



## PUBLIC DISCLOSURE

June 12, 2017

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Westbury Bank

**Charter Number 717893**

200 South Main Street  
West Bend, WI 53095

Office of the Comptroller of the Currency  
Milwaukee Field Office  
1200 North Mayfair Road, Suite 200  
Wauwatosa, WI 53226

**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

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Satisfactory.**

- A majority of small loans to businesses and home mortgage loans were originated and purchased within Westbury Bank's assessment area (AA).
- The loan distribution to borrowers reflects good penetration among retail customers of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs, in geographies of different income levels, and businesses of different sizes, given the bank's product offerings and local economic conditions.
- Community Development (CD) lending is satisfactory and had a positive impact on the evaluation. CD activities reflect adequate responsiveness to the CD needs and opportunities within the AA.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

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

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

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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 ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any 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 Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county 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) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**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

Westbury Bank (Westbury) is a full service intrastate bank headquartered in West Bend, Wisconsin. As of December 31, 2016, Westbury had \$734 million in total assets and \$72 million in tier 1 capital (capital). The bank is wholly owned by Westbury Bancorp Inc., also located in West Bend, Wisconsin. In addition to its main office, the bank operates eight full service branches located in Washington and Waukesha Counties. All locations are equipped with automated teller machines (ATMs). Westbury did not open or close any facilities since the previous CRA evaluation.

For the purpose of this evaluation, Westbury has defined three AAs within the state of Wisconsin. The AAs include portions of Washington and Waukesha Counties, which are part of the Milwaukee-Waukesha-West Allis Metropolitan Statistical Area (MSA), which will be referred to as the Milwaukee AA. The bank has one geography in Fond du Lac County, and two geographies in Sheboygan County, which are part of the Fond du Lac MSA and the Sheboygan County MSA, respectively. We will refer to these as the Fond du Lac AA and Sheboygan AA.

The bank offers a full range of financial products and services, including checking, savings, money market accounts, certificates of deposit, residential real estate loans, consumer installment loans, and commercial loans. In addition to traditional home mortgage products, Westbury also offers home mortgage loans that assist low- and moderate-income (LMI) borrowers in obtaining home ownership. Such products include first time home buyer programs and down payment assistance programs. These programs are offered through the Wisconsin Housing and Economic Development Authority (WHEDA). Westbury originated 11 WHEDA loans totaling slightly over \$1 million during the evaluation period.

Westbury's strategy is to meet the financial service needs of the customers in the communities it serves. Westbury is primarily a one-to four-family residential real estate lender and commercial lender. Westbury is also a provider of Small Business Administration (SBA) loans in their market area and has a preferred SBA lender designation.



As of December 31, 2016, the loan portfolio totaled \$550 million and represented 75 percent of the bank's total assets. Composition of Westbury's loan portfolio is illustrated in the following table:

<b>Table 1 - Loan Portfolio Summary by Loan Product - December 31, 2016</b>			
<b>Loan Category Description</b>	<b>Dollar Amount \$000 Omitted</b>	<b>Percent of Outstanding Dollars</b>	<b>Percent of Capital</b>
Commercial and Industrial Loans and Commercial Real Estate	\$377,707	68.69%	524.50%
1-4 Family Real Estate Loans	\$168,459	30.63%	233.93%
Consumer Loans	\$3,760	0.68%	5.22%

Source: 12/31/2016 Call Report

Competition is strong in Westbury's AAs, with numerous local, regional, and national banks, as well as credit unions and mortgage companies. According to the Federal Deposit Insurance Corporation's (FDIC) June 30, 2016 Deposit Market Share Report, 51 financial institutions operated 552 offices in the Milwaukee MSA. Westbury's market share was 0.9 percent as of June 30, 2016.

Westbury has the resources and financial strength to meet the credit needs of its communities. There are no financial, legal, or other factors impeding Westbury's ability to help meet the credit needs of the bank's AA. Westbury's previous CRA rating was "Satisfactory" as detailed in the performance evaluation dated July 14, 2014.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

We evaluated Westbury using the Intermediate Small Bank evaluation procedures, which include a community development (CD) and a lending test. The CD test considers the bank's responsiveness to CD needs and opportunities in the bank's AA. The lending test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. We analyzed one-to four-family mortgage lending, reported under the Home Mortgage Disclosure Act (HMDA), and small loans to businesses, reported under the Community Reinvestment Act (CRA), for the period of January 1, 2015 through December 31, 2016. For the purpose of this evaluation period, data was analyzed using the 2010 Census data. The evaluation period for CD loans, qualified investments, and services was July 14, 2014 through June 12, 2017.

