This market share is more than three times greater than the second ranked lender and is comparable to the bank's overall small farm market share of 40.4%. Like the Fond du Lac AA, over 90% of the bank's small loans to farms were in original amounts of \$100,000 or less.

Washington Assessment Area

NEBAT has done an excellent job of meeting small farm credit needs in the Washington AA. During the assessment period, the bank originated 17 small farm loans, all of which were to farms with annual revenues \$1 million or less. According to 2001 market share data, only 11 institutions reported at least one farm loan origination in 2001, with a total of 65 loans. One institution originated over two-thirds of the loans in the AA. NEBAT's market share of 14.3% to farms with annual revenues of \$1 million or less ranks second in the AA. This market share

exceeds the bank's overall small farm market share of 12.3%. Just over 88% of NEBAT's small loans to farms were in original amounts of \$100,000 or less. Due to the few farm loans originated by all lenders in this AA, including NEBAT, very little weight was placed on this category in assessing the bank's overall lending performance.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Opportunities for making qualified CD loans are not as prevalent in NEBAT's AAs as in larger communities. The bank operates in AAs with only one moderate-income geography and no low-income geographies. This limits the opportunity to originate loans to revitalize or stabilize LMI areas. Many of NEBAT's small business loans in the moderate-income geography have a CD purpose; however, these loans are in original amounts of \$1 million or less and are not reported as CD loans. In fact, NEBAT originated 136 small business loans totaling \$10.4 million in the AA's lone moderate-income tract during the assessment period. These loans are considered under other sections of the Lending Test.

Other CD lending avenues are also limited. Lending to a Community Development Financial Institution (CDFI) is a qualified CD lending activity; however, none of Wisconsin's seven CDFI's operates in or near NEBAT's AAs. There has been limited construction of multi-family rental properties serving primarily LMI individuals in the AAs. Over the last four to five years, there has been some growth in community-based retirement facilities (CBRFs), but most of these developments have not been targeted for LMI individuals.

Due to the limited opportunities available to originate qualified CD loans, the number and amount of CD loans is not an important consideration in determining the bank's overall lending test performance. The bank originated two letters of credit during the assessment period with a CD purpose. These letters of credit have a positive impact on communities by helping provide a skilled nursing and/or retirement facilities for elderly individuals. These letters of credit are described below.

Subsequent to the bank's last CRA examination, NEBAT issued a \$130 thousand letter of credit providing a credit enhancement to a skilled nursing facility (SNF) operating in the Fond du Lac AA. The SNF operates as a nursing home and provides other health care programs for the aged, injured, and sick. More than 50% of the facility's clients are LMI individuals. During the last assessment period, a \$12 million letter of credit was issued by NEBAT to support the construction of the facility. Although not considered in the evaluation at this time, the original \$12 million letter of credit is still outstanding.

The bank issued a \$3.6 million letter of credit to support a CBRF located in the Washington County AA. More than 50% of the facility's clients are LMI individuals. This letter of credit has a positive impact on the community, particularly in light of community contact information indicating a need for affordable housing in this AA.

Product Innovation and Flexibility

NEBAT makes use of flexible lending programs to address the needs of LMI borrowers. Use of these programs has a positive impact on the lending test rating. Programs used by the bank include the following:

ADVOCAP Homeowner Development Program (HDP): The HDP is a cooperative effort between ADVOCAP, Incorporated, the cities of Fond du Lac and Oshkosh, and a consortium of local lenders to assist LMI borrowers with the purchase of homes. The program provides funds for down payments, closing costs, rehabilitation loans or first mortgages. ADVOCAP, Inc. is a very accomplished community action agency located in the City of Fond du Lac. Over the assessment period, NEBAT originated four loans under this program totaling over \$260 thousand. In 2000, 2001, and 2002, NEBAT committed \$200 thousand to this program each year.

C-Cap, Incorporated Down Payment and Closing Cost Assistance Program (DCCAP): The DCCAP is a statewide program that covers NEBAT's AAs. The program provides up to \$3,000 in forgivable grants to borrowers with less than 80% of the county median family income for down payment costs on the purchase of a home. Grant funds are forgiven if the borrower remains in the house for five years. NEBAT originated six loans totaling over \$606 thousand under this program over the assessment period. The program also requires borrowers to complete a home purchase counseling course prior to closing.

Wisconsin Housing and Economic Development Authority (WHEDA) HOME Program: This program is a first-time home buyer program that provides below-market fixed interest rates and allows for a lower down payment than conventional mortgage programs. This program primarily benefits LMI borrowers. NEBAT originated seven loans under this program in 2000 totaling \$417 thousand. In 2001, NEBAT originated 10 loans totaling \$701 thousand. In 2002, NEBAT originated seven loans totaling \$582 thousand.

St. Agnes Loan Program: This program provides lower interest rate financing for patients of St. Agnes Hospital who do not have sufficient insurance or are unable to repay hospital bills within a certain time frame. The program primarily benefits LMI individuals. NEBAT originated 12 loans totaling \$34 thousand under this program over the assessment period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the lending test in the Columbia/Dodge AA is not inconsistent with the bank's overall excellent performance under the lending test. Refer to Tables 1 through 12 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

Refer to Table 13 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the investment test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Fond du Lac AA is good. Performance in the Sheboygan and Washington County AA's is adequate.

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

- NEBAT has made an adequate level of qualified community development investments and grants exhibiting adequate responsiveness to credit and community development needs.

Overall, NEBAT's performance under the investment test is adequate, especially considering the limited opportunities available in the AAs to make qualified investments. Small business investment companies, which are viable investment vehicles, are not in the immediate area. There are several social service agencies and no more than three community action or housing agencies that provide investment and/or grant opportunities. Mortgage-backed securities backed by housing in LMI areas or to LMI borrowers are not available for NEBAT's AAs. Given this information, NEBAT primarily devoted its donations or investments to social service or economic development agencies where the scope of their operations would have the most direct benefit to its AAs. While none of the investments or grants is considered innovative or complex, they do represent adequate responsiveness to community needs. This is especially true in the Fond du Lac AA where a large prior period investment, as well as smaller current donations, continues to help fill a community need. The following summarizes the bank's qualifying investments and grants.

