



PUBLIC DISCLOSURE

August 16, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Nicolet National Bank
Charter Number 24107

111 North Washington Street
Green Bay, WI 54301

Office of the Comptroller of the Currency

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Wauwatosa, WI 53226-3282

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 Nicolet National Bank (Nicolet) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Nicolet National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
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:

- Nicolet’s lending levels reflect excellent responsiveness to the credit needs in its assessment areas (AAs), taking into account the number and amount of home mortgage, small business, and small farm loans in its AAs. A substantial majority of Nicolet’s loans are made in its AAs. The institution is a leader in making community development (CD) loans.
- Nicolet has an adequate level of qualified investments, particularly those that are not routinely provided by private investors, although not always in a leadership role. Nicolet exhibits adequate responsiveness to credit and CD needs.
- Nicolet’s service delivery systems are readily accessible to geographies and individuals of different income levels in its AAs. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income (LMI) geographies and LMI individuals.

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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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.

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

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 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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 metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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) 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.

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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Nicolet is a federally chartered national bank headquartered in Green Bay, Wisconsin. Nicolet is a full-service bank with 38 banking offices and 42 automated teller machines (ATMs) across its footprint. ATMs are located in all but two branch locations, with another six ATMs located at non-branch locations in Green Bay and Appleton, Wisconsin. Nicolet is owned by Nicolet Bankshares, Inc. (Nicolet Bankshares). Nicolet Bankshares also owns Nicolet Advisory Services, LLC and Brookfield Investment Partners. Nicolet Bankshares is listed on the Nasdaq Capital Market under the trading symbol NCBS. As of June 30, 2018, Nicolet had total assets of \$2.9 billion, total loans of \$2.1 billion, and tier 1 capital of \$264.8 million.

Nicolet acquired two banks during the evaluation period. The acquired banks were Baylake Bank on April 29, 2016, a \$1.0 billion state chartered institution located in Sturgeon Bay, Wisconsin, and First National Bank-Fox Valley on March 3, 2017, a \$475 million nationally chartered institution headquartered in Neenah, Wisconsin.

Nicolet provides traditional commercial and retail banking services. Deposit products include checking, savings, and money market accounts, while lending products include lines of credit, commercial real estate, construction financing, land development, letters of credit, small business loans, lease financing, home equity loans, home equity lines of credit, and consumer secured/unsecured loans. Nicolet also provides trust and investment management services, cash management services, and online banking services. The bank offers a standard product mix of loans, including Wisconsin Housing and Economic Development Authority (WHEDA), the US Department of Veterans Affairs (VA), Federal Housing Authority (FHA), and Small Business Administration (SBA) loans.

Nicolet is dedicated to fostering the continued growth of Green Bay and the surrounding communities through a diverse array of products and services. As of June 30, 2018, the bank's total loans represent 73.31 percent of total assets. The loan portfolio consists of 71.47 percent commercial loans, 23.34 percent residential real estate loans, 4.06 percent agricultural loans, and 1.13 percent consumer loans.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs. The bank received an Outstanding rating in its previous Intermediate Small Bank CRA evaluation dated May 13, 2015. The Lending Test was rated Outstanding, and the CD Test was rated Outstanding.

Scope of the Evaluation

Evaluation Period/Products Evaluated

Nicolet was evaluated using the Large Bank procedures to assess the bank's record of meeting the credit needs of its community. The evaluation covers the period since the date of the previous CRA examination, May 13, 2015, through August 16, 2018. Large Bank procedures include a Lending Test, Investment Test, and Service Test. The evaluation period for CD loans, the Investment Test, and the Service Test is May 13, 2015 through December 31, 2017.

For the Lending Test, we evaluated home mortgage loans, which include home purchase, home improvement, refinance, and multifamily loans reported under the Home Mortgage Disclosure Act (HMDA). We evaluated small loans to businesses by selecting samples from the bank's CRA data. The evaluation period for the Lending Test is January 1, 2015 through December 31, 2017. Under the Lending Test, we performed separate analyses of 2015 through 2016 data and 2017 data. This is due to the changes instituted by the 2015 American Community Survey (ACS), which updated population and housing information. The ACS also resulted in changes to the income designations of some census tracts (CTs). The 2015 through 2016 analysis period will receive more weight than the 2017 analysis period, as this period represents a larger portion of the bank's lending activity. Nicolet did not change its lending strategy during the two analysis periods.

Data Integrity

As part of our ongoing supervision of the bank, we tested the accuracy of the bank's HMDA and CRA lending data. We also reviewed the appropriateness of CD activities provided for consideration in our evaluation. This included testing of CD loans, investments, and services for accuracy and to determine if they qualify as CD activities, as defined in the CRA regulation. Our testing indicated no substantive inaccuracies in the HMDA data. Therefore, we concluded that the home mortgage loan data could be relied upon for this examination. The bank was collecting CRA lending data, but was not required to submit the data due to its asset size. We tested the data provided by the bank and determined we could not rely upon the CRA data for 2015 through 2016; therefore, sampling was used for these two years. The data for 2017 was relied upon for this examination.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, a sample of AAs within that state was selected for full-scope reviews. Full-scope reviews consider performance context, quantitative, and qualitative factors. In general, the AAs selected for the full-scope review were chosen because they represents a significant portion of the bank's deposit base and lending business in that state. The remaining AAs in each state were analyzed using limited-scope procedures. Limited-scope procedures consider quantitative factors only. Refer to the Scope of Evaluation section under each State Rating section for details regarding how the areas for full-scope review were selected.

Ratings

The bank's overall rating is a blend of the state ratings. The state of Wisconsin received the most weight. By number of loans originated, Wisconsin represents 98.15 percent of lending. The state of Wisconsin holds 98.63 percent of total deposits and 97.37 percent of total branches. By number of loans originated, the state of Michigan represents 1.85 percent of lending, with 1.37 percent of total deposits and 2.63 percent of total branches.

