



## **PUBLIC DISCLOSURE**

May 22, 2018

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

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

130 South Main  
Fond du Lac, WI 54936

Office of the Comptroller of the Currency

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

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

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

| Performance Levels        | National Exchange Bank and Trust<br>Performance Tests |                 |              |
|---------------------------|---|-----------------|--------------|
|                           | Lending Test*   | Investment Test | Service Test |
| Outstanding               |   |                 |              |
| High Satisfactory         | X   |                 | X            |
| Low Satisfactory          |   | X               |              |
| Needs to Improve          |   |                 |              |
| Substantial Noncompliance |   |                 |              |

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- National Exchange Bank and Trust’s (NEBAT) lending performance is good. NEBAT demonstrates excellent lending activity, adequate geographic distribution, and excellent borrower income distribution. Lending within the bank’s assessment area (AA) is adequate with 72.20 percent of all bank loans made in one of the bank’s AAs. Community development lending had a neutral impact on the bank’s overall lending performance.
- NEBAT provided an adequate level of qualified investments throughout the bank’s AAs. Donations to organizations supported affordable housing initiatives, economic development, and community services targeted towards low- and moderate-income (LMI) individuals and geographies.
- NEBAT’s performance under the service test is good. Overall, bank branches are accessible to people and geographies of different income levels. There are no significant differences between branches located in geographies of different income levels. The bank offers an adequate level of services through alternate delivery systems.

## 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:** 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

National Exchange Bank and Trust (NEBAT) is an intrastate bank headquartered in Fond du Lac, Wisconsin. NEBAT is a full-service bank with 33 banking offices and 29 automated teller machines (ATMs) across its footprint. NEBAT merged with their sister bank, American Bank, Fond du Lac, Wisconsin (American Bank) in September 2016. NEBAT is a wholly owned subsidiary of NEB Corporation, a holding company headquartered in Fond du Lac, Wisconsin. The holding company is controlled by the members that also control the Stone Foundation (Foundation). The Foundation has provided grants to support the activities of local nonprofit groups. At the bank's request, we considered qualified investments of the Foundation in the evaluation of the bank's Investment Test performance. As of March 31, 2018, NEBAT had total assets of \$1.91 billion, total loans of \$1.16 billion, and tier 1 capital of \$354 million.

NEBAT offers a full range of loan and deposit products to businesses and individuals, including alternative retail services such as direct deposit and access to electronic banking services (bill payment, mobile banking, and electronic statements). 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. NEBAT maintains a trust department and private banking business line.

NEBAT's lending focus is to meet the community's residential real estate, commercial, and consumer lending needs. As of March 30, 2018, the bank's loans represent 60.63 percent of total assets. The loan portfolio consists of 77.38 percent commercial loans, 16.57 percent residential real estate loans, 4.10 percent agricultural loans, and 2.08 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 a Satisfactory rating in its previous Large Bank CRA evaluation dated September 2, 2014. The Lending Test was rated High Satisfactory, the Investment Test was rated Low Satisfactory, and the Service Test was rated High Satisfactory.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We analyzed home purchase, home improvement, and home refinance mortgage loans that the bank reported under the Home Mortgage Disclosure Act (HMDA), and small loans made to businesses and farms the bank reported under the Community Reinvestment Act (CRA) for the period of January 1, 2014 through December 31, 2017. Multifamily loans are not a primary loan product; therefore, we did not evaluate this product separately. Performance Tables 1 through 12 in Appendix C include only data covered by the 2010 Census, namely 2014 through 2016. Data from 2017 is discussed in the applicable narrative sections of the evaluation. We reviewed qualified community development (CD) loans, investments, and services for the period of September 2, 2014 through May 22, 2018.

### 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 for 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. Therefore, we concluded that the home mortgage loans, small loans to businesses and farms, and CD activities data could be relied upon for this examination.

### Selection of Areas for Full-Scope Review

We selected the Fond du Lac metropolitan statistical area (MSA) and the Sheboygan MSA for a full-scope review. Full-scope reviews consider performance context, quantitative, and qualitative factors. The AAs selected for the full-scope review were chosen because they represented a significant portion of the bank's deposit base and lending business in Wisconsin. The Fond du Lac MSA lending volume represents 51.27 percent of total rated loans originated during the evaluation period, and the Sheboygan MSA represents 16.23 percent of total rated loans originated. The other AAs in Wisconsin were analyzed using limited-scope procedures. With the merger of American Bank in September 2016, NEBAT added census tracts (CTs) from the Oshkosh-Neenah MSA to their AA and we performed a limited scope review of this AA for 2017. Limited-scope procedures consider quantitative factors only. Refer to **Appendix A: Scope of the Examination** section for details regarding how we selected the areas for review.

### Ratings

In this evaluation, we placed more weight on the bank's performance in 2014 through 2016 than its performance in 2017 to reach our conclusions. The bank's overall rating is based on results in those areas that received full-scope reviews. Refer to **Appendix A: Scope of the Examination** section for details regarding how the areas were weighted in arriving at the respective ratings.

Additionally, when evaluating the bank's performance under the lending test, we placed a higher value on the bank's distribution of home mortgage and small business loans than the distribution of small farm loans. Within the home mortgage category, greater weight was placed on home purchase and home refinance loans, which make up over 90 percent of home mortgage lending, with home improvement loans receiving substantially less weight.

## **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.

## Conclusions with Respect to Performance Tests

### LENDING TEST

#### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Fond du Lac MSA is excellent and Sheboygan MSA is good. The bank's performance in the limited scope areas is adequate.

#### Lending Activity

The bank's lending activity is excellent, considering the strong competition for all types of loans in the bank's AAs. The bank's excellent performance in originating home mortgage loans, small business loans, and small farm loans when compared to its local competitors supports this conclusion.

Refer to Appendix C: Tables of Performance Data - Table 1, "Lending Volume" for the facts and data used to evaluate the bank's lending activity.

#### Fond du Lac MSA

NEBAT's lending activity in the Fond du Lac MSA is excellent. Home mortgage lending activity is excellent, small business lending activity is excellent, and small farm lending is excellent considering the competition in the AA.

Based upon FDIC Deposit Market Share data for Fond du Lac County, as of June 30, 2017, NEBAT had deposits of \$847 million, achieving a 40.19 percent market share of deposits and ranking first among 13 financial institutions in the AA. In comparison and based upon 2017 Peer Mortgage Data, NEBAT achieved a 12.60 percent market share of home purchase loans, ranking first among 129 reporting lenders and is equivalent to being in the top 0.8 percent of lenders. The bank achieved a 16.77 percent market share of home improvement loans, ranking first among 40 reporting lenders and is equivalent to being in the top 2.50 percent of lenders. The bank also achieved a 10.34 percent market share of home refinance loans, ranking second among 121 reporting lenders and is equivalent to being in the top 1.70 percent of lenders. The mortgage lending activity is excellent given the bank's strong rankings for each home mortgage product within this highly competitive market.