Fond du Lac Assessment Area

NEBAT made a total of \$108 thousand in cash contributions and donations to several community development organizations during the assessment period. Following are some of the notable qualifying grants and donations:

- \$29,175 to a national social service agency that allocates funds to local agencies benefiting LMI individuals and/or families.
- \$24,000 to a local non-profit facility that provides health care services to LMI individuals. Based on information in the Market Profile for the Fond du Lac Non-MA in Appendix B, this is viewed as responsive to community needs.
- \$15,000 to a local foundation that provides a number of services to LMI individuals and families.

- \$9,000 to a local economic development corporation that provides an array of services to small businesses. This, as well as one other donation to a local development agency, is particularly responsive to the area's needs according to community contacts (see Market Profile for Fond du Lac Non-MA in Appendix B).
- \$6,625 to a local foundation that provides a variety of services to economically or physically disadvantaged children, including LMI individuals and families.
- \$5,000 to a local organization that provides services to economically or physically disadvantaged children, including children from LMI families.
- \$4,690 to a local shelter providing temporary housing and other services to LMI individuals and/or families.

Prior Period Investment – Fond du Lac Assessment Area

NEBAT also has nearly \$1.5 million outstanding on a qualified investment to a local health care facility. This investment is a municipal bond used to renovate a health care facility where at least 50% of the residents are on a lower fixed income. Based on demographic information detailed in the Market Profile of the Fond du Lac Non-MA in Appendix B, this investment continues to be responsive to community needs.

Sheboygan Assessment Area

The bank made a total of \$4 thousand in cash contributions and donations to three organizations benefiting LMI families or small businesses. The scope of the organization's activities is within the Sheboygan AA. Although the dollar volume of donations and grants are smaller in this AA than in the other full-scope AAs, we did not identify a significant number of CD investment opportunities within this AA.

Washington Assessment Area

In 2002, NEBAT invested \$25,000 in a Rehabilitation Loan Program benefiting LMI borrowers in a three county area, including Washington County. This investment is in addition to a \$25 thousand investment made by the bank in 1998. The bank's total investment in the program, \$50 thousand, represents a 9.1% investment in the pool. The program provides funds of up to \$3 thousand to LMI individuals for downpayment, closing costs, prepaid items and reserves. The loan is forgiven by 20% each year the borrower lives in the house. NEBAT has originated several loans under this program.

The bank has also made \$10 thousand in cash contributions and donations to five organizations providing services either to LMI individuals or small businesses. All of the organizations operate within the Washington County AA.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Columbia/Dodge non-MA AA is not inconsistent with the bank's overall low satisfactory performance under the investment test. There are few opportunities for qualifying CD

investments in the portions of these counties within the bank's AA. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

NEBAT's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Fond du Lac AA is excellent. Since there are no low- or moderate-income geographies in any AA except the Fond du Lac AA, and the majority of the bank's activities take place in the Fond du Lac AA, the rating is based primarily on the bank's performance in this AA. NEBAT's performance in the Sheboygan AA is excellent. The bank's performance in the Washington AA is also excellent. NEBAT opened another branch in the Washington AA in 2000 and has expanded its community development services.

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

- NEBAT's service delivery systems are readily accessible to individuals of different income levels.
- To the extent changes have been made, NEBAT's record of opening and closing branches has improved the accessibility of its delivery systems.
- The bank's services do not vary in a way that inconveniences its AAs.
- NEBAT provides a high level of community development services that are responsive to AA needs.

Retail Banking Services

Refer to Table 14 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.

Fond du Lac Assessment Area

The bank's service delivery systems are readily accessible to geographies and individuals of different income levels and exhibit no conspicuous gaps. NEBAT operates six of its 17 offices plus a drive-up only facility in the Fond du Lac AA. All full-service offices in the AA have a drive-up facility. As indicated in Table 14 of Appendix C, the bank's percentage of branches in moderate-income geographies exceeds the percentage of the population living in moderate-income geographies. The main office is located in the AA's only moderate-income geography. Furthermore, NEBAT has office locations in two of the three geographies in the AA with the highest number of low-income families.

NEBAT has 10 ATMs well disbursed throughout the AA increasing service availability. One of the ATMs was opened subsequent to the bank's last CRA examination. A full-service ATM, that is, a deposit and cash-dispensing machine, is located in the moderate-income geography.

NEBAT account holders are not charged fees to use the bank's ATMs. Six of the ATMs are in geographies where the bank does not operate a branch. This results in offices and/or ATMs being located in 9 of the 18 geographies in the AA. Over half of all LMI families in the AA are in geographies where NEBAT has branches or ATMs. This represents excellent service availability throughout the AA.

All offices, except for the stand-alone drive-up facility, provide full loan and deposit services. Loan officers are located at each full-service office. The bank also offers trust and investment services at bank locations or at customers' homes, if requested.

Office hours do not vary in a way that inconveniences its AA. All offices open between 8:00 and 8:30 a.m. and close between 4:00 and 5:00 p.m., Monday through Thursday. Hours are extended at all offices on Friday. A majority of the drive-up facilities open before the branches and close later. Although the main office does not have lobby hours on Saturday, its drive-up facility is open that day. Considering the few number of housing units in this geography, the main office's hours are convenient to all segments of the community. Overall, the slight differences in hours of operation do not impact the accessibility of services to any geography or customers of different income levels.

Alternative Delivery Systems

NEBAT's service delivery system is enhanced by its ATM distribution discussed above. In addition, the bank established a Messenger Service Branch in April 2002, which currently serves several businesses.

Other alternative delivery systems offered by the bank, such as telephone and Internet banking, were not given significant weight, as they are not designed specifically for LMI individuals.