In this evaluation, we placed more weight on the bank's performance in 2015 through 2016 than its performance in 2017 to reach our conclusions. Additionally, when evaluating the bank's performance under the Lending Test, we placed a higher value on the bank's distribution of small business loans than the distribution of home mortgage loans.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the Scope of Evaluation section under each State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Wisconsin

CRA Rating for Wisconsin¹: **Outstanding**

The Lending Test is rated: Outstanding

The Investment Test is rated: Satisfactory

The Service Test is rated: Outstanding

The major factors that support this rating include:

- Lending levels reflect excellent responsiveness to credit needs in the institution's AAs, taking into account the number and amount of home mortgage, small business, and small farm loans in its AAs. Nicolet is a leader in making CD loans.
- The institution exhibits excellent geographic distribution of loans in its AAs.
- The institution exhibits a good distribution, particularly in its AAs, of loans among individuals of different income levels and businesses (including farms) of different sizes, given the product lines offered by the bank.
- The institution has an adequate level of qualified investments, particularly those that are not routinely provided by private investors, although not always in a leadership role. The institution exhibits adequate responsiveness to credit and CD needs.
- The institution's service delivery systems are readily accessible to geographies and individuals of different income levels in its AAs. To the extent changes have been made, Nicolet's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and to LMI individuals.

Description of Institution's Operations in Wisconsin

Nicolet has designated five AAs within the state of Wisconsin rating area. The Green Bay, WI Metropolitan Statistical Area (MSA) contains all of Brown and Keweenaw Counties. The Appleton, WI MSA contains portions of Outagamie and Calumet Counties. The Oshkosh-Neenah, WI MSA contains all of Winnebago County. The non-MSA AA contains portions of Marinette, Clark, and Taylor Counties and all of Door, Vilas, and Oneida Counties.

The bank operates 37 branches in the state of Wisconsin. There were no branch openings and 11 branch closings in the state during the evaluation period. Nicolet has 41 ATMs within Wisconsin, none of which are deposit-taking ATMs. Of the 41 ATMs, 35 are located at a branch and six are stand-alone terminals located in the Green Bay MSA and Appleton MSA.

¹ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Refer to the community profiles for the state of Wisconsin in appendix C of this evaluation for detailed demographics and other performance context information for AAs that received full-scope reviews.

Scope of Evaluation in Wisconsin

For the state of Wisconsin, we completed a full-scope review of the Green Bay MSA. We performed limited-scope reviews of the Appleton MSA, non-MSA, Oshkosh-Neenah MSA, and Wausau MSA. The Green Bay MSA is weighted more heavily in arriving at the overall conclusion for the state, as the bank's largest market share of loans and deposits is concentrated in this area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WISCONSIN

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Wisconsin is rated Outstanding. Lending levels reflect excellent responsiveness to credit needs in its AAs, taking into account the number and amount of home mortgage, small business, and small farm loans in its AAs. Based on the full-scope review, the bank's performance in the Green Bay, WI MSA is excellent.

Lending Activity

The bank's overall lending in the state of Wisconsin is excellent, considering the strong competition for all types of loans in the bank's AAs. The bank's excellent performance in originating home mortgages when compared to its competitors supports this conclusion. Since the bank was not required to submit CRA data for 2015 through 2017, we were unable to perform a market share analysis on small loans to businesses and small farms.

Refer to table 1, "Lending Volume," in the state of Wisconsin section of appendix D for the facts and data used to evaluate the bank's lending activity.

Green Bay, WI MSA

Nicolet's lending activity in the Green Bay MSA is excellent. Home mortgage lending activity is excellent considering competition in the AA.

Based upon June 30, 2017 FDIC Deposit Market Share Report, Nicolet achieved a 15.67 percent market share of deposits, ranking them second among 19 financial institutions in the AA. Based upon 2017 peer mortgage data, Nicolet achieved a 5.03 percent market share of home mortgage loans, ranking sixth among 257 reporting lenders. Given the competition from the other reporting lenders in the AA, and the bank's high ranking among those lenders, home mortgage lending activity is excellent.

Distribution of Loans by Income Level of the Geography

The institution exhibits excellent geographic distribution of loans in its AAs. The geographic distribution of home mortgage loans is good. The distribution of small loans to businesses is excellent, and the distribution of small loans to farms is poor.

Home Mortgage Loans

Overall, the geographic distribution of home mortgage loans in the Green Bay MSA AA is good.

Refer to table O in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans.

Nicolet's geographic distribution of home mortgage loans in 2015 through 2016 is poor. The percentage of the bank's loans originated in low-income geographies is below the percentage of owner-occupied housing units and below aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies is below the percentage of owner-occupied housing units and below aggregate lending in moderate-income geographies.

Nicolet's geographic distribution of home mortgage loans in 2017 is good. The percentage of loans in low-income geographies is near to the percentage of owner-occupied housing units and is near to aggregate lending. The percentage of loans in moderate-income geographies is below the percentage of owner-occupied housing units and below aggregate lending.

Small Loans to Businesses

The overall geographic distribution of small loans to businesses in the Green Bay MSA AA is excellent.

Refer to table Q in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Nicolet's geographic distribution of small loans to businesses in 2015 through 2016 is excellent. The percentage of small loans to businesses in low-income geographies exceeds the percentage of businesses in those geographies and exceeds aggregate lending. The percentage of small loans to businesses in moderate-income geographies is below the percentage of businesses and below aggregate lending in those geographies.

Nicolet's geographic distribution of small loans to businesses in 2017 is excellent. The percentage of small loans to businesses in low-income geographies exceeds the percentage of businesses in those geographies and exceeds aggregate lending. The percentage of small loans to businesses in moderate-income geographies is near to the percentage of businesses and exceeds aggregate lending in those geographies.

Small Loans to Farms

Overall, the geographic distribution of small loans to farms is poor.

Refer to table S in the state of Wisconsin section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations of small loans to farms.

The overall geographic distribution of small loans to farms in the Green Bay MSA AA is poor.

Nicolet's geographic distribution of small loans to farms in 2015 through 2016 is poor. The percentage of small loans in low-income geographies is below the percentage of farms and below aggregate lending in these geographies. While the bank did not make any loans in low-income geographies, only 0.05 percent of farms are located in these geographies and there was no aggregate lending in these geographies. The percentage of small loans to farms in moderate-income geographies is below the percentage of small farms in these geographies. While the bank did not make any small loans to farms in moderate-income geographies, only 5.90 percent of farms are located in these geographies and only 5.00 percent of aggregate lending was in these geographies.

Nicolet's geographic distribution of small loans to farms in 2017 is poor. The percentage of small loans in low-income geographies is below the percentage of farms and below aggregate lending in these geographies. While the bank did not make any loans in low-income geographies, only 0.60 percent of farms are located in these geographies and there was no aggregate lending in these geographies. The percentage of small loans to farms in moderate-income geographies is below the percentage of small farms in these geographies. While the bank did not make any small loans to farms in moderate-income geographies, only 7.30 percent of farms are located in these geographies and only 3.30 percent of aggregate lending was in these geographies.