NEBAT achieved a 26.12 percent market share of small loans to businesses, ranking first among 43 reporting lenders. NEBAT achieved a 46.20 percent market share of small loans to farms, ranking first among 12 reporting lenders, or the top 8.30 percent of lenders. Both the small business and small farm lending activity is excellent given the bank's strong ranking compared to the small business and small farm lending competition within the AA.

Sheboygan MSA

NEBAT's lending activity in the Sheboygan MSA is good. Home mortgage lending activity is good, small business lending activity is good, and small farm lending is excellent considering the competition in the AA.

Based on FDIC Deposit Market Share data for Sheboygan County, as of June 30, 2017, NEBAT had deposits of \$122 million, achieving a 6.13 percent market share of deposits, ranking seventh among 14 institutions in the AA. In comparison and based on 2017 Peer Mortgage Data, NEBAT had market share of 2.64 percent and ranked 13th among 134 reporting lenders for home purchase lending, equivalent to being in the top 9.70 percent of lenders. The bank achieved a 1.85 percent market share of home refinance loans, ranking 14th among 132 reporting lenders and is equivalent to being in the top 10.60 percent of lenders. Market share for home refinance loans ranges from 1.43% to 7.25% for the top 20 lenders. This mortgage lending activity is good, given the bank's relative rankings within this competitive market.

NEBAT achieved a 4.74 percent market share of small loans to businesses, ranking seventh among 39 reporting lenders, or the top 17.90 percent of lenders. NEBAT achieved a 38.78 percent market share of small loans to farms, ranking first among 12 reporting lenders, or the top 8.30 percent of lenders. The small business lending activity is good and small farm lending activity is excellent given the bank's market share and ranking within the AA.

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

Overall, the geographic distribution of loans is adequate. In performing our analysis, we placed greater weight on the bank's home mortgage and small business lending as these lending categories represented the majority of the bank's CRA reportable lending activity. We also placed greater weight on the bank's performance in 2014 through 2016 than its performance in 2017 due to the larger volume of lending during that timeframe.

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

Refer to Appendix C: Tables of Performance Data - Table 6 and 7 for the facts and data used to evaluate the geographic distribution of the bank's small loans to businesses and small loans to farms.

***Home Mortgage Loans***Fond du Lac MSA

The overall geographic distribution of home purchase loans is good. The bank's geographic distribution of home purchase loans during 2014 through 2016 was good. There were no low-income geographies. The percentage of loans made in moderate-income geographies was near to the percentage of owner-occupied units in these geographies. The bank's market share of home purchase loans originated in moderate-income CTs was below its overall market share for home purchase loans. The bank's geographic distribution of home purchase loans during 2017 was adequate based on the percentage of loans made in low and moderate-

income geographies. Based on the Census Bureau's 2015 American Community Survey (ACS) changes, in 2017, the Fond du Lac MSA now has one low-income CT.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2014 through 2016 was poor. There were no low-income geographies. The percentage of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share of home refinance loans in moderate-income CTs was poor in comparison to its overall market share for home refinance loans. The bank's distribution of home mortgage refinance loans in 2017 was well below the performance noted in 2014 through 2016 and is considered poor. The bank originated only 82 loans for home mortgage refinance in 2017, with most of the lending and market share concentrated in middle- and upper-income geographies.

The overall geographic distribution of home improvement loans is good. The bank's geographic distribution of home improvement loans during 2014 through 2016 was good. There were no low-income geographies. The percentage of loans made in moderate-income geographies slightly exceeded the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income CTs was good. The bank's performance in 2017 was well below the performance noted in 2014 through 2016. The bank originated 28 home improvement loans during 2017, which barely meets the minimum of 20 loans for analysis. The lending and market share in 2017 was concentrated in middle- and upper-income geographies.

#### Sheboygan MSA

The overall geographic distribution of home purchase loans is excellent. The bank's geographic distribution of home purchase loans during 2014 through 2016 was excellent. There were no low-income geographies. The portion of loans made in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income CTs exceeded its overall market share for home purchase loans. The bank's performance during 2017 was below the performance noted in 2014 through 2016 and is considered adequate.

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans during 2014 through 2016 was adequate. There were no low-income geographies. The portion of loans made in moderate-income CTs was less than the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income CTs was less than the overall market share for home refinance loans. The bank's performance during 2017 is well below the performance noted in 2014 through 2016. Consideration is given to the fact that the bank originated 22 home mortgage refinance loans which barely meets the minimum of 20 loans for analysis.

The overall geographic distribution of home improvement loans is good. The bank's geographic distribution of home improvement loans during 2014 through 2016 was good. There were no low-income geographies. The portion of loans made in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income CTs was adequate. The bank did not originate or purchase enough loans for analysis in 2017.

### ***Small Loans to Businesses***

Refer to table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

#### Fond du Lac MSA

The overall geographic distribution of small loans to business is good. The bank's geographic distribution of small loans to businesses in 2014 through 2016 was good. There are no low-income CTs. The percentage of small loans to businesses made in moderate-income geographies is below the percentage of businesses in those geographies. The bank's market share in moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2017 was near to the performance noted in 2014 through 2016 and is considered good.

#### Sheboygan MSA

The overall geographic distribution of small loans to business is good. The bank's geographic distribution of small loans to businesses in 2014 through 2016 was good. There are no low-income CTs. The percentage of small loans to businesses made in moderate-income geographies is near to the percentage of businesses in those geographies. The bank's market share in moderate-income geographies is near to its overall market share for small loans to businesses. The bank's performance in 2017 was near to the performance noted in 2014 through 2016 and is considered adequate.

### ***Small Loans to Farms***

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

#### Fond du Lac MSA

The overall geographic distribution of small loans to farms is poor. The bank's geographic distribution of small loans to farms in 2014 through 2016 was poor. There are no low-income CTs. The bank made no loans to moderate-income geographies. The market share and lending is more concentrated in the middle- and upper-income CTs. The bank's performance in 2017 was not inconsistent with the performance noted in 2014 through 2016.

#### Sheboygan MSA

The overall geographic distribution of small loans to farms is good. The bank's geographic distribution of small loans to businesses in 2014 through 2016 was good. There are no low-income CTs. The percentage of small loans to farms made in moderate-income geographies is near to the percentage of businesses in those geographies. The bank's market share in moderate-income geographies exceeds its overall market share for small loans to farms. The bank's performance in 2017 was below the performance noted in 2014 through 2016. Consideration is given to the fact that the bank originated 25 small farm loans in this AA, which barely meets the minimum of 20 loans for analysis.

## ***Lending Gap Analysis***

We evaluated the lending distribution in the AA to determine if any unexplained conspicuous gaps existed. We reviewed summary reports and maps and analyzed NEBAT's home mortgage, small business, and small farm lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

The Inside/Outside ratio is a bank-wide calculation and not calculated by individual rating area or AA. Analysis is limited to bank origination and purchases and does not include any affiliate data. For the combined four year evaluation period, NEBAT originated a majority of all loan products inside the bank's AAs (72.20 percent). The percentage by number of loans made inside the AAs by loan type are as follows: home mortgage loans is 78.10 percent, small loans to businesses is 65.00 percent, and small loans to farms is 87.10 percent.