Sheboygan Assessment Area

The Sheboygan AA consists of only middle-income tracts, so an analysis of the geographic distribution of branches in comparison to geography income level would not be meaningful. However, NEBAT's service delivery systems are readily accessible to individuals of different income levels and exhibit no conspicuous gaps. NEBAT operates six branches in this AA; all of them are located in different geographies. Three of the six offices have drive-up facilities, and hours do not vary in a way that inconveniences any segment of the AA. NEBAT has office locations in four of the five geographies in the AA with the highest number of low-income families. Furthermore, branches are located in four of the five geographies with the highest number of moderate-income families. In total, NEBAT has branch offices in geographies where approximately 60% of LMI families reside. This distribution exhibits excellent accessibility to all segments of the AA.

NEBAT operates two ATMs in this AA. One ATM is located in a geography where nearly 20% of all LMI families in the AA reside. The other ATM was opened May 2001 and is located in a geography where another 14% of all LMI families in the AA reside. The opening of the ATM improved the accessibility of services within the AA.

All offices provide full loan and deposit services with loan officers located at each office. Alternative delivery systems are identical to those discussed under the Fond du Lac AA above.

Washington County Assessment Area

The Washington AA also consists of only middle-income tracts. As a result, an analysis of the geographic distribution of branches in comparison to geography income level will not be meaningful. However, NEBAT's service delivery systems are accessible to individuals of different income levels. Since the opening of a branch in January 2000, NEBAT operates two branches in this AA, both located in the City of West Bend. The offices have drive-up facilities with extended hours. One of the branches is open on Saturday and both have extended hours on Friday. One of the offices operates in the geography with more moderate-income families than any other geography in the AA. Furthermore, the third highest number of low-income families resides in that geography. In all, 20% of the LMI families in the AA are located in the two geographies.

NEBAT operates three ATMs in the Washington AA. Two of the ATMs began operation subsequent to the bank's last CRA evaluation. The opening of the ATMs improved the accessibility of banking services in the AA.

The West Bend branches also provide full loan and deposit services. Loan officers are available for commercial and retail loan needs. Alternative delivery systems are identical to those discussed under the Fond du Lac AA above.

Community Development Services

NEBAT provides a high level of community development services that are responsive to the needs of its AAs. Examples of community services that NEBAT personnel are involved with are detailed below.

Fond du Lac Assessment Area

A senior bank employee serves on the board of directors of a local economic development corporation (EDC). The EDC serves the entire county and is private/public partnership working to attract, retain, develop, and assist businesses located in, or with a desire to locate in, Fond du Lac County. The EDC's main focus has been on small business development and assistance and has been successful in attracting and retaining businesses for the county. The employee provides technical and financial expertise to the EDC and its clients. In addition, bank employees have taken a leadership role in presenting new financing ideas to the EDC as well as participation in its activities. Based on information obtained from community contacts (see Market Profile of Fond du Lac Non-MA in Appendix B), the employee's involvement as a key member of the EDC's board demonstrates excellent responsiveness to the AA's needs.

A bank employee serves on the board of directors of a local community action agency (CAA). The CAA provides loan programs geared to LMI individuals and other services having a community development purpose. As a director, the employee provides financial and technical expertise by assisting the CAA in the administration of its loan programs. Participation with the CAA is viewed as being responsive to community needs. The CAA is located in the City of Fond du Lac and serves several counties, including Fond du Lac County.

In 2001, an employee of the bank presented information at a homebuyers seminar sponsored by the CAA described above. The employee presented information on the home purchase process and types of financing available. The seminar was directed to low-income individuals and families.

A bank employee serves on the board of a local business improvement district (BID). The BID's purpose is to encourage reinvestment and assist business and property owners in order to enhance the downtown Fond du Lac area, including the moderate-income geography. Local authorities have targeted the downtown area of Fond du Lac as an area to revitalize in terms of business development and employment. The employee provides financial and technical expertise by assisting in the budgeting process and allocating resources. Again, this is responsive to the AA's needs.

A bank employee serves as Chairman for a foundation associated with a local non-profit nursing home. The foundation allocates funds to provide housing for LMI individuals. The employee provides financial expertise by assisting the foundation in raising funds, the budgeting process, and funds allocation.

A bank employee serves on the local board of a national social services agency. The local chapter, serving Fond du Lac County, provides a wide array of social services to LMI individuals. The employee provides financial expertise by assisting the agency in the budgeting process and allocating funds.

A bank employee serves on the board of a local foundation set up to assist LMI individuals. The foundation raises funds in order to grant scholarships over 50% of the time to LMI individuals wanting to attend a specific university. The employee provides financial expertise by assisting the foundation in the budgeting process and raising funds.

A bank employee serves as President of the board for a local social service organization. The organization provides vocational rehabilitation for individuals with disabilities in the Fond du Lac area. More than 50% of the disabled are LMI individuals. The employee provides financial expertise by assisting the group in the budgeting process.

A bank employee serves as Secretary and as a member of the Finance Committee for a social services organization operating in the county. The organization provides a variety of services to LMI individuals. The employee provides financial expertise by assisting the group in fund allocation and the budgeting process.

A bank employee serves on the board of a local community foundation. This foundation allocates funds to provide services to economically or physically disadvantaged children, including LMI individuals and families. The employee provides technical expertise by helping the foundation fulfill its mission.

During the assessment period, a bank employee served on the board of a local homeless shelter serving primarily LMI individuals or families. The employee has provided financial expertise by helping raise funds to assist the clients of the homeless shelter.

NEBAT has also increased access to financial services by waiving certain fees on checking accounts to clients of the Fond du Lac County Department of Social Services. These are low-income clients who have checking accounts at NEBAT.

The bank offers a checking account with reduced or waived fees for small businesses that process fewer items through their checking accounts. This is responsive to the needs of smaller businesses in the area and is available in all AAs.