The AAs are made up of contiguous and whole census tracts and include geographies where Westbury has its main office, branches, and deposit-taking ATMs, as well as the surrounding geographies where the bank originated or purchased a substantial portion of its loans.

Through our community contact program, we discussed the banking needs of the Milwaukee AA with a community contact during the current evaluation. The contact indicated unmet credit needs exist in the community. The contact noted needs in the area for: affordable home mortgages for LMI homebuyers; loans to purchase and rehabilitate one-to four-unit properties for affordable housing; small business loans of less than \$100,000; loans to small businesses in general; credit builder loans; and credit cards.

## **Data Integrity**

Westbury reports home mortgage lending data under the requirements of HMDA. We tested a sample of the bank's HMDA data reported during the evaluation period. Westbury is not required to maintain income data on commercial loans outside of internally-maintained loan files. Therefore, we sampled loans originated and purchased during the lending test evaluation period and compared them to 2010 census information. 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 as defined in the CRA regulation. Our testing indicated no substantive inaccuracies in the data. We concluded that the home mortgage loans, small loans to businesses, and CD activity data could be relied upon for this evaluation.

## **Selection of Areas for Full-Scope Review**

To evaluate the bank's lending performance, we performed a full scope review for the Milwaukee AA. The Fond du Lac AA and Sheboygan AA received limited scope reviews.

## **Ratings**

The bank's overall rating is based primarily on those areas that received full-scope reviews.

The Milwaukee AA received the greatest weight in the analysis as the majority of the bank's lending (94 percent) was in this AA. Our evaluation focused on Westbury's lending performance to LMI borrowers in the AAs as compared to the aggregate industry percentage distribution. We compared Westbury's borrower lending performance to the level of LMI families within the AAs. We focused on Westbury's lending in LMI geographies as compared to the aggregate industry percentage distribution to those geographies. We also compared Westbury's geographic lending performance to the percentage of owner occupied housing units in those geographies.

## **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.

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

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

The bank's performance under the lending test in the Milwaukee AA, Fond du Lac AA, and Sheboygan AA is rated "Satisfactory" based on the following:

- A majority of home mortgage loans originated and purchased and small loans to businesses are within Westbury's AAs.
- Lending activity reflects good responsiveness regarding the credit needs throughout the Milwaukee AA, Fond du Lac AA, and Sheboygan AA.
- The distribution of loans reflects reasonable penetration to borrowers of different income levels and businesses of different sizes throughout the Milwaukee AA, Fond du Lac AA, and Sheboygan AA.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs in geographies of different income levels and businesses of different sizes given the bank's product offerings and local economic conditions.

### **Loan-to-Deposit Ratio**

Westbury's quarterly average loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and AA credit needs.

Westbury's quarterly LTD average compares favorably to other community banks with similar size, location, and product offerings. Westbury ranks in the mid-range of five similarly situated financial institutions. The average quarterly LTD ratio for five similarly situated financial institutions during the review period was 89 percent. These financial institutions are also community banks located in Washington and Waukesha counties and have total assets ranging from \$494 million to \$1 billion. Westbury's quarterly average LTD ratio for the period of January 1, 2015 through December 31, 2016, was 91 percent. During this period, Westbury had a quarterly low of 86 percent and a quarterly high of 93 percent. There is strong competition for financial services within the AAs that is primarily from larger and regional banks that serve the same communities and have a similar business focus.

### **Lending in Assessment Area**

A majority of the bank's lending-related activities serve the AA. Westbury's lending to customers within the AA is satisfactory with 77 percent by number and 67 percent by dollar amount. The following table details the bank's lending within the AA by loan type,

based on the number and dollar volume of loan originations and purchases during the evaluation period.

<b>Table 2 - Lending in AAs</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage Loans	811	77.2	239	22.8	1,050	147,763	67.1	72,336	35.1	220,099
Small Business Loans	25	86.2	4	13.8	29	25,527	66.19	13,041	33.81	38,568
Totals	836	77.48	243	22.52	1079	173,290	66.99	85,377	33.01	258,667

Source: Business Loan sample and loan data reported under HMDA; U.S. Census data.