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

The overall borrower distribution of the bank's lending is excellent. As noted previously, we placed greater weight on the bank's home mortgage lending and small business lending as these loans represented the majority of the bank's reportable lending activity. In addition, we attributed more weight to the bank's performance in 2014 through 2016 than its performance in 2017.

## ***Home Mortgage Loans***

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

### Fond du Lac MSA

Overall, the borrower distribution of home mortgage loans is excellent.

The overall borrower distribution of home purchase loans is excellent. The bank's borrower distribution of home purchase loans during 2014 through 2016 was excellent. The percentage of loans to low-income borrowers was near to the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of home purchase loans to low-income borrowers exceeded its overall market share of home purchase loans. The bank's market share of home purchase loans to moderate-income borrowers was near to its overall market share of home purchase loans. The bank's performance in 2017 was near to the performance noted in 2014 through 2016 and is considered good.

The overall borrower distribution of home mortgage refinance loans is good. The bank's borrower distribution of home refinance loans during 2014 through 2016 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families; however, the percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income

borrowers exceeded the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers also exceeded the overall market share of home refinance loans. The bank's performance in 2017 was near to the performance noted in 2014 through 2016 and is considered good. This was due to excellent penetration to moderate-income borrowers.

The overall borrower distribution of home improvement loans is adequate. The bank's borrower distribution of home improvement loans during 2014 through 2016 was adequate. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was below the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was below the overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers was near to its overall market share of home improvement loans. The bank's performance in 2017 was stronger than the performance noted in 2014 through 2016.

#### Sheboygan MSA

Overall, the borrower distribution of home mortgage loans is excellent. An analysis of home improvement loans was not performed as the bank did not originate or purchase a sufficient number of loans to analyze.

The overall borrower distribution of home purchase loans is excellent. The bank's borrower distribution of home purchase loans during 2014 through 2016 was excellent. The percentage of loans to low-income borrowers was near to the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was below the overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home purchase loans. The bank's performance in 2017 was stronger than overall performance noted in 2014 through 2016.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2014 through 2016 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers was near to the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was well below its overall market share of home refinance loans; however, the bank's market share of loans to moderate-income borrowers exceeded its overall market share of home refinance loans. The bank's performance in 2017 was not inconsistent with the overall performance noted in 2014 through 2016.

#### ***Small Loans to Businesses***

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

Fond du Lac MSA

The overall borrower distribution of small loans to businesses is excellent. The bank's borrower distribution of small loans to businesses in 2014 through 2016 was good. The percentage of loans to businesses reporting gross annual revenue of \$1 million or less (small businesses) was near to the percentage of small businesses within the AA. This performance was enhanced by excellent market share. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank's performance in 2017 was not inconsistent with the performance noted in 2014 through 2016, which was considered excellent.

Sheboygan MSA

The overall borrower distribution of small loans to businesses is excellent. The bank's borrower distribution of small loans to businesses in 2014 through 2016 was good. The percentage of loans to small businesses was near to the percentage of small businesses within the AA. This performance was enhanced by excellent market share. The bank's market share of loans to small businesses exceeded its overall market share of loans to businesses. The bank's performance in 2017 was not inconsistent with the overall performance in 2014 through 2016, which was considered excellent.

***Small Loans to Farms***

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

Fond du Lac MSA

The overall borrower distribution of small loans to farms is excellent. The bank's borrower distribution of small loans to farms in 2014 through 2016 was excellent. The percentage of loans to farms reporting gross annual revenue of \$1 million or less (small farms) exceeds the percentage of small farms within the AA. This performance was enhanced by excellent market share. The bank's market share of loans to small farms exceeded its overall market share of loans to farms. The bank's performance in 2017 was not inconsistent with the performance noted in 2014 through 2016 and was considered excellent.

Sheboygan MSA

The overall borrower distribution of small loans to farms is excellent. The bank's borrower distribution of small loans to farms in 2014 through 2016 was excellent. The percentage of loans to small farms exceeded the percentage of farms within the AA. This performance was enhanced by excellent market share. The bank's market share of loans to small farms exceeded its overall market share of loans to farms. The bank's performance in 2017 was not inconsistent with the overall performance in 2014 through 2016 and was considered excellent.

**Community Development Lending**

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

Community development lending had an overall neutral impact on the bank's overall lending performance.

#### Fond du Lac MSA

NEBAT's level of CD lending has a neutral impact on its overall lending performance in the Fond du Lac AA. NEBAT originated six loans totaling \$9.5 million in qualified CD loans in the AA during the evaluation period. This volume represented 4.47 percent of allocated tier 1 capital. The bank made an adequate level of community development lending in the Fond du Lac MSA.

Specific examples of the CD loans originated during this evaluation period include:

One loan, totaling \$430 thousand, was provided to an organization that provides multi-family affordable housing for low-income seniors. The funding was designated to operate a 24-unit low-income senior apartment complex located in Fond du Lac, WI.

Two loans, totaling \$950 thousand, were provided to the School District of North Fond du Lac. These were renewals of tax anticipation notes for operating expenses. A majority of the students within the school district qualify for free/reduced lunch.

Two loans, totaling \$8.115 million, were provided to a university for the rehabilitation of an existing building in a moderate-income area of downtown Fond du Lac. The rehabilitation retained current owners and housed a new academic initiative and healthcare function.

#### Sheboygan MSA

NEBAT's level of CD lending has a neutral impact on its overall lending performance in the Sheboygan AA. NEBAT originated one qualified CD loan totaling \$1.0 million in the AA during the evaluation period. This volume represented 3.27 percent of allocated tier 1 capital. The bank made an adequate level of community development lending in the Sheboygan MSA.

The CD loan originated during this evaluation period includes:

A tax anticipation note was originated for the Elkhart Lake-Glenbeulah school district, totaling \$1.00 million. The school district used the proceeds to pay general expenses. A majority of the students in the school district come from LMI families and receive free or reduced lunches.

### **Community Development Loans**

In addition to the CD loans that benefit the bank's AAs, NEBAT renewed one qualified CD loan, totaling \$7.114 million, located in the greater statewide area. The loan was a renewal of a project in Milwaukee County that was funded with New Market Tax Credits. This industrial and office building is located in a low-income CT. In addition to the renewal, new funds were provided for the construction of office space for another company which created new jobs with the expansion.

## **Product Innovation and Flexibility**

The bank's loan product flexibility had a positive impact on its lending test conclusions. NEBAT offers flexible loans programs targeted to LMI borrowers. Loans originated under these programs are included in the bank's loans to small businesses and are analyzed under other portions of the lending test.