NEBAT also provides accounts for those who are required to receive government benefits through electronic methods. There are no minimum balance requirements or monthly maintenance fees. Accounts are also available for individuals who receive electronic payroll payments. These services are provided in all of NEBAT's AAs.

Sheboygan County Assessment Area

During the assessment period an employee served as a member of a countywide EDC. The EDC primarily serves the need of small businesses by assisting in the development of start-up plans, providing financing options, and assisting in the expansion of existing businesses. The employee provided expertise by presenting information to individuals wanting to start a business. Based on community contact information (see the Market Profile for the Sheboygan MA in Appendix B) this is viewed as quite responsive to AA needs.

An employee of NEBAT serves on the board of a local housing agency. The agency provides multi-family housing for elderly individuals with incomes less than 80% of the county's median family income. The employee is involved in the agency's budgeting process and assists in the allocation of resources. As detailed in the Market Profile in Appendix B, Sheboygan County has the highest percentage of low-income families among all of NEBAT's AAs. Furthermore, the median sales price of housing in the area exceeds \$115 thousand. Serving on the board of this agency is also a responsive way to meet AA needs.

A bank employee serves on the local board of a national social services agency. The local chapter, serving Sheboygan County, provides a wide array of social services to LMI individuals. The employee provides financial expertise by assisting the agency in the budgeting process and allocation of funds.

A bank employee serves on the board of an organization set up to assist LMI individuals with home improvement projects in the Sheboygan Falls area. The group partners with local businesses to repair homes in the community where the homeowner is unable to afford the work. The program is geared towards LMI individuals. The employee provides expertise by assisting the board in allocating funds and budgeting.

An employee serves on the board of a local EDC in Sheboygan Falls. Sheboygan Falls is home to one of NEBAT's branches in this AA. The EDC fosters economic development of downtown Sheboygan Falls by recruiting and providing financial services primarily to small businesses. The employee provides technical and financial expertise to the EDC.

Another employee also serves on the board of an EDC in the Village of Glenbeulah. NEBAT has a branch in Glenbeulah, which is part of the Sheboygan AA. The EDC fosters economic

development of downtown Glenbeulah by recruiting and providing financial services primarily to small businesses. The employee provides financial and technical expertise to the EDC.

Washington County Assessment Area

Several times in 2000, 2001, and 2002, a bank employee presented home purchase information to LMI individuals in conjunction with a Washington County home purchase grant program. To qualify for grant funds, LMI individuals must complete home purchase counseling courses that cover various topics. Grant funds must be used to cover down payment, closing, or other costs associated with the purchase of a home. Considering information provided in the Market Profile of the Washington AA in Appendix B, the bank's involvement in this activity demonstrates good responsiveness to community needs.

A bank employee served two years on the board of a social services agency in Washington County. The agency provides a wide array of social services to LMI individuals. The employee aided the agency by providing financial advice on matters pertaining to the operation of the agency.

During the assessment period, a bank employee served on the organizational committee for a local low interest loan program (LILP). The LILP fosters economic development of downtown West Bend by providing financial services primarily to small businesses within the city's business improvement district. The employee provided technical expertise by bringing area banks together to pool resources to fund the program.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Columbia/Dodge non-MA AA is not inconsistent with the bank's overall performance under this test. Branches and ATM's are readily accessible in this AA. Banking services provided in this AA are consistent with other AAs. Bank employees are also active in several organizations that serve LMI individuals or promote economic development. For example, an employee in this AA served as a member of local EDC that focuses on small business development and assistance.

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. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/2000 to 12/31/2002) Investment and Service Tests and CD Loans: (11/01/1999 to 02/24/2003)	
Financial Institution	Products Reviewed	
National Exchange Bank and Trust (NEBAT) Fond du Lac, WI	Home purchase loans, home improvement loans, home refinance loans, small loans to businesses, small loans to farms, loans secured by residential real estate with a business purpose, community development loans, qualified investments, and retail and community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Portion of Fond du Lac County Non-MA	Full-Scope	None
Portion of Sheboygan MA #7620	Full-Scope	None
Portion of Washington MA #5080	Full-Scope	None
Portions of Columbia / Dodge Counties Non-MA	Limited-Scope	None

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Fond du Lac Non-MA	2
Sheboygan MA	5
Washington MA	7

Fond du Lac Non-MA

Demographic Information for Full-Scope Area: Fond du Lac Non-MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	18	0.0%	5.6%	61.1%	33.3%	0.0%
Population by Geography	73,414	0.0%	.9%	59.7%	39.4%	0.0%
Owner-Occupied Housing by Geography	19,071	0.0%	.2%	57.9%	41.9%	0.0%
Businesses by Geography	2,868	0.0%	9.7%	61.9%	28.4%	0.0%
Farms by Geography	523	0.0%	.4%	47.6%	52.0%	0.0%
Family Distribution by Income Level	19,508	11.7%	15.9%	26.3%	46.1%	0.0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,377	0.0%	1.0%	67.9%	31.1%	0.0%
Median Family Income = \$30,290			Median Housing Value = \$57,444			
HUD Adjusted Median Family Income for 2002 = \$50,800			Unemployment Rate (December 2002 Department of Workforce Development) = 4.3%			
Households Below the Poverty Level = 8.3%			Families Below the Poverty Level = 5.5%			

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

Source: 1990 U.S. Census, and 2002 HUD updated MFI.

Operations Within the Fond du Lac County AA

NEBAT's main office and five full-service branches are located within Fond du Lac AA. A stand-alone drive-up facility is also located in this AA. Ten of the bank's 18 ATMs are located in this AA. One ATM was opened in this AA subsequent to the bank's last CRA evaluation. Approximately 69.6% of the bank's deposit base and 63% of lending activities are within the Fond du Lac AA.