Lending Gap Analysis

We reviewed summary reports and maps and analyzed Nicolet's lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps in the state of Wisconsin.

Inside/Outside Ratio

This ratio is a bank-wide calculation and not calculated by individual rating area or AA. Analysis is limited to bank originations and purchases and does not include any affiliate data. For the combined three-year evaluation period, a substantial majority of the bank's loans were made in its AAs (85.09 percent). The percentage by number of loans originated inside the AAs by loan type are: 84.67 percent of home mortgage loans, 85.54 percent of small loans to businesses, and 86.67 percent of small loans to farms.

Distribution of Loans by Income Level of the Borrower

Overall, the borrower distribution of loans is good. The borrower distribution of home mortgage loans is adequate. The distribution of small loans to businesses is good, and the distribution of small loans to farms is excellent.

Refer to table P in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Mortgage Loans

The overall borrower distribution of home mortgage loans in the Green Bay MSA AA is adequate.

Nicolet's borrower distribution of home mortgage loans in 2015 through 2016 is adequate. The percentage of loans to low-income borrowers is below the percentage of low-income families and is near to aggregate lending. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families and is near to the percentage of aggregate lending. This performance is considered adequate due to the bank's performance when compared to aggregate lending.

Nicolet's borrower distribution of home mortgage loans in 2017 is adequate. The percentage of loans to low-income borrowers is below the percentage of low-income families and below aggregate lending. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families and below aggregate lending.

Small Loans to Businesses

The overall borrower distribution of small loans to businesses in the Green Bay MSA AA is good.

Refer to table R in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Nicolet's borrower distribution of small loans to businesses in 2015 through 2016 is good. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1.0 million or less) is below the percentage of small businesses in the AA. This performance is enhanced by the percentage of bank loans exceeding aggregate lending.

Nicolet's borrower distribution of small loans to businesses in 2017 is good. The percentage of small loans to small businesses is below the percentage of small businesses in the AA. This performance is enhanced by the percentage of bank loans exceeding aggregate lending.

Small Loans to Farms

Overall, the bank's borrower distribution of small loans to farms is excellent.

Refer to table T in the state of Wisconsin section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The overall borrower distribution of small loans to farms in the Green Bay MSA AA is excellent.

Nicolet's borrower distribution of small loans to farms in 2015 through 2016 is excellent. The percentage of small loans to small farms (farms with gross annual revenues of \$500,000 or less) is near to the percentage of small farms in the AA and exceeds aggregate lending.

Nicolet's borrower distribution of small loans to farms in 2017 is excellent. The percentage of small loans to small farms is near to the percentage of small farms in the AA and exceeds aggregate lending.

CD Lending

In Wisconsin, Nicolet is a leader in making CD loans that are responsive to community needs. This performance had a significant positive impact on the Lending Test. During the evaluation period, the bank made a total of \$24.4 million, or 9.22 percent of allocated tier 1 capital, in CD loans in all of the bank's AAs.

Refer to table 1, "Lending Volume," in the state of Wisconsin section of appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Green Bay MSA AA

Nicolet's high level of CD lending had a significant positive impact on its overall lending performance in the Green Bay MSA AA. The bank originated 20 CD loans in the AA during the evaluation period, totaling \$11.1 million, or 8.65 percent of allocated tier 1 capital. These loans support community services, economic development, and affordable housing needs.

Product Innovation and Flexibility

Nicolet's use of flexible products had a positive impact on Lending Test performance in the state of Wisconsin. While the products are not innovative, they do offer flexibility for borrowers who do not qualify for, or would have difficulty obtaining, traditional financing.

The bank offers a mix of government insured mortgage loans, which offer no or low down payment options. These programs include WHEDA, United States Department of Agriculture (USDA) Rural Development, and VA loans. During the review period, the bank originated 185 WHEDA loans totaling \$19.7 million. The bank originated six USDA Rural Development loans, totaling \$816,800. The bank also originated 34 VA loans, totaling \$6.3 million.

Nicolet also offers small business loans in partnership with the SBA to entrepreneurs who cannot obtain traditional financing. The bank originated 104 SBA loans during the review period, totaling \$31.2 million. These loans were included in the bank's small business lending data.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Appleton MSA, non-MSA, Oshkosh-Neenah MSA, and Wausau MSA is not inconsistent with the bank's overall Outstanding performance under the Lending Test in Wisconsin. In the limited-scope areas, lending levels reflect excellent responsiveness to credit needs in the bank's AAs, taking into account the number and amount of home mortgage, small business, and small farm loans in the AAs. The bank's small business and small farm lending is considered excellent in the limited-scope areas.

Refer to table 1 and tables O through T in the state of Wisconsin section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the state of Wisconsin is rated Satisfactory. Based on full-scope review, the bank's performance in the Green Bay MSA is adequate. Nicolet shows adequate responsiveness to credit and CD needs.

Refer to table 14 in the state of Wisconsin section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Green Bay MSA AA

The bank's performance in the Green Bay MSA AA is adequate, due to the level of responsiveness in meeting CD needs and occasional use of innovative investments.

During the evaluation period, Nicolet made 397 grants and investments in all AAs, totaling \$1.6 million. The total represents 0.61 percent of allocated tier 1 capital for the AA.

The bank's qualified investments included 105 charitable donations to 45 organizations, totaling \$367,866 in the Green Bay MSA. These investments were to organizations that support affordable housing initiatives, economic development, and community services targeted towards LMI individuals and geographies.

During the evaluation period, Nicolet facilitated a total of 196 grants totaling more than \$1.0 million throughout all of the bank's AAs. In the Green Bay MSA alone, the bank facilitated 113 grants, totaling \$586,811. These grants provided down payment and closing cost assistance, as well as funds for home improvements. Nicolet has partnered with a local nonprofit housing organization to help applicants obtain grants.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the limited-scope AAs is not inconsistent with the overall "Satisfactory" performance under the

Investment Test in Wisconsin. The bank's performance was slightly weaker in the non-MSA and Oshkosh-Neenah MSA. The performance in the Wausau MSA was stronger.