## **Lending to Borrowers of Different Incomes and to Businesses of Different Sizes**

### **Full Scope Review: Milwaukee AA**

Westbury's lending reflects excellent penetration among borrowers of different income levels as shown in Table 3. Westbury's percentage of home mortgage loans to low-income borrowers for 2015 of 8.0 percent exceeds the aggregate data for lenders making loans within the AA of 4.0 percent. Westbury's percentage of home mortgage loans to low-income borrowers for 2016 of 3.3 percent is below the aggregate of 4.0 percent. The percentages of home mortgage loans to moderate-income borrowers for 2015 of 20.6 percent and for 2016 of 15.1 percent exceed the aggregate of 14.2 percent for both years.

There is significant competition in the Milwaukee AA. Per the 2015 peer mortgage data, there are 429 lenders in the AA. Westbury ranks 367th out of 429 financial institutions with a market share of 0.95 percent. The top 10 institutions in this report are larger or regional institutions representing 40 percent of the AA loan market share by number and 41 percent by dollar.

**Table 3 - Distribution of Home Mortgage Loans by Borrower Income Level**

Assessment Area: Milwaukee MSA

<b>Borrower Income Level</b>	<b>% of Families</b>	<b>Aggregate Performance % of #</b>	<b>Bank #</b>	<b>Bank %</b>	<b>Bank \$(000s)</b>	<b>Bank %</b>
Low						
2015	10.7	4.0	27	8.0	1,488	2.7
2016	10.7	4.0	14	3.3	866	1.1
Moderate						
2015	14.2	14.2	70	20.6	7,455	13.3
2016	14.2	14.2	64	15.1	6,629	8.2
Middle						
2015	21.8	21.5	89	26.3	10,463	18.7
2016	21.8	21.5	109	25.7	14,978	18.4
Upper						
2015	53.3	45.1	144	42.5	28,312	50.6
2016	53.3	45.1	215	50.7	46,282	56.9
Not Available						
2015	0.0	15.2	9	2.7	8,244	14.7
2016	0.0	15.2	22	5.2	12,548	15.4
<b>Totals</b>						
<b>2015</b>	<b>100.0</b>	<b>100.0</b>	<b>339</b>	<b>100.0</b>	<b>55,962</b>	<b>100.0</b>
<b>2016</b>	<b>100.0</b>	<b>100.0</b>	<b>424</b>	<b>100.0</b>	<b>81,303</b>	<b>100.0</b>

*Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 & 2015 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0*

The distribution of loans to businesses reflects reasonable penetration among those of different sizes. Businesses with revenues of less than or equal to \$1 million generally have credit needs for smaller loans. Seventy-four percent of the number and 77 percent of the dollars of the bank's loans to small business originated within the AA were to businesses with revenues of less than or equal to \$1 million. The 2016 business demographic data shows 76 percent of the businesses in the AA have annual gross revenues equal to or less than \$1 million.

The following tables show the distribution of loans among businesses of different sizes within the AA:

<b>Table 4 - Borrower Distribution of Loans to Businesses in Milwaukee AA</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	76.29%	11.34%	12.37%	100%
% of Bank Loans in AA by #	73.91%	21.74%	4.35%	100%
% of Bank Loans in AA by \$	77.31%	20.95%	1.74%	100%

*Source: Commercial loan sample, 2015 & 2016 D&B Data; 1/1/2015 - 12/31/2016 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.00*

<b>Table 5 - Borrower Distribution of Loans to Businesses by Loan Size in Milwaukee AA</b>				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	10	40.00%	1,415	4.68%
\$100,001 - \$250,000	3	12.00%	2,163	7.16%
\$250,001 - \$500,000	3	12.00%	5,194	17.19%
\$500,001 - \$1,000,000	8	32.00%	15,746	52.12%
Over \$1,000,000	1	4.00%	1,008	3.34%

*Source: Commercial loan sample*

### **Limited Scope Review: Fond du Lac AA**

Overall, the borrower distribution among LMI families reflects reasonable penetration. The Fond Du Lac AA generates a small percentage of the bank's loan originations, representing less than 4 percent of the bank's lending during the evaluation period. The bank has a very limited presence in this AA with only one geography. The bank did not originate any loans to businesses of different sizes during the evaluation period. Despite Westbury's limited presence and strong competition, the bank was able to provide home mortgage opportunities to LMI families.