Assessment Area Information

The Fond du Lac AA includes all but four geographies¹ in Fond du Lac County. The excluded geographies are in the western portion of the county. Bank management made the decision to exclude the four geographies from the Fond du Lac AA, as they are not in close proximity to bank branches. There are no low-income geographies in any of NEBAT's AAs. The Fond du Lac AA has one moderate-income geography. NEBAT's delineation of the Fond du Lac AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

Demographic Information

As indicated in the table above, a majority of the population, owner-occupied housing, and business are located in the middle-income geographies of the Fond du Lac AA. Approximately 38% of the population, owner-occupied housing, businesses, and farms in all of NEBAT's AAs

¹ The census tracts excluded from the Fond du Lac AA are 415, 416, 417, and 418.

are located in the Fond du Lac AA. The largest number of LMI families resides in this AA in comparison to NEBAT's other AAs. Of the 2,288 low-income families in the Fond du Lac AA, nearly 50% have incomes below the poverty level. These families may have difficulties qualifying for housing-related products.

Fond du Lac County's population increased approximately 8.0% between 1990 and 2000. This is slower than the 8.5% growth rate experienced by the State of Wisconsin and surrounding counties. In addition, the median age of the county's population is slightly older than that of the state and national average. Fond du Lac County has a slightly higher distribution of the population aged sixty and older than state and national averages. This indicates a higher need for health care and/or retirement facilities in or near the AA.

A Wisconsin Realtors Association 2003 Press Release indicated that the median sales price of a home in Fond du Lac County during the fourth quarter of 2002 was \$101,100. This does not represent a significant increase in median sales prices over the prior 12 months. The county's housing stock grew by nearly 14% between 1990 and 2000. Much of the new housing did not replace existing units.

Economy, Major Industries, and Employers

Fond du Lac County has a healthy economy despite the current national recession. Due to a greater availability of employment opportunities in the county, the unemployment rate has remained lower than either the state or national figures. As of December 31, 2002, Fond du Lac County's unemployment rate was 4.3% compared to the State of Wisconsin's rate of 4.9%. Job growth in the county between 1998 and 2002 was 3.9%.

The Fond du Lac AA has the highest concentration of businesses in any of the bank's AAs. A majority of the businesses located in this AA have gross annual revenues less than \$1 million (85%). While the industrial machinery-equipment, and paper and allied products sectors remain strong, durable goods manufacturing experienced a decline in total employment over the past few years. Other industries such as healthcare, education, and services experienced a net increase in employment. Agriculture does not represent a large portion of the county's employment base. Major private employers in Fond du Lac County include Brunswick Corporation, International Paper Company, Agnesian Healthcare, and Alliance Laundry Systems.

Financial Competition

Financial competition in the Fond du Lac AA is strong. There are approximately 16 financial institutions with offices in the county, not including credit unions. Besides financial institutions, NEBAT faces competition from insurance companies, mortgage corporations, and loan brokers. Based on 2001 market share information, over 125 different entities originated at least one mortgage loan in this AA. Primary mortgage competition in the Fond du Lac AA comes from mortgage companies affiliated with entities much larger than NEBAT. The most significant competition for business loans comes from a multi-billion dollar bank with a national presence, a large regional bank, and a national finance company.

Community Contacts and Credit Needs

In an effort to assess the credit needs of the AA, we conducted three community contacts. Two were with community development agencies and one with a community action agency. The contacts were complementary of the local banks efforts to meet the needs of the community. Two of the three contacts discussed the need for diversification among the county's employment base. The consensus among the contracts was a need for start-up capital and funding for existing business and entrepreneurs. Downtown Fond du Lac business rehabilitation loans were also cited as a need. Two of the three contacts mentioned the need for affordable housing and housing rehabilitation loans.

Sheboygan MA

Demographic Information for Full-Scope Area: Sheboygan MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0%	0.0%	100%	0.0%	0.0%
Population by Geography	44,758	0.0%	0.0%	100%	0.0%	0.0%
Owner-Occupied Housing by Geography	12,009	0.0%	0.0%	100%	0.0%	0.0%
Businesses by Geography	1,795	0.0%	0.0%	100%	0.0%	0.0%
Farms by Geography	412	0.0%	0.0%	100%	0.0%	0.0%
Family Distribution by Income Level	12,229	12.1%	19.0%	31.6%	37.3%	0.0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	3,808	0.0%	0.0%	100%	0.0%	0.0%
Median Family Income = \$36,708						Median Housing Value = \$63,756
HUD Adjusted Median Family Income for 2002 = \$62,700						Unemployment Rate (December 2002 Department of Workforce Development) = 4.5%
Households Below the Poverty Level = 5.3%						Families Below the Poverty Level = 3.2%

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2002 HUD updated MFI.

Operations Within the Sheboygan County MA

NEBAT operates six full-service branches in the Sheboygan AA. The bank owns and operates two ATMs in this AA with one of the ATMs being opened in early 2001. The Sheboygan AA accounts for approximately 13% of the bank's total deposits and 18% of NEBAT's lending activity.

Assessment Area Information

The Sheboygan AA includes all geographies with the exception of the most eastern census tracts in the county². Because NEBAT does not have a branch presence in the eastern portion of the county, and that part of the county is served by a number of other financial institutions, NEBAT has elected not to include that portion of the county in its AA, including the City of Sheboygan. All geographies in this AA are middle-income. NEBAT's delineation of this AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

Demographic Information

Approximately 24% of the owner-occupied housing and 22% of the businesses in all of NEBAT's AAs are located within the Sheboygan AA. Similar to all of NEBAT's AAs, the majority of businesses (86%) in this AA have gross annual revenues less than \$1 million.

² Census tracts included in the Sheboygan AA are 102 through 106 and 109 through 113.

Among all AAs receiving a full-scope review, the Sheboygan AA has the highest percentage of low-income families (1,480 of 12,229 families or 12.1%). Approximately 27% of all low-income families in this AA have incomes below the poverty level. Moderate-income families comprise 19% of all families in this AA. Between 1990 and 2000, the population growth rate of 8.4% in Sheboygan County fell behind the State of Wisconsin growth rate of 9.6%. More than half of the total growth came from migration into the area rather than births.