In 2014, NEBAT developed a loan program designed to encourage investment in downtown Fond du Lac properties by providing property owners and lessees with funds needed to increase or sustain employment levels, conduct additional residential or commercial development, and increase occupancy in downtown Fond du Lac. The Downtown Fond du Lac Loan Program will provide funds for qualified business and property owners within the Downtown Business Improvement District at a below-market interest rate with special consideration for larger projects. During the evaluation period, the bank made one loan for this purpose to a local business totaling \$50 thousand.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test is not inconsistent with the bank's overall High Satisfactory performance under the lending test. In the Madison MSA, the bank's performance is weaker than the bank's overall performance in the state. The weaker performance had no impact on the overall lending test rating. The bank's CD lending performance in the Milwaukee MSA and Non-MSA AA had a positive impact on CD lending. Refer to the tables 1 through 12 in appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

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

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

#### Fond du Lac MSA

During the evaluation period, NEBAT made 96 investments in the AA totaling \$3.46 million. When considering current investments, the total represents 1.63 percent of allocated tier 1 capital for the AA. This level is considered adequate and is commensurate with the adequate level of investments made. The bank's responsiveness to the CD needs in the AA is adequate.

These investments were to organizations that supported affordable housing initiatives, economic development, revitalization/stabilization, and community services targeted towards LMI individuals and geographies over the evaluation period. The investments also included

funding for programs that focus on financial counseling and financial literacy support, which were some of the main identified CD needs in the Fond du Lac AA.

#### Sheboygan MSA

During the evaluation period, NEBAT made 24 investments in the Sheboygan MSA totaling \$264 thousand. When considering current investments, the total represents approximately 0.86 percent of allocated tier 1 capital for the AA. This is an adequate level of investments. The bank's responsiveness to the CD needs in the AA is adequate.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test is consistent with the bank's overall Low Satisfactory performance under the investment test. Of note, the bank's investments included \$495 thousand in certificates of deposit from two minority owned financial institutions in Milwaukee County, WI. In the Non-MSA AA, the bank invested more than \$600 thousand in mortgage-backed securities, which were collateralized by home loans made to LMI borrowers. Refer to the table 14 in appendix C for the facts and data that support these conclusions.

### **SERVICE TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

NEBAT's performance under the service test in Wisconsin is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Fond du Lac MSA is good, and performance in the Sheboygan is good.

#### **Retail Banking Services**

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

#### Fond du Lac MSA

NEBAT's branch distribution in the AA is good. Branches are accessible to essentially all portions of geographies and individuals of different income levels in the AA. Based on 2015 ACS, the bank's main office is now located in a low-income CT. There is one branch located in a moderate-income CTs. The percentage of branches in LMI CTs exceeds the percentage of the population in these CTs.

There were no branch openings or closings that affected the accessibility of the bank's delivery systems to LMI geographies or individuals.

NEBAT's hours and services offered throughout the AA do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management continues to offer its traditional service delivery methods along with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone

banking. These delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant weight on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

#### Sheboygan MSA

NEBATs branch distribution in the AA is good. Branches were reasonably accessible to essentially all portions of geographies and individuals of different income levels in the AA. There are no low-income CTs in the AA. None of the bank's branches in this AA are in moderate-income CTs.

There were no branch openings or closing that affected the accessibility of the bank's delivery systems to LMI geographies or individuals.

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 comparable among locations regardless of the income level of the geography.

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

### **Community Development Services**

NEBAT's performance in providing CD services was good. CD services focused on community services targeted to LMI individuals and economic development services. Bank employees provided their expertise in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing.

#### Fond du Lac MSA

In the Fond du Lac AA in 2018 alone, 32 NEBAT employees provided their expertise to 62 different CD organizations throughout the evaluation period. This represents a good level of activities and good responsiveness to the needs of the community. NEBAT employees held educational sessions throughout the evaluation period. Additionally, 17 NEBAT employees demonstrated leadership and served on the board of directors or on committees for these organizations.

#### Sheboygan MSA

In the Sheboygan AA in 2018, eight NEBAT employees provided their expertise to 19 different CD organizations throughout the evaluation period. This represents a good level of activities and good responsiveness to the needs of the community. NEBAT employees held educational sessions throughout the evaluation period. Additionally, four NEBAT employees demonstrated leadership and served on the board of directors or on committees for these organizations.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test is not inconsistent with the bank's overall High Satisfactory performance. Refer to table 15 in appendix C for the facts and data that support these conclusions.

## 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): (01/01/2014 to 12/31/17)<br>Investment and Service Tests and<br>CD Loans: (09/02/2014 to 05/22/2017)                                       |  |
| <b>Financial Institution</b>                               | <b>Products Reviewed</b>   |  |
| National Exchange Bank and Trust<br>Fond du Lac, Wisconsin | Home Purchase; Home Improvement;<br>Home Refinance; Small Business; Small<br>Farms; Community Development Loans;<br>Qualified Investments; Community<br>Development Services |  |
| <b>Affiliate(s)</b>  | <b>Affiliate<br/>Relationship</b>  | <b>Products Reviewed</b>   |
| NA   |  |  |
| <b>List of Assessment Areas and Type of Examination</b>    |  |  |
| <b>Assessment Area</b>                                     | <b>Type of Exam</b>  | <b>Other Information</b>   |
| <u>Wisconsin</u><br>Fond du Lac MSA                        | Full Scope Review  | All but two of CTs in Fond du Lac County   |
| Sheboygan  | Full Scope Review  | All of Sheboygan County  |
| Madison MSA  | Limited Scope<br>Review  | Two northeastern CTs of Columbia<br>County   |
| Milwaukee MSA  | Limited Scope<br>Review  | Northern half of Washington County   |
| Non-MSA  | Limited Scope<br>Review  | The southern portion of Green Lake<br>County, all of Marquette County, the<br>northwestern portion of Dodge County<br>and the southwestern CTs in Waushara<br>County |
| Oshkosh-Neenah MSA   | Limited Scope<br>Review for 2017   | This AA was added after the merger with<br>American Bank. Three CTs in<br>Winnebago County   |

## Appendix B: Community Profiles for Full-Scope Areas

### NEBAT Fond du Lac MSA 2016

| Demographic Information for Full Scope Area: NEBAT Fond du Lac MSA 2016    |        |                                    |                 |               |              |            |
|--|--------|------------------------------------|-----------------|---------------|--------------|------------|
| Demographic Characteristics  | #      | Low % of #                         | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (CTs/BNAs)   | 16     | 0.00                               | 18.75           | 75.00         | 6.25         | 0.00       |
| Population by Geography  | 83,663 | 0.00                               | 14.96           | 74.62         | 10.42        | 0.00       |
| Owner-Occupied Housing by Geography  | 23,951 | 0.00                               | 7.54            | 82.15         | 10.32        | 0.00       |
| Business by Geography  | 3,601  | 0.00                               | 23.85           | 68.59         | 7.55         | 0.00       |
| Farms by Geography   | 343    | 0.00                               | 4.66            | 81.63         | 13.70        | 0.00       |
| Family Distribution by Income Level  | 22,632 | 17.70                              | 18.60           | 26.60         | 37.09        | 0.00       |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 8,216  | 0.00                               | 22.01           | 70.64         | 7.35         | 0.00       |
| Median Family Income   | 65,555 | Median Housing Value               |                 | 147,741       |              |            |
| FFIEC Adjusted Median Family Income for 2016                               | 66,100 | Unemployment Rate (2010 US Census) |                 | 3.79%         |              |            |
| Households Below Poverty Level   | 10%    |                                    |                 |               |              |            |