Refer to table 14 in the state of Wisconsin section of appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Wisconsin is rated Outstanding. Based on full-scope review, the bank's performance in the Green Bay MSA is excellent.

Retail Banking Services

Nicolet's service delivery systems are readily accessible to geographies and individuals of different income levels in its AAs. To the extent changes have been made, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI individuals. Business hours do not vary in a way that inconveniences its AAs, particularly LMI geographies and individuals.

Green Bay MSA AA

Nicolet's branch distribution in the Green Bay MSA AA is excellent. Branches are accessible to essentially all portions of the AA, particularly LMI individuals, when considering those branches that are in or in close proximity to LMI geographies. There are no branches located in low-income geographies. The bank has three branches, or 25.00 percent of its branch distribution in the AA, located in moderate-income geographies, where 24.55 percent of the population resides.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems. The bank did not open any new branches and closed 11 branches during the evaluation period. The bank closed 10 branches located in middle-income CTs. One branch obtained through a bank acquisition during the evaluation period was closed in a moderate-income CT, given it was very close to one of Nicolet's existing branches. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are consistent among locations regardless of the geography's income level.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking. These delivery methods provide increased access to banking services throughout the entire AA.

Refer to table 15 in the state of Wisconsin section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CD Services

Nicolet's performance in providing CD services is at a relatively high level. In the Green Bay MSA AA, the performance is excellent.

Green Bay MSA AA

In the Green Bay MSA AA, Nicolet's performance in providing CD services is excellent. Within the AA, 16 employees provided services to 17 different organizations. In the AA, many employees participated in more than one CD service, and multiple employees provided CD services to one organization. During the evaluation period, Nicolet employees volunteered more than 1,100 hours to organizations in the Green Bay MSA. Of the services performed, seven demonstrated leadership by serving on the board or committee of the organizations.

Nicolet's CRA Program Coordinator along with three other employees are members of NeighborWorks Green Bay Community Reinvestment Committee (CRC). The CRC meets on a quarterly basis to discuss a number of topics including new or updated down payment assistance programs and current housing issues and ways to address them. There are representatives at these meetings from state and national banks, credit unions, WHEDA, and NeighborWorks.

Since 2015, a bank employee has taught six homebuyer education courses in partnership with NeighborWorks Green Bay. Nicolet is eligible to teach two courses per year due to the involvement in the NeighborWorks CRC mentioned above. Another employee taught a four hour homebuyer education class in 2017.

An effort began in 2017 to translate deposit documents and some in-branch signage into Spanish. Nicolet currently has 15 Spanish speaking employees that are available to interact with customers. Nicolet now offers telebanking and ATMs with a Spanish speaking option.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the limited-scope AAs is not inconsistent with the bank's overall Outstanding performance under the Service Test in Wisconsin. Nicolet has a contract with Financial Literacy Program, Everfi, to provide an in-classroom financial literacy series. This program benefited the Oshkosh-Neenah MSA. Performance differences were not significant enough to impact the state's overall Service Test rating.

State Rating

State of Michigan

CRA Rating for Michigan²: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Satisfactory

The Service Test is rated: Satisfactory

The major factors that support this rating include:

- Lending levels reflect adequate responsiveness to credit needs in the AA, taking into account the number and amount of home mortgage and small business loans.
- The institution exhibits an adequate distribution, particularly in its AA, of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.
- The institution has an adequate level of qualified investments.
- Service delivery systems are accessible to geographies and individuals of different income levels in the AA.
- The institution provides an adequate level of CD services.

Description of Institution's Operations in Michigan

Nicolet has designated one AA in the state of Michigan. This non-MSA AA includes all CTs in Menominee County, Michigan. There is one branch and one ATM in the state of Michigan. There were no branch openings or closings in the state during the evaluation period.

Refer to the community profiles for the state of Michigan in appendix C for detailed demographics and other performance context information for the AA that received full-scope review.

Scope of Evaluation in Michigan

The non-MSA AA was selected for a full-scope review. This is the bank's only AA in Michigan.

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MICHIGAN

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Michigan is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the non-MSA is adequate.

Lending Activity

The bank's overall lending in the state of Michigan is adequate, considering the competition for all types of loans in the bank's AA. The bank's adequate performance in originating home mortgages when compared to its competitors supports this conclusion. Since the bank was not required to submit CRA data for the years 2015 through 2017, we were unable to perform a market share analysis on small loans to businesses and farms.

Refer to table 1, "Lending Volume," in the state of Michigan section of appendix D for the facts and data used to evaluate the bank's lending activity.

Nicolet's lending activity in the non-MSA is adequate. Home mortgage lending activity is adequate considering competition in the AA.

Based upon June 30, 2017 FDIC Deposit Market Share Report, Nicolet achieved a 14.86 percent market share of deposits, ranking them fourth among six financial institutions in the AA. Based upon 2017 peer mortgage data, Nicolet achieved a 5.83 percent market share of home mortgage loans, ranking fifth among the 48 reporting lenders. Given the competition from the other reporting lenders in the AA and the bank's high ranking among those lenders, home mortgage lending activity is adequate.

Distribution of Loans by Income Level of the Geography

For the review period of 2015 through 2016, there were no LMI CTs located in Menominee, Michigan; therefore, a geographic distribution analysis would not provide meaningful information. For the 2017 review period, the bank had one moderate-income CT in the AA.

Home Mortgage Loans

During the review period of 2017, the bank made 12 home mortgage loans. This does not meet the threshold of 20 loans for a meaningful analysis.

Small Loans to Businesses

During the review period of 2017, the bank made 19 small business loans. This does not meet the threshold of 20 loans for a meaningful analysis.

Distribution of Loans by Income Level of the Borrower

Overall, the borrower distribution of loans is good. The borrower distribution of home mortgage loans and of small loans to businesses is good. For the review period of 2015 through 2016, the bank originated 28 home mortgage loans, 20 small business loans, and three small farm loans.

Refer to table P in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Mortgage Loans

The overall borrower distribution of home mortgage loans in the non-MSA AA is good.

Nicolet's borrower distribution of home mortgage loans in 2015 through 2016 is good. The percentage of loans to low-income borrowers is below the percentage of low-income families and is below aggregate lending. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families and is near to the percentage of aggregate lending.

During the review period of 2017, the bank made just 12 home mortgage loans. This does not meet the threshold of 20 loans needed to complete a meaningful analysis.

Small Loans to Businesses

Overall, the bank's borrower distribution of small loans to businesses is excellent.