Wisconsin Realtors Association information indicates the median sales price of a home in Sheboygan County was \$116.5 thousand at the end of 2002. This represents a 12.3% increase from the median sales price during the same quarter one year earlier.

Economy, Major Industries, and Employers

Sheboygan County has a stable economy. As of December 31, 2002, the county's unemployment rate was 4.5%, slightly below the State of Wisconsin's rate of 4.9%. According to the Wisconsin Department of Workforce Development, the labor force in the county has grown at a faster rate than the employment rate over the last five years. This indicates a need to develop business employment opportunities. Similar to the Fond du Lac AA, Sheboygan County has a large manufacturing employment base. Manufacturing accounts for approximately 41% of the county's employment. Fabricated metals manufacturing is the largest industry in the county. All industries within the county have seen growth over the last five years except finance, insurance, and real estate. Agriculture does not represent a significant portion of the employment base in Sheboygan County. Major private employers include Kohler Company, Bemis Manufacturing, J.L. French Corporation, Aurora Health Care Central, and Sargento Foods.

Financial Competition

Not including credit unions, 17 financial institutions have offices within Sheboygan County. Several large mortgage companies also have a significant presence in the AA. Based on 2001 HMDA data, over 100 financial institutions originated at least one residential mortgage loan within the AA. Primary competition for home purchase and refinance loans in the AA comes from large regional and national mortgage corporations. A credit union owned by a large employer in the county originates a significant number of home improvement loans. The primary competition for business loans comes from several larger banking institutions.

Community Contacts and Credit Needs

In an effort to assess the credit needs of NEBAT's AA, we conducted one community contact with a community development agency. The contact indicated that the local institutions are meeting most credit needs. Industrial park expansion as well as business recruitment and retention within the area was cited as a need.

Washington MA

Demographic Information for Full-Scope Area: Washington MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0%	0.0%	100%	0.0%	0.0%
Population by Geography	58,180	0.0%	0.0%	100%	0.0%	0.0%
Owner-Occupied Housing by Geography	14,400	0.0%	0.0%	100%	0.0%	0.0%
Businesses by Geography	2,513	0.0%	0.0%	100%	0.0%	0.0%
Farms by Geography	282	0.0%	0.0%	100%	0.0%	0.0%
Family Distribution by Income Level	15,667	11.8%	19.2%	32.5%	36.5%	0.0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,851	0.0%	0.0%	100%	0.0%	0.0%
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$39,005 = \$67,200 = 3.8%		Median Housing Value Unemployment Rate (December 2002 Department of Workforce Development) Families Below the Poverty Level		= \$80,617 = 4.7% = 2.4%	

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

Source: 1990 U.S. Census, and 2002 HUD updated MFI.

Operations within the Washington County MA

NEBAT operates two full-service branches and three ATM's within this AA. Approximately 6% of the bank's deposits and 13% of total loans are within this AA. NEBAT's branches in this AA are fairly new; one branch opened in December of 1995 and the other acquired in May of 1999. NEBAT has been working on expanding market share in this AA, but as of June 30, 2002 its deposit market share in the county was just 2%. Despite the relatively small deposit market share, NEBAT originates a higher percentage of the bank's total loans in this AA than the percentage of total deposits generated from the AA. Additionally, the bank originates a higher percentage of residential mortgages in this AA when compared to the bank's other AAs.

Assessment Area Information

The Washington AA comprises most of the CT's³ in the northern half of the county. Both of NEBAT's branches are situated in the central portion of the county in the City of West Bend. The areas of Washington County not included in the AA are further away from the branches and/or served by other institutions. All of the geographies in this AA are middle-income. The delineation of this AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

³ Census tracts included in the Washington AA are 4001.01, 4001.02, 4101, 4201.01, 4201.02, 4202 through 4204, 4301, 4501.01, and 4501.02.

Demographic Information

There are 15,667 families in this AA. Approximately 12% of these families, or 1,848, are low-income families. The total number of families with incomes below the poverty level is 369, or 20% of all low-income families. Moderate-income families represent 19% of the total families in this AA.

Washington County has experienced significant population growth over the last decade. The Washington County population grew by 20.7% over that time period. This is significantly higher than the State of Wisconsin growth rate of 8.5%. A smaller percentage of the county's population is over the age of 60 compared to the statewide average. This should lessen pressures of potential labor shortages. The county's housing stock also grew appreciably during the 1990's. The availability of real estate for housing construction led to the growth and many of the county's workers commute to the other counties around Washington.

Nearly 29% of all owner-occupied housing units in NEBAT's combined AAs are within this AA. This AA also has the newest housing stock of the three AAs receiving a full-scope review. The weighted average of the median year a home was built in the Washington AA is 1967. The average year built in the Fond du Lac and Sheboygan AAs are 1957 and 1956, respectively. In the City of West Bend, the median sales price of a home is \$ 132.5 thousand and the median sales price of a home in the county is even higher. These prices, and the fact that 20% of the low-income families in this AA have incomes below the poverty level, make it difficult for many LMI families to find affordable housing.

Total businesses in this AA constitute 33% of all businesses in the combined AAs. A significant majority (86%) of the businesses in this AA have gross annual revenues less than \$1 million.

Economy, Major Industries, and Employers

Similar to NEBAT's other AAs, the economy in Washington County is healthy despite the current recession in the national economy. The unemployment rate, as of December 2002, was 4.7%. Manufacturing represents the largest employment base employing 32% of the county's non-farm workforce. Washington County is increasing workforce diversification as service industries have grown at a faster rate than goods producing industries. Much of the growth in the service/retail sector is attributed to the population growth in the county. As the population has grown, there has also been an increased emphasis on healthcare services. Major employers in the area include Serigraph, Quad/Graphics, Broan-Nutone, and St. Joseph's Community Hospital.