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Fond du Lac MSA is comprised of all but two of the CTs in Fond du Lac County. The two CTs that were excluded are in middle-income geographies, and the bank does not serve these areas. 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 16 CTs, of which zero are low-income, three (18.75 percent) are moderate-income, 12 (75.00 percent) are middle-income, and one (6.25 percent) is upper-income. The total population of the AA is 83,663, which is comprised of 22,632 families. The number of families at each income level is: 4,006 low-income families (17.70 percent), 4,210 moderate-income families (18.60 percent), 6,021 middle-income families (26.60 percent), and 8,395 upper-income families (37.09 percent). The average median family income is \$65,555, and the FFIEC 2016 updated MSA median family income is \$66,100. The percentage of families below the poverty level is 6.36 percent. Owner-occupied units comprise 66.91 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 3,601. Of these businesses, 2,759 (76.62 percent) had gross revenues of less than \$1 million, 284 (7.89 percent) had gross revenues of \$1 million or over, and 558 (15.50 percent) do not report revenue.

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of 16 CTs, of which one (6.25 percent) is low-income, one (6.25 percent) is moderate-income, 13 (81.25 percent) are middle-income, and one (6.25 percent) is upper-income. The total population of the AA is 83,989, which is comprised of 22,460 families. The number of families at each income level is: 3,925 low-income families (17.48 percent), 4,179 moderate-income families (18.61 percent),

5,533 middle-income families (24.63 percent), and 8,823 upper-income families (39.28 percent). The average median family income is \$68,302, and the FFIEC 2017 updated MSA median family income is \$65,300. The percentage of families below the poverty level is 6.74 percent. Owner-occupied units comprise 65.73 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 3,709. Of these businesses, 2,839 (76.54 percent) had gross revenues of less than \$1 million, 295 (7.95 percent) had gross revenues of \$1 million or over, and 575 (15.50 percent) did not report revenue.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment in the Fond du Lac AA improved during the evaluation period. Unemployment in the AA fell from 4.00 percent in December 2014 to 2.20 percent in December 2017. Unemployment in the state of Wisconsin fell from 4.6 percent in December 2014 to 2.70 percent in December 2017. Based on DataUSA 2016 information, the largest universities in Fond du Lac, WI are Moraine Park Technical College with 1,060 graduates and Marian University with 541 graduates. The most common employment sectors in Fond du Lac are manufacturing, healthcare & social assistance, and retail trade. Major employers in Fond du Lac include Michels Corporation, Mercury Marine, Alliance Laundry Systems, and Quad Graphics.

From Moody's Analytics, Fond du Lac's economy has lost momentum. Employment is struggling to make headway, and year-ago job growth has fallen below the state average for the first time in more than a year. Nearly half of Fond du Lac's factory jobs are in machinery manufacturing, on account of the presence of Mercury Marine, which produces boat engines. The preservation of manufacturing jobs is a positive for the economy, since factory workers earn one-quarter more than other non-farm industries. Farm payrolls are expected to expand slightly as a result of rising dairy prices over the next year.

## NEBAT Sheboygan MSA 2016

| Demographic Information for Full Scope Area: NEBAT Sheboygan MSA 2016                                  |         |                        |  |                  |                 |               |
|--|---------|------------------------|--|------------------|-----------------|---------------|
| Demographic Characteristics  | #       | Low<br>% of #          | Moderate<br>% of #   | Middle<br>% of # | Upper<br>% of # | NA*<br>% of # |
| Geographies (Census Tracts/BNAs)   | 26      | 0.00                   | 26.92  | 69.23            | 3.85            | 0.00          |
| Population by Geography  | 115,507 | 0.00                   | 23.36  | 69.54            | 7.10            | 0.00          |
| Owner-Occupied Housing by Geography  | 33,654  | 0.00                   | 18.68  | 73.40            | 7.92            | 0.00          |
| Business by Geography  | 5,104   | 0.00                   | 30.80  | 61.58            | 7.62            | 0.00          |
| Farms by Geography   | 335     | 0.00                   | 12.84  | 83.58            | 3.58            | 0.00          |
| Family Distribution by Income Level  | 30,785  | 18.50                  | 18.89  | 25.11            | 37.50           | 0.00          |
| Distribution of Low and Moderate Income Families throughout AA Geographies                             | 11,512  | 0.00                   | 32.17  | 63.20            | 4.63            | 0.00          |
| Median Family Income<br>FFIEC Adjusted Median Family Income for 2016<br>Households Below Poverty Level |         | 65,135<br>63,100<br>8% | Median Housing Value<br>Unemployment Rate (2010 US Census) | 150,026<br>3.15% |                 |               |

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

Source: 2010 US Census and 2016 FFIEC updated MFI

The Sheboygan MSA is comprised of all of the CTs in Sheboygan County. 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 26 CTs, of which zero are low-income, seven (26.92 percent) are moderate-income, 18 (69.23 percent) are middle-income, and one (3.85 percent) is upper-income. The total population of the AA is 115,507, which is comprised of 30,785 families. The number of families at each income level is: 5,696 low-income families (18.50 percent), 5,816 moderate-income families (18.89 percent), 7,729 middle-income families (25.11 percent), and 11,544 upper-income families (37.50 percent). The average median family income is \$65,135, and the FFIEC 2016 updated MSA median family income is \$63,100. The percentage of families below the poverty level is 6.01 percent. Owner-occupied units comprise 66.76 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 5,104. Of these businesses, 3,943 (77.25 percent) had gross revenues of less than \$1 million, 439 (8.60 percent) had gross revenues of \$1 million or over, and 722 (14.15 percent) do not report revenue.

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of 27 CTs, of which zero are low-income, four (14.81 percent) are moderate-income, 18 (66.67 percent) are middle-income, and four (14.81 percent) are upper-income. There is one CT (3.70 percent) designated as NA. The total population of the AA is 115,226, which is comprised of 30,905 families. The number of families at each income level is: 5,466 low-income families (17.69 percent), 5,674 moderate-income families (18.36 percent), 7,919 middle-income families (25.62 percent), and 11,846 upper-income families (38.33 percent). The average median family income is \$66,986, and the FFIEC 2017 updated MSA median family income is

\$69,000. The percentage of families below the poverty level is 6.80 percent. Owner-occupied units comprise 65.17 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 5,242. Of these businesses, 4,063 (77.51 percent) had gross revenues of less than \$1 million, 453 (8.64 percent) had gross revenues of \$1 million or over, and 726 (13.85 percent) did not report revenue.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment in the Sheboygan AA improved during the evaluation period. Unemployment in the AA fell from 3.60 percent in December 2014 to 2.20 percent in December 2017. Unemployment in the state of Wisconsin fell from 4.6 percent in December 2014 to 2.70 percent in December 2017. The most common employment sectors in Sheboygan are manufacturing, education and health service, and retail trade. Major employers in Sheboygan include Kohler Co, Bemis Manufacturing Co, Nematik, and Aurora Medical Group.