Refer to table R in the state of Michigan section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Nicolet's borrower distribution of small loans to businesses in 2015 through 2016 is excellent. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1.0 million or less) exceeds the percentage of small businesses in the AA. This performance is enhanced by the percentage of bank loans exceeding aggregate lending.

During the review period of 2017, the bank made 19 small business loans. This does not meet the threshold of 20 loans needed to complete a meaningful analysis.

CD Lending

In Michigan, Nicolet has a low level of CD loans that are responsive to community needs. This performance had a neutral impact on the Lending Test.

Refer to table 1, "Lending Volume," in the state of Michigan section of appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

The bank did not make any CD loans during the evaluation period in the state of Michigan. While this appears less favorable, we took into consideration the strong competition from the Marinette, Wisconsin AA and the limited CD opportunities.

Product Innovation and Flexibility

Nicolet's use of flexible products had a neutral impact on Lending Test performance in the state of Michigan. While the products are not innovative, they do offer flexibility for borrowers who do not qualify for, or would have difficulty obtaining, traditional financing.

The bank offers a mix of government insured mortgage loans, which offer no or low down payment options. These programs include USDA Rural Development and VA loans. During the review period, the bank originated two USDA Rural Development loans, totaling \$130,000. The bank also originated one VA loan, totaling \$134,900.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Michigan is rated Satisfactory.

Refer to table 14 in the state of Michigan section of appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance in the non-MSA AA is adequate, both in the level of investments and responsiveness to CD needs. There was no use of innovative or complex investments. Nicolet made nine investments, totaling \$11,700. Charitable donations benefited a community foundation and a housing commission that provides housing assistance to low-income residents. Many organizations located in Marinette, Wisconsin benefit individuals and businesses located in Menominee, Michigan due to their close proximity to each other. These investments are included in the non-MSA AA in Wisconsin.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Michigan is rated Satisfactory.

Retail Banking Services

Nicolet's service delivery system is accessible to all portions of the AA, particularly LMI individuals, when considering those branches that are located within, or near, LMI geographies. There were no branch opening or closings during the evaluation period. Business hours and services do not vary in a way that inconveniences LMI individuals.

Refer to table 15 in the state of Michigan section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CD Services

Nicolet provides an adequate level of CD services.

Nicolet employees are also involved in a variety of CD services that reflect adequate responsiveness to the needs of communities within the AA. Several employees are involved with organizations that promote economic development, or provide services for LMI individuals. Employees were involved in fundraising for a community foundation that supports services for LMI individuals. Nicolet employees in this AA provided more than 60 hours of volunteer services. Given only one of the bank's 38 branches is located in this AA, this is considered an adequate level of community services.

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 nonmetropolitan 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): (01/01/2015 to 12/31/2017) Investment and Service Tests and CD Loans: (01/01/2015 to 12/31/2017)	
Financial Institution	Products Reviewed	
Nicolet National Bank Green Bay, WI	Home Mortgage Loans Small Loans to Businesses Small Loans to Farms	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>None included in review.</i>		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
<u>Wisconsin</u>		
Green Bay, WI MSA	Full-Scope	All of Brown and Kewaunee Counties
Appleton, WI MSA	Limited-Scope	Portions of Outagamie and Calumet Counties
Non-MSA	Limited-Scope	Portions of Marinette, Door, Vilas, Oneida, Clark, and Taylor Counties
Oshkosh-Neenah, WI MSA	Limited-Scope	All of Winnebago County
Wausau, WI MSA	Limited-Scope	All of Marathon County
<u>Michigan</u>		
Non-MSA	Full-Scope	Portion of Menominee County

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS		NICOLET NATIONAL BANK		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Nicolet National Bank	Outstanding	Satisfactory	Outstanding	Outstanding
Multistate Metropolitan Area or State:				
Wisconsin	Outstanding	Satisfactory	Outstanding	Outstanding
Michigan	Low Satisfactory	Satisfactory	Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the investment and Service Tests in the overall rating.

Appendix C: Community Profiles for Full-Scope Areas

State of Wisconsin

Green Bay, WI MSA

Demographic Information for Full-Scope Area: Nicolet Green Bay MSA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	58	3.45	22.42	51.72	20.69	1.72
Population by Geography	268,581	1.64	19.09	52.24	26.62	0.41
Owner-Occupied Housing by Geography	71,306	0.87	15.80	55.27	28.06	0.00
Business by Geography	14,049	1.39	17.05	55.37	26.18	0.01
Farms by Geography	747	0.54	6.16	61.32	31.99	0.00
Family Distribution by Income Level	69,167	18.32	17.82	23.67	40.19	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	24,991	2.83	28.88	51.04	17.25	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		66,823 66,900 10.43%	Median Housing Value Unemployment Rate (2010 US Census)		157,119 3.34%	

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

Source: 2010 US Census and 2016 FFIEC updated MFI

Nicolet Green Bay MSA 2017

Demographic Information for Full-Scope Area: Nicolet Green Bay MSA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	59	5.08	25.42	49.15	16.96	3.39
Population by Geography	275,200	2.13	24.55	49.72	23.15	0.45
Owner-Occupied Housing by Geography	72,980	1.06	19.51	54.56	24.87	0.00
Business by Geography	14,170	3.20	25.83	48.87	22.09	0.01
Farms by Geography	723	0.55	7.34	64.45	27.66	0.00
Family Distribution by Income Level	70,541	19.62	18.19	21.70	40.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	26,672	3.76	34.37	47.04	14.83	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		70,090 68,800 11.09%	Median Housing Value Unemployment Rate (2015 ACS US Census)		156,193 3.26%	

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

Source: 2015 ACS US Census and 2017 FFIEC updated MFI

The Green Bay MSA is comprised of all of Brown and Kewanee Counties. The Green Bay MSA AA contains 12 branches. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

According to 2010 US Census Data, the bank's AA is comprised of 58 CTs, of which two (3.45 percent) are low-income, 13 (22.42 percent) are moderate-income, 30 (51.72 percent) are middle-income, 12 (20.69 percent) are upper-income, and one (1.72 percent) is designated as NA. The total population of the AA is 268,581, which is comprised of 69,167 families. The number of families at each income level is: 12,670 low-income families (18.32 percent), 12,321 moderate-income families (17.82 percent), 16,375 middle-income families (23.67 percent), and 27,801 upper-income families (40.19 percent). The average median family income is \$66,823, and the FFIEC 2016 updated MSA median family income is \$66,900. The percentage of families below the poverty level is 6.98 percent. Owner-occupied units comprise 63.41 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 14,049. Of these businesses, 10,956 (77.98 percent) had gross revenues of less than \$1 million, 1,238 (8.82 percent) had gross revenues of \$1 million or more, and 1,855 (13.20 percent) do not report revenue.