Financial Competition

There is very strong financial competition within the Washington County AA. There are 14 financial institutions with offices in the county, not including credit unions. Over 140 entities originated at least one mortgage-related product in the AA in 2001. Primary competitors for mortgage products include a local savings bank, large regional and national mortgage companies, and other local banks. Primary competitors for business loans include an affiliate of a regional institution, a national finance corporation and other banks of varying size.

Community Contacts and Credit Needs

In an effort to assess the credit needs of the AA, we conducted one community contact with the economic development coordinator of Washington County. In general, the community contact was complementary of the local banks efforts to meet community needs, but stressed more could be done. The contact stated affordable housing as one of the largest needs in the area. According to the community contact, about a quarter of the individuals who live within Washington County commute to the metro Milwaukee area for work. Among whose individuals, many earn more than individuals who work within Washington County. In addition, many newer homes being built are on the high end of the market. The contact also mentioned funding for new and small businesses as a need in the AA.

Appendix C: Tables of Performance Data

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 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 MA/assessment area. Tables without data are not included in this PE. Two tables were excluded and include: Geographic Distribution of Consumer Loans and Borrower Distribution of Consumer Loans.

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 MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1A. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance.
- 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 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 Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. 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 share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. 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 share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) 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 13. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/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 14. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		State: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Fond du Lac	63.0%	1,219	\$108,060	1,767	\$147,796	367	\$14,480	-	-	3,353	\$270,336	69.6%
Sheboygan	17.6%	452	\$36,848	377	\$17,840	107	\$3,326	-	-	936	\$58,014	12.8%
Washington	13.2%	431	\$54,509	254	\$22,324	17	\$622	-	-	702	\$77,455	5.6%
Limited Review:												
Columbia / Dodge	6.2%	126	\$10,152	105	\$5,461	98	\$3,613	-	-	329	\$19,226	12.0%

^{*} Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

^{**} The evaluation period for Community Development Loans is November 1, 1999 to February 24, 2003.

^{***} Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1A. Other Loan Products

MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Fond du Lac	72.6%	193	\$12,124	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	69.6%
Sheboygan	14.3%	38	\$2,740	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.8%
Washington	11.3%	30	\$1,328	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.6%
Limited Review:												
Columbia / Dodge	1.8%	5	\$271	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.0%

* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From November 1, 1999 to February 24, 2003.

*** Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			State: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Fond du Lac	486	65.3%	N/A	N/A	.2%	.6%	57.9%	62.6%	41.9%	36.8%	12.5%	N/A	25.0%	14.2%	10.3%
Sheboygan	111	14.9%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	4.5%	N/A	N/A	4.5%	N/A
Washington	118	15.9%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2.2%	N/A	N/A	2.2%	N/A
Limited Review:															
Columbia / Dodge	29	3.9%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	3.5%	N/A	N/A	3.5%	N/A

* Based on 2001 Peer Mortgage Data: Central Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			State: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Fond du Lac	96	56.8%	N/A	N/A	.2%	1.0%	57.9%	52.1%	41.9%	46.9%	13.0%	N/A	100%	11.0%	15.2%	
Sheboygan	53	31.4%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	5.8%	N/A	N/A	5.8%	N/A	
Washington	14	8.3%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1.5%	N/A	N/A	1.5%	N/A	
Limited Review:																
Columbia / Dodge	6	3.5%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2.0%	N/A	N/A	2.0%	N/A	

* Based on 2001 Peer Mortgage Data: Central Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE				State: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Fond du Lac	634	48.4%	N/A	N/A	.2%	.8%	57.9%	54.7%	41.9%	44.5%	7.3%	N/A	15.4%	7.6%	6.9%
Sheboygan	286	21.8%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	4.4%	N/A	N/A	4.4%	N/A
Washington	299	22.8%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2.8%	N/A	N/A	2.8%	N/A
Limited Review:															
Columbia / Dodge	91	7.0%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	5.3%	N/A	N/A	5.3%	N/A

* Based on 2001 Peer Mortgage Data: Central Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		State: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Fond du Lac	3	60.0%	N/A	N/A	5.1%	0.0%	70.6%	33.3%	24.3%	66.7%	9.5%	N/A	N/A	12.5%	7.7%
Sheboygan	2	40.0%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	14.3%	N/A	N/A	14.3%	N/A
Washington	0	N/A	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	0.0%	N/A	N/A	0.0%	N/A
Limited Review:															
Columbia / Dodge	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* Based on 2001 Peer Mortgage Data: Central Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				State: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Fond du Lac	1,767	70.6%	N/A	N/A	9.7%	7.7%	61.9%	58.9%	28.4%	33.4%	30.9%	N/A	46.9%	33.2%	27.6%	
Sheboygan	377	15.1%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	6.3%	N/A	N/A	8.0%	N/A	
Washington	254	10.1%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	3.6%	N/A	N/A	4.6%	N/A	
Limited Review:																
Columbia / Dodge	105	4.2%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2.5%	N/A	N/A	2.8%	N/A	

Note: Overall market share in the Sheboygan, Washington, and Columbia/Dodge AAs is lower than NEBAT's market share in middle-income geographies in those AAs because market share data for business lending is available only on a whole county basis. NEBAT's AAs do not consist of entire counties.

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet (2002).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS				State: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Fond du Lac	367	62.3%	N/A	N/A	0.4%	0.5%	47.6%	52.1%	52.0%	47.4%	39.0%	N/A	100%	33.9%	46.0%
Sheboygan	107	18.2%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	40.4%	N/A	N/A	40.8%	N/A
Washington	17	2.9%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	12.3%	N/A	N/A	15.1%	N/A
Limited Review:															
Columbia / Dodge	98	16.6%	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	4.8%	N/A	N/A	5.2%	N/A

Note: Overall market share in the Sheboygan, Washington, and Columbia/Dodge AAs is lower than NEBAT's market share in middle-income geographies in those AAs because market share data for small farm lending is available only on a whole county basis. NEBAT's AAs do not consist of entire counties.