From Moody's Analytics, the manufacturing-based economy is struggling to create jobs. The slowdown in job creating has halted the descent of the unemployment rate. Average hourly earnings are the highest since 2014, and year-over-year growth exceeds the Wisconsin and U.S. average. The farm economy is a source of upside potential. Higher livestock income has helped offset crop losses, and while farms are paying more for inputs, prices are up more for chemicals and fertilizers than feed, which is a bigger cost for the farmers in the area. Credit conditions have also held up better for livestock farmers, which, in some cases, plan to expand production. Rising U.S. demand for boats will help Fond du Lac's largest manufacturer and keep factory payrolls afloat. Farmers will lend more support thanks to increasing milk prices & the resulting boost to farm incomes.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

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

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. 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 over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

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

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

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

**Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

**Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

**Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.

**Table 10. Borrower Distribution of Refinance Loans** - See Table 8.

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

**Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**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 assessment area. 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.

Institution ID: National Exchange Bank (Included)

Table 1. Lending Volume

| LENDING VOLUME                 |   | Geography: WISCONSIN |            |                           |            | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |            |                               |            |                      |           |  |
|--------------------------------|---|----------------------|------------|---------------------------|------------|---|------------|-------------------------------|------------|----------------------|-----------|--|
| Assessment Area (2016):        | % of Rated Area Loans (#) in MA/AA <sup>*</sup> | Home Mortgage        |            | Small Loans to Businesses |            | Small Loans to Farms                                    |            | Community Development Loans** |            | Total Reported Loans |           | % of Rated Area Deposits in MA/AA <sup>***</sup> |
|                                |   | #                    | \$ (000's) | #                         | \$ (000's) | #   | \$ (000's) | #                             | \$ (000's) | #                    | \$(000's) |  |
| <b>Full Review:</b>            |   |                      |            |                           |            |   |            |                               |            |                      |           |  |
| NEBAT Fond du Lac MSA 2016     | 51.27   | 735                  | 83,680     | 1,220                     | 131,148    | 269   | 18,243     | 6                             | 9,495      | 2,230                | 242,566   | 63.43  |
| NEBAT Sheboygan MSA 2016       | 16.23   | 320                  | 43,299     | 259                       | 24,644     | 126   | 10,037     | 1                             | 1,000      | 706                  | 78,980    | 11.69  |
| <b>Limited Review:</b>         |   |                      |            |                           |            |   |            |                               |            |                      |           |  |
| NEBAT Madison Partl MSA 2016   | 4.82  | 40                   | 4,454      | 82                        | 12,372     | 87  | 7,360      | 0                             | 0          | 209                  | 24,186    | 6.68   |
| NEBAT Milwaukee Partl MSA 2016 | 10.48   | 197                  | 36,996     | 255                       | 35,787     | 3   | 240        | 1                             | 2,826      | 456                  | 75,849    | 6.58   |
| NEBAT Non-MSA 2016             | 17.20   | 225                  | 21,669     | 286                       | 29,772     | 236   | 17,682     | 1                             | 5,000      | 748                  | 74,123    | 11.62  |

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

<sup>\*\*</sup> The evaluation period for Community Development Loans is from January 01, 2014 to December 31, 2016.

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

Institution ID: National Exchange Bank (Included)

**Table 1. Other Products**

| LENDING VOLUME                 |                                     | Geography: WISCONSIN   |            |                                      |            | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |            |                 |            |               |            |                          |            |                                   |
|--------------------------------|-------------------------------------|------------------------|------------|--------------------------------------|------------|---|------------|-----------------|------------|---------------|------------|--------------------------|------------|-----------------------------------|
| Assessment Area (2016):        | % of Rated Area Loans (#) in MA/AA* | Total Optional Loans** |            | Small Business Real Estate Secured** |            | Home Equity**   |            | Motor Vehicle** |            | Credit Card** |            | Other Secured Consumer** |            | % of Rated Area Deposits in AA*** |
|                                |                                     | #                      | \$ (000's) | #                                    | \$ (000's) | #   | \$ (000's) | #               | \$ (000's) | #             | \$ (000's) | #                        | \$ (000's) |                                   |
| <b>Full Review:</b>            |                                     |                        |            |                                      |            |   |            |                 |            |               |            |                          |            |                                   |
| NEBAT Fond du Lac MSA 2016     | 40.00                               | 84                     | 9,031      | 84                                   | 9,031      | 0   | 0          | 0               | 0          | 0             | 0          | 0                        | 0          | 0.00                              |
| NEBAT Sheboygan MSA 2016       | 15.24                               | 32                     | 1,577      | 32                                   | 1,577      | 0   | 0          | 0               | 0          | 0             | 0          | 0                        | 0          | 0.00                              |
| <b>Limited Review:</b>         |                                     |                        |            |                                      |            |   |            |                 |            |               |            |                          |            |                                   |
| NEBAT Madison Partl MSA 2016   | 7.62                                | 16                     | 913        | 16                                   | 913        | 0   | 0          | 0               | 0          | 0             | 0          | 0                        | 0          | 0.00                              |
| NEBAT Milwaukee Partl MSA 2016 | 13.81                               | 29                     | 4,354      | 29                                   | 4,354      | 0   | 0          | 0               | 0          | 0             | 0          | 0                        | 0          | 0.00                              |
| NEBAT Non-MSA 2016             | 23.33                               | 49                     | 3,230      | 49                                   | 3,230      | 0   | 0          | 0               | 0          | 0             | 0          | 0                        | 0          | 0.00                              |

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

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2014 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.

Institution ID: National Exchange Bank (Included)

**Table 1. Other Products**

| LENDING VOLUME                 |                                 | Geography: WISCONSIN |                       | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |  |
|--------------------------------|---------------------------------|----------------------|-----------------------|---|--|
| Assessment Area (2016):        | Other Unsecured Consumer Loans* |                      | Other Optional Loans* |   |  |
|                                | #                               | \$ (000's)           | #                     | \$ (000's)  |  |
| <b>Full Review:</b>            |                                 |                      |                       |   |  |
| NEBAT Fond du Lac MSA 2016     | 0                               | 0                    | 0                     | 0   |  |
| NEBAT Sheboygan MSA 2016       | 0                               | 0                    | 0                     | 0   |  |
| <b>Limited Review:</b>         |                                 |                      |                       |   |  |
| NEBAT Madison Partl MSA 2016   | 0                               | 0                    | 0                     | 0   |  |
| NEBAT Milwaukee Partl MSA 2016 | 0                               | 0                    | 0                     | 0   |  |
| NEBAT Non-MSA 2016             | 0                               | 0                    | 0                     | 0   |  |

\* The evaluation period for Optional Product Line(s) is from January 01, 2014 to December 31, 2016.