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of 59 CTs, of which three (5.08 percent) are low-income, 15 (25.42 percent) are moderate-income, 29 (49.15 percent) are middle-income, 10 (16.96 percent) are upper-income, and two (3.39 percent) are designated as NA. The total population of the AA is 275,200, which is comprised of 70,541 families. The number of families at each income level is: 13,840 low-income families (19.62 percent), 12,832 moderate-income families (18.19 percent), 15,305 middle-income families (21.70 percent), and 28,564 upper-income families (40.49 percent). The average median family income is \$70,090, and the FFIEC 2017 updated MSA median family income is \$68,800. The percentage of families below the poverty level is 8.31 percent. Owner-occupied units comprise 62.99 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 14,170. Of these businesses, 10,950 (77.28 percent) had gross revenues of less than \$1 million, 1,306 (9.22 percent) had gross revenues of \$1 million or more, and 1,914 (13.50 percent) did not report revenue.

Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment in the Green Bay AA improved during the evaluation period. The unemployment rate in Brown County fell from 3.6 percent in December 2015 to 2.4 percent in December 2017. The unemployment rate in Kewanee County fell from 3.8 percent in December 2015 to 2.7 percent in December 2017. Unemployment in the state of Wisconsin fell from 4.1 percent in December 2015 to 2.7 percent in December 2017. The most common employment sectors in Green Bay are manufacturing, education and health services, and professional and business services. Major employers in Green Bay include Humana Inc., Bellin Health, Oneida Tribe of Indians of Wisconsin, and Schneider Corp.

From Moody's Analytics, manufacturing, trade, and consumer services will drive faster growth in Green Bay in 2018. Paper manufacturing and food processing, which make up just over two-fifths of all factory payroll, have sprung to life in recent quarters, paving the way for faster

manufacturing job growth. Meat processors and dairy processors are struggling under the weight of an uptick in prices for beef and milk. Sales of existing single-family homes shot higher in the fourth quarter of 2017, reaching a new cycle high.

We reviewed a community contact performed for the Green Bay MSA. The community contact was from a community housing development Organization. The contact stated the market in Green Bay is very competitive with many lenders and many good mortgage products. The contact stated there are credit needs and opportunities, such as: flexible mortgage loans, cash, and in-kind support for housing counseling for first time home buyers; credit builder loans; equity equivalent investments in nonprofit loan pools; and loans, grants, and technical assistance for nonprofit organizations undertaking significant development projects.

State of Michigan

Michigan Non-MSA

Demographic Information for Full-Scope Area: Michigan Menominee AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	3	0.00	0.00	100.00	0.00	0.00
Population by Geography	10,505	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	3,855	0.00	0.00	100.00	0.00	0.00
Business by Geography	576	0.00	0.00	100.00	0.00	0.00
Farms by Geography	12	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	3,127	14.39	20.88	29.97	34.76	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,103	0.00	0.00	100.00	0.00	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		50,766 52,600 14.39%	Median Housing Value Unemployment Rate (2010 US Census)		87,708 5.81%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2016 FFIEC updated MFI

Nicolet Non-MSA Michigan 2017

Demographic Information for Full-Scope Area: Nicolet Non-MSA Michigan 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4	0.00	25.00	25.00	25.00	25.00
Population by Geography	10,257	0.00	38.20	32.27	29.53	0.00
Owner-Occupied Housing by Geography	3,396	0.00	37.31	29.45	33.24	0.00
Business by Geography	571	0.00	29.42	49.39	21.19	0.00
Farms by Geography	9	0.00	11.11	55.56	33.33	0.00
Family Distribution by Income Level	2,690	22.83	19.10	24.28	33.79	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,128	0.00	46.99	30.31	22.70	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		50,672 55,800 18.86%	Median Housing Value Unemployment Rate (2015 ACS US Census)		88,823 4.54%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS US Census and 2017 FFIEC updated MFI

The Michigan non-MSA is comprised of three CTs in Menominee County, Michigan. The non-MSA contains one branch. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

According to 2010 US Census Data, the bank's AA is comprised of three CTs, all of which are middle-income CTs. The total population of the AA is 10,505, which is comprised of 3,127 families. The average median family income is \$50,766, and the FFIEC 2016 updated MSA median family income is \$52,600. The percentage of families below the poverty level is 8.95 percent. Owner-occupied units comprise 70.36 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 576. Of these businesses, 439 (76.22 percent) had gross revenues of less than \$1 million, 42 (7.29 percent) had gross revenues of \$1 million or more, and 95 (16.49 percent) do not report revenue.

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of four CTs, of which zero are low-income, one (25.00 percent) is moderate-income, one (25.00 percent) is middle-income, one (25.00 percent) is upper-income, and one (25.00 percent) is designated as NA. The total population of the AA is 10,257, which is comprised of 2,690 families. The number of families at each income level is: 614 low-income families (22.83 percent), 514 moderate-income families (19.10 percent), 653 middle-income families (24.28 percent), and 909 upper-income families (33.79 percent). The average median family income is \$50,672, and the FFIEC 2017 updated MSA median family income is \$55,800. The percentage of families below the poverty level is 14.61 percent. Owner-occupied units comprise 63.62 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 571. Of these businesses, 428 (74.96 percent) had gross revenues of less than \$1 million, 48 (8.41 percent) had gross revenues of \$1 million or more, and 95 (16.63 percent) did not report revenue.

Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the unemployment rate in Menominee County increased during the evaluation period. The unemployment rate went up from 4.8 percent in December 2015 to 5.2 percent in December 2017. Unemployment in the state of Michigan fell slightly from 4.5 percent in December 2015 to 4.4 percent in December 2017. The largest industries in Menominee, Michigan are manufacturing, healthcare & social assistance, and retail trade. Major employers include Bay Area Medical Center, LE Jones Co., Anchor Coupling Company, and Island Resort Casino.