While the bank did not originate any home mortgage loans to low-income borrowers in 2016, Westbury's percentage of home mortgage loans to low-income borrowers for 2015 of 6.7 percent exceeds the aggregate data for lenders making loans within the AA of 6.4 percent. The percentages of home mortgage loans to moderate-income borrowers for 2015 of 20.0 percent and for 2016 of 17.6 percent well exceed the AA aggregate of 12.8 percent for both years. These percentages represent seven loans originated during the evaluation period.

There is strong competition in the AA. Per the 2015 peer mortgage data, there are 302 lenders in the AA. Westbury ranks third out of 302 financial institutions with a market share of 6.0 percent by number and 6.0 percent by dollar. The top two institutions in

this report are large institutions representing 25.2 percent of the AA loan market share by number and 23.6 percent by dollar.

### **Limited Scope Review: Sheboygan AA**

Overall, the borrower distribution among LMI families reflects reasonable penetration. The Sheboygan AA generates a very small percentage of the bank's loan originations, representing less than 2 percent of the bank's lending during the evaluation period. The bank has a very limited presence in this AA with only two geographies. The bank did not originate any loans to businesses of different sizes during the evaluation period. Despite Westbury's limited presence and strong competition, the bank was able to provide home mortgage opportunities to LMI families.

Westbury's percentages of home mortgage loans to low-income borrowers for 2015 of 11.1 percent and for 2016 of 20.0 percent exceed the aggregate data for lenders making loans within the AA of 5.5 percent. While lending appears to have exceeded aggregate lending data, consideration is given to the fact that only two loans were originated during the evaluation period. The bank did not originate any home mortgage loans to moderate-income borrowers during 2015 or 2016.

There is strong competition in the AA. Per the 2015 peer mortgage data, there are 288 lenders in the AA. Westbury ranks eighth out of 288 financial institutions with a market share of 3.5 percent by number and 2.1 percent by dollar. The top seven institutions in this report are larger or regional institutions representing 41.0 percent of the AA loan market share by number and 36.9 percent by dollar.

### **Geographic Distribution of Loans**

The analysis was based on the bank's lending performance in the Milwaukee AA, which consists of 114 geographies and contains one low-income and three moderate-income geographies. There are no LMI geographies in the Fond du Lac and Sheboygan AAs; therefore, an analysis would not be meaningful.

### **Full Scope Review: Milwaukee AA**

#### **Home Mortgage Loans**

Overall, Westbury's geographic distribution of home mortgage loans is reasonable when considering the bank's significant competition in the market and limited opportunities to lend in the LMI geographies in the AA. The bank did not make any home mortgage loans in the one low-income geography of the AA. The percentages of home mortgage lending for 2015 of 2.1 percent and for 2016 of 4.0, in the moderate-income geographies, exceed the aggregate lending data of 1.7 percent for both years.



Competition is strong in Westbury's AAs with numerous local, regional, and national banks, as well as credit unions and mortgage companies. According to the FDIC's June 30, 2015 Deposit Market Share Report, 51 financial institutions operated 552 offices in the bank's Milwaukee AA during the evaluation period.

Opportunities to make home mortgage loans in the LMI geographies are limited as only 0.1 percent of the housing units in the low-income geographies and 1.8 percent in the moderate-income geographies are owner-occupied.

<b>Tract Income Level</b>	<b>% of Owner-Occupied Housing Units</b>	<b>Aggregate Performance % of #</b>	<b>Bank #</b>	<b>Bank %</b>	<b>Bank \$(000s)</b>	<b>Bank %</b>
<b>Low</b>						
2015	0.1	0.1	0	0.0	0	0.0
2016	0.1	0.1	0	0.0	0	0.0
<b>Moderate</b>						
2015	1.8	1.7	7	2.1	944	1.7
2016	1.8	1.7	17	4.0	2,003	2.5
<b>Middle</b>						
2015	37.2	36.7	251	74.0	35,694	63.8
2016	37.2	36.7	299	70.5	48,927	60.2
<b>Upper</b>						
2015	60.9	61.5	81	23.9	19,324	34.5
2016	60.9	61.5	108	25.5	30,373	37.4
<b>Not Available</b>						
2015	0.0	0.0	0	0.0	0	0.0
2016	0.0	0.0	0	0.0	0	0.0
<b>Totals</b>						
<b>2015</b>	<b>100.0</b>	<b>100.0</b>	<b>339</b>	<b>100.0</b>	<b>55,962</b>	<b>100.0</b>
<b>2016</b>	<b>100.0</b>	<b>100.0</b>	<b>424</b>	<b>100.0</b>	<b>81,303</b>	<b>100.0</b>
<i>Source: 2010 U.S. Census; 1/1/2015 - 12/31/2016 Bank Data, 2015 &amp; 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>						