Institution ID: National Exchange Bank (Included)

Table 2. Geographic Distribution of Home Purchase Loans

| Geographic Distribution: HOME PURCHASE |                           |              | Geography: WISCONSIN   |                  |                             |              | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |              |                          |              |         | Market Share (%) by Geography* |      |       |      |  |
|--|---------------------------|--------------|------------------------|------------------|-----------------------------|--------------|---|--------------|--------------------------|--------------|---------|--------------------------------|------|-------|------|--|
| Assessment Area:                       | Total Home Purchase Loans |              | Low-Income Geographies |                  | Moderate-Income Geographies |              | Middle-Income Geographies                               |              | Upper-Income Geographies |              | Overall | Low                            | Mod  | Mid   | Upp  |  |
|  | #                         | % of Total** | % Owner Occ Units***   | % BANK Loans**** | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***                                    | % BANK Loans | % Owner Occ Units***     | % BANK Loans |         |                                |      |       |      |  |
| <b>Full Review:</b>                    |                           |              |                        |                  |                             |              |   |              |                          |              |         |                                |      |       |      |  |
| NEBAT Fond du Lac MSA 2016             | 392                       | 49.56        | 0.00                   | 0.00             | 7.54                        | 7.40         | 82.15   | 81.89        | 10.32                    | 10.71        | 10.85   | 0.00                           | 7.53 | 11.61 | 8.05 |  |
| NEBAT Sheboygan MSA 2016               | 189                       | 23.89        | 0.00                   | 0.00             | 18.68                       | 20.63        | 73.40   | 61.38        | 7.92                     | 17.99        | 3.54    | 0.00                           | 4.05 | 3.10  | 6.13 |  |
| <b>Limited Review:</b>                 |                           |              |                        |                  |                             |              |   |              |                          |              |         |                                |      |       |      |  |
| NEBAT Madison Partl MSA 2016           | 16                        | 2.02         | 0.00                   | 0.00             | 0.00                        | 0.00         | 100.00  | 100.00       | 0.00                     | 0.00         | 2.50    | 0.00                           | 0.00 | 2.50  | 0.00 |  |
| NEBAT Milwaukee Partl MSA 2016         | 79                        | 9.99         | 0.11                   | 0.00             | 1.81                        | 7.59         | 36.27   | 54.43        | 61.80                    | 37.97        | 0.25    | 0.00                           | 0.00 | 0.25  | 0.26 |  |
| NEBAT Non-MSA 2016                     | 115                       | 14.54        | 0.00                   | 0.00             | 3.52                        | 0.87         | 87.37   | 93.91        | 9.12                     | 5.22         | 3.04    | 0.00                           | 0.00 | 3.35  | 0.85 |  |

\* Based on 2016 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: National Exchange Bank (Included)

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

| Geographic Distribution: HOME IMPROVEMENT<br>2016 |                              | Geography: WISCONSIN |                        |                  |                             |              |                           | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, |                          |              |                                |      |       |       |       |
|---|------------------------------|----------------------|------------------------|------------------|-----------------------------|--------------|---------------------------|--|--------------------------|--------------|--------------------------------|------|-------|-------|-------|
| Assessment Area:                                  | Total Home Improvement Loans |                      | Low-Income Geographies |                  | Moderate-Income Geographies |              | Middle-Income Geographies |  | Upper-Income Geographies |              | Market Share (%) by Geography* |      |       |       |       |
|   | #                            | % of Total**         | % Owner Occ Units***   | % BANK Loans**** | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***      | % BANK Loans                                       | % Owner Occ Units***     | % BANK Loans | Overall                        | Low  | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                               |                              |                      |                        |                  |                             |              |                           |  |                          |              |                                |      |       |       |       |
| NEBAT Fond du Lac MSA 2016                        | 53                           | 54.08                | 0.00                   | 0.00             | 7.54                        | 7.55         | 82.15                     | 79.25  | 10.32                    | 13.21        | 13.66                          | 0.00 | 11.11 | 13.38 | 17.39 |
| NEBAT Sheboygan MSA 2016                          | 17                           | 17.35                | 0.00                   | 0.00             | 18.68                       | 29.41        | 73.40                     | 70.59  | 7.92                     | 0.00         | 1.70                           | 0.00 | 4.29  | 1.32  | 0.00  |
| <b>Limited Review:</b>                            |                              |                      |                        |                  |                             |              |                           |  |                          |              |                                |      |       |       |       |
| NEBAT Madison Partl MSA 2016                      | 3                            | 3.06                 | 0.00                   | 0.00             | 0.00                        | 0.00         | 100.00                    | 100.00   | 0.00                     | 0.00         | 0.00                           | 0.00 | 0.00  | 0.00  | 0.00  |
| NEBAT Milwaukee Partl MSA 2016                    | 13                           | 13.27                | 0.11                   | 0.00             | 1.81                        | 0.00         | 36.27                     | 92.31  | 61.80                    | 7.69         | 0.18                           | 0.00 | 0.00  | 0.25  | 0.15  |
| NEBAT Non-MSA 2016                                | 12                           | 12.24                | 0.00                   | 0.00             | 3.52                        | 0.00         | 87.37                     | 91.67  | 9.12                     | 8.33         | 3.66                           | 0.00 | 0.00  | 3.57  | 6.67  |

\* Based on 2016 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: National Exchange Bank (Included)

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

| Geographic Distribution: HOME MORTGAGE REFINANCE<br>2016 |                                     |                          | Geography: WISCONSIN             |                              |                                  |              |                                  |              | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, |              |  |      |      |       |       |
|--|-------------------------------------|--------------------------|----------------------------------|------------------------------|----------------------------------|--------------|----------------------------------|--------------|--|--------------|--|------|------|-------|-------|
| Assessment Area:   | Total Home Mortgage Refinance Loans |                          | Low-Income Geographies           |                              | Moderate-Income Geographies      |              | Middle-Income Geographies        |              | Upper-Income Geographies                           |              | Market Share (%) by Geography <sup>*</sup> |      |      |       |       |
|  | #                                   | % of Total <sup>**</sup> | % Owner Occ Units <sup>***</sup> | % BANK Loans <sup>****</sup> | % Owner Occ Units <sup>***</sup> | % BANK Loans | % Owner Occ Units <sup>***</sup> | % BANK Loans | % Owner Occ Units <sup>***</sup>                   | % BANK Loans | Overall                                    | Low  | Mod  | Mid   | Upp   |
| <b>Full Review:</b>                                      |                                     |                          |                                  |                              |                                  |              |                                  |              |  |              |  |      |      |       |       |
| NEBAT Fond du Lac MSA 2016                               | 289                                 | 46.17                    | 0.00                             | 0.00                         | 7.54                             | 3.81         | 82.15                            | 80.28        | 10.32  | 15.92        | 11.16                                      | 0.00 | 4.00 | 11.27 | 13.77 |
| NEBAT Sheboygan MSA 2016                                 | 113                                 | 18.05                    | 0.00                             | 0.00                         | 18.68                            | 13.27        | 73.40                            | 78.76        | 7.92   | 7.96         | 2.91                                       | 0.00 | 2.39 | 3.00  | 3.01  |
| <b>Limited Review:</b>                                   |                                     |                          |                                  |                              |                                  |              |                                  |              |  |              |  |      |      |       |       |
| NEBAT Madison Partl MSA 2016                             | 21                                  | 3.35                     | 0.00                             | 0.00                         | 0.00                             | 0.00         | 100.00                           | 100.00       | 0.00   | 0.00         | 5.22                                       | 0.00 | 0.00 | 5.22  | 0.00  |
| NEBAT Milwaukee Partl MSA 2016                           | 105                                 | 16.77                    | 0.11                             | 0.00                         | 1.81                             | 3.81         | 36.27                            | 73.33        | 61.80  | 22.86        | 0.38                                       | 0.00 | 0.48 | 0.76  | 0.19  |
| NEBAT Non-MSA 2016                                       | 98                                  | 15.65                    | 0.00                             | 0.00                         | 3.52                             | 1.02         | 87.37                            | 92.86        | 9.12   | 6.12         | 2.61                                       | 0.00 | 0.00 | 2.71  | 2.48  |