Menominee, Michigan is located along Lake Michigan and adjacent to Wisconsin. A strong and diverse manufacturing base in the city of Menominee takes advantage of the port facilities at the mouth of the Menominee River, as well as other excellent transportation facilities. Most industrial operations are concentrated in Menominee, but others are concentrated in communities throughout the county.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of 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: (1) purchased loans are treated as originations/purchases; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data is compiled by the FDIC and is available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

- 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/AA. CD loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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/AA. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's AA.

- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - 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. The table also presents aggregate peer data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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. 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 AA.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - 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. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography (Optional)** – 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 households throughout those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography (Optional)** - 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 households by income level in each MA/AA.
- Table 14. 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.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. 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.

Tables of Performance Data

State of Wisconsin

D-5 through D-13

State of Michigan

D-14 through D-22

Table 1. Lending Volume

LENDING VOLUME		Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
Assessment Area (2016):	% 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:												
Nicolet Green Bay MSA 2016	48.00	1,247	233,829	20	3,987	29	3,737	20	11,128	1,296	241,553	49.26
Limited Review:												
Nicolet Appleton MSA 2016	9.30	228	47,121	20	3,709	3	132	2	1,480	251	50,962	9.28
Nicolet WI Non-MSA 2016	31.11	799	140,398	20	3,126	21	2,358	12	5,710	840	145,882	31.17
Nicolet Oshkosh-Neenah MSA 2016	3.81	82	20,605	21	2,106	0	0	2	6,085	103	22,711	8.88
Nicolet Wausau NB 2016	7.78	165	26,858	20	2,877	25	3,333	0	0	210	33,068	1.41

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2016.

*** Deposit Data as of June 30, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2015-16

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate
Nicolet Appleton MSA AA 2016	228	47,121	9.0	8,135	0.0	0.0	0.0	4.4	3.1	3.8	75.5	66.2	71.7	20.1	30.7	24.5	0.0	0.0	0.0
Nicolet Green Bay MSA AA 2016	1,247	233,829	49.5	11,083	0.9	0.3	0.8	15.8	6.7	13.6	55.3	42.7	48.9	28.1	50.3	36.7	0.0	0.0	0.0
Nicolet WI Non-MSA AA 2016	799	140,398	31.7	6,456	0.0	0.0	0.0	12.3	10.0	10.3	80.4	82.9	83.3	7.3	7.1	6.5	0.0	0.0	0.0
Nicolet Oshkosh-Neenah MSA AA 2016	82	20,605	3.3	5,890	0.0	0.0	0.0	10.9	8.5	10.7	69.9	64.6	68.7	19.3	26.8	20.6	0.0	0.0	0.0
Nicolet Wausau MSA AA 2016	165	26,858	6.5	4,696	0.0	0.0	0.0	13.9	12.1	12.8	75.8	72.1	74.5	10.3	15.8	12.7	0.0	0.0	0.0
Total	2,521	468,811	100.0	36,260	0.2	0.2	0.3	11.7	7.9	10.2	70.1	60.2	66.7	18.0	31.8	22.9	0.0	0.0	0.0

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Nicolet Appleton MSA AA 2016	228	47,121	9.0	8,135	16.2	6.6	7.4	18.8	17.1	21.2	25.7	16.2	24.4	39.3	50.9	33.8	0.0	9.2	13.2
Nicolet Green Bay MSA AA 2016	1,247	233,829	49.5	11,083	18.3	4.8	6.5	17.8	14.0	17.8	23.7	21.0	22.2	40.2	57.4	37.2	0.0	2.8	16.3
Nicolet WI Non-MSA AA 2016	799	140,398	31.7	6,456	18.8	5.3	6.7	20.8	13.0	15.6	22.8	24.3	20.0	37.6	53.8	47.1	0.0	3.6	10.5
Nicolet Oshkosh-Neenah MSA AA 2016	82	20,605	3.3	5,890	18.0	1.2	7.7	18.4	11.0	20.1	25.6	11.0	22.2	38.0	58.5	35.0	0.0	18.3	15.0
Nicolet Wausau MSA AA 2016	165	26,858	6.5	4,696	17.4	6.7	7.2	19.3	12.7	20.4	25.5	23.6	22.8	37.9	55.2	36.4	0.0	1.8	13.2
Total	2,521	468,811	100.0	36,260	17.8	5.1	7.0	18.9	13.8	18.9	24.5	21.5	22.4	38.8	55.6	37.7	0.0	4.1	13.9

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2015-16
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Nicolet Appleton MSA AA 2016	20	3,709	19.8	2,529	0.0	0.0	0.0	10.9	10.0	9.1	75.9	50.0	72.7	13.2	40.0	18.1	0.0	0.0	0.0
Nicolet Green Bay MSA AA 2016	20	3,987	19.8	4,646	1.4	10.0	1.2	17.0	10.0	14.1	55.1	55.0	52.9	26.5	25.0	31.8	0.0	0.0	0.0
Nicolet WI Non-MSA AA 2016	20	3,126	19.8	2,820	0.0	0.0	0.0	9.5	5.0	8.5	85.0	85.0	85.0	5.5	10.0	6.5	0.0	0.0	0.0
Nicolet Oshkosh-Neenah MSA AA 2016	21	2,106	20.8	1,713	0.0	0.0	0.0	16.0	4.8	14.5	65.8	85.7	65.8	18.2	9.5	19.7	0.0	0.0	0.0
Nicolet Wausau MSA AA 2016	20	2,877	19.8	1,869	0.0	0.0	0.0	18.4	15.0	16.7	66.5	60.0	65.4	15.1	25.0	17.8	0.0	0.0	0.0
Total	101	15,715	100.0	13,577	0.4	--	0.4	14.3	--	12.4	68.8	--	66.6	16.5	--	20.5	0.0	0.0	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2015-16
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Nicolet Appleton MSA AA 2016	20	3,709	19.8	2,529	74.4	55.0	41.2	7.9	45.0	17.7	0.0	
Nicolet Green Bay MSA AA 2016	20	3,987	19.8	4,646	77.4	60.0	40.9	7.9	40.0	14.8	0.0	
Nicolet WI Non-MSA AA 2016	20	3,126	19.8	2,820	81.0	75.0	48.1	5.2	25.0	13.8	0.0	
Nicolet Oshkosh-Neenah MSA AA 2016	21	2,016	20.8	1,713	76.0	66.7	41.7	7.3	33.3	16.8	0.0	
Nicolet Wausau MSA AA 2016	20	2,877	19.8	1,869	77.1	70.0	43.7	7.4	30.0	15.4	0.0	
Total	101	15,715	100.0	13,577	77.4	--	42.9	7.1	--	15.5	0.0	
<i>Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																				2015-16
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
Nicolet Appleton MSA AA 2016	3	132	3.8	68	0.0	0.0	0.0	2.1	0.0	0.0	71.5	100.0	79.4	26.4	0.0	20.6	0.0	0.0	0.0	
Nicolet Green Bay MSA AA 2016	29	3,737	37.2	120	0.5	0.0	0.0	5.9	0.0	5.0	62.7	72.41	65.8	31.0	27.59	29.2	0.0	0.0	0.0	
Nicolet WI Non-MSA AA 2016	21	2,358	26.9	198	0.0	0.0	0.0	7.7	9.52	7.6	84.5	90.48	85.4	7.8	0.0	7.1	0.0	0.0	0.0	
Nicolet Oshkosh-Neenah MSA AA 2016	0	0	0.0	44	0.0	0.0	0.0	5.3	0.0	0.0	83.9	0.0	100.0	10.8	0.0	0.0	0.0	0.0	0.0	
Nicolet Wausau MSA AA 2016	25	3,333	32.1	139	0.0	0.0	0.0	11.3	20.0	7.9	79.3	64.0	86.3	9.4	16.0	5.8	0.0	0.0	0.0	
Total	78	9,560	100.0	569	0.1	--	0.0	7.1	--	5.6	76.3	--	81.9	16.4	--	12.5	0.0	0.0	0.0	