### **Small Loans to Businesses**

The geographic distribution of small loans to businesses in the AA is excellent. The geographic distribution of small loans to businesses in moderate-income geographies exceeds the percentage of businesses located in those geographies. The bank did not originate any loans in the low-income geography. There is only one low-income geography in the AA, and competition in the AA is significant from large national

institutions, branches of state banks, and credit unions. There are over 400 lending financial institutions in the AA.

Table 7 - Geographic Distribution of Loans to Businesses in Milwaukee AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
	1.2 %	0.00%	2.6%	3.96%	41.9%	83.79%	54.3%	12.25%

Source: Loan sample; Dun and Bradstreet data.

### Limited Scope Review: Fond du Lac and Sheboygan AA

Geographic distribution analyses for the Fond du Lac and Sheboygan AAs were not conducted. There are no LMI geographies in the AA; therefore, an analysis would not be meaningful.

### Responses to Complaints

Westbury did not receive any complaints regarding its performance in helping to meet the credit needs within its AA during this evaluation period.

## COMMUNITY DEVELOPMENT TEST

### Number and Amount of Community Development Loans

The bank's level of CD lending is satisfactory. During the evaluation period, Westbury originated 18 new CD loans in the Milwaukee AA totaling approximately \$15.1 million. The bank also renewed one CD loan in the AA totaling \$6.0 million during the evaluation period. Some examples of the bank's CD lending are as follows:

- Westbury originated two loans, totaling \$7.5 million, toward the conversion of an abandoned commercial industrial facility into affordable housing units. This project received grants from the Wisconsin Economic Development Corporation (WEDC) Brownsfield grant program in the amount of \$375,000.
- Westbury originated eight loans, totaling \$4.2 million, for small businesses located in a low-income geography in the Milwaukee AA. The company mission provides steady employment to LMI residents and provides economic stability, job retention, and job training through workforce development programs. Loan proceeds provide credit and other business services to small business owners who do not have access to traditional funding in the bank's AA.

- Westbury originated three loans totaling \$2.0 million to provide funds towards construction of a charter school in the bank's AA. Funds were also provided for infrastructure services to smaller minority schools in the AA. The school is geared to low-income students. Its goal is to provide students with the skills and habits they need to be leaders in the high school, college, or trade of their choice.
- The bank originated one loan, totaling \$398,000, to a small business to be used for the purchase of residential dwellings to provide affordable housing to LMI individuals in the bank's AA. Loan proceeds provide credit and other business services to small business owners who do not have access to traditional funding in the bank's AA.
- Westbury originated one loan, totaling \$240,000, toward the rehabilitation of an abandoned building in a LMI geography in the AA. This organization is dedicated to revitalizing LMI geographies by providing credit and other business services to start-up small business owners.

### **Extent to Which the Bank Provides Community Development Services**

Westbury provides an adequate level of community development services through its branches, products, and activities with local organizations that support activities directly benefiting LMI individuals. The bank's contributions to different community development organizations totaled approximately \$46,000 during the evaluation period. Involvement has been in organizations whose primary purpose is affordable housing, community services targeted to LMI persons, and economic development.

### **Responsiveness to Community Development Needs**

CD activities reflect adequate responsiveness to the CD needs and opportunities within the AA.

## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 1/31/2015 to 12/31/2016 Investment and Service Tests and CD Loans: July 14, 2014 to June 12, 2017	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Westbury Bank (Westbury) West Bend WI	Home Mortgage, Small Business, Community Development Loan Data; Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Milwaukee-Waukesha-West Allis WI MSA	Full Scope	The AA is comprised of 114 geographies in Washington, and Waukesha counties, WI.
Fond du Lac County WI MSA consists of only one geography, which is middle-income.	Limited	The AA consists of one geography in Fond du Lac county, WI.
The Sheboygan County WI MSA, consists of two middle-income geographies.	Limited	The AA is comprised of two geographies in Sheboygan county WI.