* Based on 2001 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet (2002).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			State: WISCONSIN						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Fond du Lac	486	65.3%	11.7%	9.1%	15.9%	21.6%	26.3%	28.8%	46.1%	36.4%	12.5%	21.8%	12.7%	15.0%	11.8%
Sheboygan	111	14.9%	12.1%	16.2%	19.0%	29.7%	31.6%	27.9%	37.3%	25.2%	4.5%	17.0%	4.0%	4.7%	3.6%
Washington	118	15.9%	11.8%	5.9%	19.2%	22.0%	32.5%	34.8%	36.5%	34.8%	2.2%	2.8%	2.1%	2.3%	3.5%
Limited Review:															
Columbia / Dodge	29	3.9%	15.0%	3.5%	20.8%	17.2%	28.3%	41.4%	35.9%	37.9%	3.5%	0.0%	5.1%	4.4%	3.6%

^{*} Based on 2001 Peer Mortgage Data: Central Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 3.2% of loans originated and purchased by NEBAT.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: WISCONSIN								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share *				
	#	% of Total **	% Families **	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Overall	Low	Mod	Mid	Upp
Full Review:															
Fond du Lac	96	56.8%	11.7%	8.3%	15.9%	16.7%	26.3%	32.3%	46.1%	37.5%	13.0%	19.1%	10.6%	14.8%	11.0%
Sheboygan	53	31.4%	12.1%	18.9%	19.0%	35.8%	31.6%	32.1%	37.3%	9.4%	5.8%	7.4%	9.8%	6.3%	2.4%
Washington	14	8.3%	11.8%	7.2%	19.2%	14.3%	32.5%	21.4%	36.5%	57.1%	1.5%	0.0%	2.2%	1.2%	1.6%
Limited Review:															
Columbia / Dodge	6	3.5%	15.0%	16.7%	20.8%	16.7%	28.3%	33.3%	35.9%	16.7%	2.0%	33.3%	0.0%	0.0%	0.0%

* Based on 2001 Peer Mortgage Data: Central Region.

** As a percentage of loans with borrower income information available. No information was available for 4.7% of loans originated and purchased by NEBAT.

*** Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			State: WISCONSIN				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{**}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Fond du Lac	634	48.4%	11.7%	2.7%	15.9%	12.6%	26.3%	27.1%	46.1%	52.7%	7.3%	3.9%	7.7%	7.2%	8.5%	
Sheboygan	286	21.8%	12.1%	7.3%	19.0%	24.1%	31.6%	37.8%	37.3%	30.1%	4.4%	5.5%	5.5%	5.1%	4.7%	
Washington	299	22.8%	11.8%	3.7%	19.2%	14.0%	32.5%	41.8%	36.5%	39.8%	2.8%	3.0%	2.6%	3.1%	4.1%	
Limited Review:																
Columbia / Dodge	91	7.0%	15.0%	3.3%	20.8%	8.8%	28.3%	41.7%	35.9%	42.9%	5.3%	5.9%	3.5%	9.4%	5.4%	

^{*} Based on 2001 Peer Mortgage Data: Central Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 4.2% of loans originated and purchased by NEBAT.

^{***} Percentage of Families is based on the 1990 Census information.

^{****} Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					State: WISCONSIN		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share *	
	#	% of Total **	% 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
Full Review:									
Fond du Lac	1,767	70.6%	85.4%	76.9%	79.1%	12.5%	8.4%	30.9%	41.5%
Sheboygan	377	15.1%	85.5%	90.5%	89.9%	6.9%	3.2%	6.3%	11.8%
Washington	254	10.1%	86.0%	75.2%	78.0%	15.3%	6.7%	3.6%	6.5%
Limited Review:									
Columbia / Dodge	105	4.2%	88.8%	94.3%	89.5%	6.7%	3.8%	2.5%	4.2%

* Based on 2001 Peer Small Business Data: US.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

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

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			State: WISCONSIN		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share *	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Fond du Lac	367	62.3%	97.5%	99.5%	91.3%	7.9%	0.8%	39.0%	39.7%
Sheboygan	107	18.2%	96.6%	94.4%	91.6%	8.4%	0.0%	40.4%	41.9%
Washington	17	2.9%	96.5%	100%	88.2%	11.8%	0.0%	12.3%	14.3%
Limited Review:									
Columbia / Dodge	98	16.6%	99.2%	99.0%	90.8%	9.2%	0.0%	4.8%	5.0%

* Based on 2001 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** 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 NEBAT.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS		State: WISCONSIN				Evaluation Period: NOVEMBER 1, 1999 TO FEBRUARY 24, 2003			
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Fond du Lac	1	\$1,468	22	\$108	23	\$1,576	96.0%	0	\$0
Sheboygan	0	\$0	3	\$4	3	\$4	.2%	0	\$0
Washington	1	\$25	6	\$35	7	\$60	3.6%	0	\$0
Limited Review:									
Columbia / Dodge	0	\$0	2	\$3	2	\$3	.2%	0	\$0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 14. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS State: WISCONSIN Evaluation Period: NOVEMBER 1, 1999 TO FEBRUARY 24, 2003																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Fond du Lac	69.6%	6	35.3%	N/A	16.7%	50.0%	33.3%	0	0	0	0	0	0	N/A	.9%	59.7%	39.4%
Sheboygan	12.8%	6	35.3%	N/A	N/A	100%	N/A	0	0	0	0	0	0	N/A	N/A	100%	N/A
Washington	5.6%	2	11.8%	N/A	N/A	100%	N/A	1	0	0	0	+1	0	N/A	N/A	100%	N/A
Limited Review:																	
Columbia / Dodge	12.0%	3	17.6%	N/A	N/A	100%	N/A	0	0	0	0	0	0	N/A	N/A	100%	N/A