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Nicolet Appleton MSA AA 2016	3	131	3.8	68	95.3	100.0	55.9	2.4	0.0	2.3	0.0
Nicolet Green Bay MSA AA 2016	29	3,737	37.2	120	96.2	96.5	42.5	3.0	3.5	0.8	0.0
Nicolet WI Non-MSA AA 2016	21	2,358	26.9	198	96.6	95.2	31.8	2.4	4.8	1.0	0.0
Nicolet Oshkosh-Neenah MSA AA 2016	0	0	0.0	44	98.2	0.0	50.0	1.3	0.0	0.4	0.0
Nicolet Wausau MSA AA 2016	25	3,333	32.1	139	98.4	100.0	44.6	1.3	0.0	0.3	0.0
Total	78	9,560	100.0	569	97.0	--	41.5	2.1	--	0.9	0.0
<i>Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: WISCONSIN				Evaluation Period: MAY 13, 2015 TO DECEMBER 31, 2017			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Nicolet Green Bay MSA 2016	0	0	218	955	218	955	0.00	0	0
Limited Review:									
Nicolet Appleton MSA 2016	0	0	40	195	40	195	0.00	0	0
Nicolet WI Non-MSA 2016	0	0	106	320	106	320	0.00	0	0
Nicolet Oshkosh-Neenah MSA 2016	0	0	9	43	9	43	0.00	0	0
Nicolet Wausau NB 2016	0	0	18	86	18	86	0.00	0	0

* 'Prior Period Investments' means investments made in a previous 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 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: WISCONSIN Evaluation Period: JANUARY 1, 2015 TO AUGUST 16, 2018																	
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:																	
Nicolet Green Bay MSA 2017	49.26	12	33.33	0.00	25.00	58.33	16.67	0	6	0	-1	-4	-1	2.13	24.55	49.72	23.15
Limited Review:																	
Nicolet Appleton MSA 2017	9.28	3	8.33	0.00	0.00	100.00	0.00	0	2	0	-1	-1	0	0.00	13.45	76.17	10.39
Nicolet WI Non-MSA WI AA 2017	31.17	16	44.44	0.00	12.50	87.50	0.00	0	3	0	0	-3	0	0.00	14.83	83.87	1.29
Nicolet Oshkosh-Neenah MSA 2017	8.88	3	8.33	0.00	66.67	33.33	0.00	0	0	0	0	0	0	0.00	15.35	62.31	22.34
Nicolet Wausau MSA 2017	1.41	2	5.56	0.00	50.00	0.00	50.00	0	0	0	0	0	0	2.19	10.70	75.57	11.54

*Chart does not include NA designation, as a result the total population within the various MA/AAs may not equal 100 percent.

Table 1. Lending Volume

LENDING VOLUME		Geography: MICHIGAN				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016						
Assessment Area (2016):	% 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:												
Nicolet Non-MSA Michigan 2016	100.00	28	2,395	20	1,761	3	329	0	0	51	4,485	100.00

* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2016.

*** Deposit Data as of August 23, 2018. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2015-16
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate	% of Owner-Occupied Housing Units	% Bank Loans	Aggre-gate
Nicolet Non-MSA Michigan 2016	28	2,395	100.0	239	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	28	2,395	100.0	239	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2015-16
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Nicolet Non-MSA Michigan 2016	28	2,395	100	239	14.4	3.6	4.6	20.9	17.9	18.4	30.0	32.1	26.4	34.8	39.3	30.5	0.0	7.1	20.1
Total	28	2,395	100	239	14.4	3.6	4.6	20.9	17.9	18.4	30.0	32.1	26.4	34.8	39.3	30.5	0.0	7.1	20.1

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2015-16
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Nicolet Non-MSA Michigan 2016	20	1,761	100.0	96	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	20	1,761	100.0	96	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Nicolet Non-MSA Michigan 2016	20	1,761	100.0	96	75.4	85.0	38.5	6.5	25.0	18.1	0.0
Total	20	1,761	100.0	96	75.4	85.0	38.5	6.5	25.0	18.1	0.0
<i>Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2015-16
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Nicolet Non-MSA Michigan 2016	3	329	100.0	3	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	3	329	100.0	3	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Nicolet Non-MSA Michigan 2016	3	329	100.0	3	96.0	100.0	0.0	4.0	0.0	0.0	0.0
Total	3	329	100.0	3	96.0	100.0	0.0	4.0	0.0	0.0	0.0
<i>Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MICHIGAN				Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2017			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Nicolet Non-MSA Michigan 2016	0	0	9	12	9	12	0.00	0	0

* 'Prior Period Investments' means investments made in a previous 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 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MICHIGAN Evaluation Period: JANUARY 1, 2015 TO AUGUST 16, 2018																	
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:																	
Nicolet Non-MSA Michigan 2016	100.00	1	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00