<sup>\*</sup> Based on 2016 Peer Mortgage Data -- US and PR

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

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

<sup>\*\*\*\*</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: National Exchange Bank (Included)

**Table 5. Geographic Distribution of Multifamily Loans**

| Geographic Distribution: MULTIFAMILY |                         | Geography: WISCONSIN |                        |                  |                             |              | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |              |                          |              |         | Market Share (%) by Geography* |      |      |      |  |
|--------------------------------------|-------------------------|----------------------|------------------------|------------------|-----------------------------|--------------|---|--------------|--------------------------|--------------|---------|--------------------------------|------|------|------|--|
| Assessment Area:                     | Total Multifamily Loans |                      | Low-Income Geographies |                  | Moderate-Income Geographies |              | Middle-Income Geographies                               |              | Upper-Income Geographies |              | Overall | Low                            | Mod  | Mid  | Upp  |  |
|                                      | #                       | % of Total**         | % of MF Units***       | % BANK Loans**** | % MF Units***               | % BANK Loans | % MF Units***   | % BANK Loans | % MF Units***            | % BANK Loans |         |                                |      |      |      |  |
| <b>Full Review:</b>                  |                         |                      |                        |                  |                             |              |   |              |                          |              |         |                                |      |      |      |  |
| NEBAT Fond du Lac MSA 2016           | 1                       | 50.00                | 0.00                   | 0.00             | 49.28                       | 0.00         | 45.17   | 100.00       | 5.56                     | 0.00         | 0.00    | 0.00                           | 0.00 | 0.00 | 0.00 |  |
| NEBAT Sheboygan MSA 2016             | 1                       | 50.00                | 0.00                   | 0.00             | 41.94                       | 0.00         | 52.40   | 100.00       | 5.66                     | 0.00         | 0.00    | 0.00                           | 0.00 | 0.00 | 0.00 |  |
| <b>Limited Review:</b>               |                         |                      |                        |                  |                             |              |   |              |                          |              |         |                                |      |      |      |  |
| NEBAT Madison Partl MSA 2016         | 0                       | 0.00                 | 0.00                   | 0.00             | 0.00                        | 0.00         | 100.00  | 0.00         | 0.00                     | 0.00         | 0.00    | 0.00                           | 0.00 | 0.00 | 0.00 |  |
| NEBAT Milwaukee Partl MSA 2016       | 0                       | 0.00                 | 2.26                   | 0.00             | 4.63                        | 0.00         | 55.60   | 0.00         | 37.51                    | 0.00         | 0.00    | 0.00                           | 0.00 | 0.00 | 0.00 |  |
| NEBAT Non-MSA 2016                   | 0                       | 0.00                 | 0.00                   | 0.00             | 1.42                        | 0.00         | 84.13   | 0.00         | 14.45                    | 0.00         | 0.00    | 0.00                           | 0.00 | 0.00 | 0.00 |  |

\* Based on 2016 Peer Mortgage Data -- US and PR

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: National Exchange Bank (Included)

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

| Geographic Distribution: SMALL LOANS TO BUSINESSES<br>2016 |                            | Geography: WISCONSIN |                        |              |                             |              |                           |              |                          | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, |                                 |      |       |       |       |
|--|----------------------------|----------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--|---------------------------------|------|-------|-------|-------|
| Assessment Area:   | Total Small Business Loans |                      | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |  | Market Share (%) by Geography * |      |       |       |       |
|  | #                          | % of Total**         | % of Business***       | % BANK Loans | % of Business***            | % BANK Loans | % of Business***          | % BANK Loans | % of Business***         | % BANK Loans                                       | Overall                         | Low  | Mod   | Mid   | Upp   |
| <b>Full Review:</b>  |                            |                      |                        |              |                             |              |                           |              |                          |  |                                 |      |       |       |       |
| NEBAT Fond du Lac MSA 2016                                 | 1,220                      | 58.04                | 0.00                   | 0.00         | 23.85                       | 16.48        | 68.59                     | 72.79        | 7.55                     | 10.74  | 26.12                           | 0.00 | 31.68 | 25.63 | 26.06 |
| NEBAT Sheboygan MSA 2016                                   | 259                        | 12.32                | 0.00                   | 0.00         | 30.80                       | 21.62        | 61.58                     | 74.52        | 7.62                     | 3.86   | 4.74                            | 0.00 | 4.09  | 5.44  | 2.33  |
| <b>Limited Review:</b>                                     |                            |                      |                        |              |                             |              |                           |              |                          |  |                                 |      |       |       |       |
| NEBAT Madison PartI MSA 2016                               | 82                         | 3.90                 | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00       | 0.00                     | 0.00   | 3.52                            | 0.00 | 0.85  | 4.58  | 0.00  |
| NEBAT Milwaukee PartI MSA 2016                             | 255                        | 12.13                | 1.21                   | 0.00         | 2.59                        | 4.31         | 41.29                     | 82.75        | 54.91                    | 12.94  | 0.53                            | 0.00 | 1.24  | 1.17  | 0.17  |
| NEBAT Non-MSA 2016   | 286                        | 13.61                | 0.00                   | 0.00         | 4.40                        | 1.05         | 83.70                     | 92.66        | 11.90                    | 6.29   | 5.57                            | 0.00 | 1.49  | 6.61  | 2.89  |

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: National Exchange Bank (Included)

**Table 7. Geographic Distribution of Small Loans to Farms**

| Geographic Distribution: SMALL LOANS TO FARMS<br>2016 |                        | Geography: WISCONSIN |                        |              |                             |              |                           | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, |                          |              |                                |      |       |       |       |
|---|------------------------|----------------------|------------------------|--------------|-----------------------------|--------------|---------------------------|--|--------------------------|--------------|--------------------------------|------|-------|-------|-------|
| Assessment Area:                                      | Total Small Farm Loans |                      | Low-Income Geographies |              | Moderate-Income Geographies |              | Middle-Income Geographies |  | Upper-Income Geographies |              | Market Share (%) by Geography* |      |       |       |       |
|   | #                      | % of Total**         | % of Farms***          | % BANK Loans | % of Farms***               | % BANK Loans | % of Farms***             | % BANK Loans                                       | % of Farms***            | % BANK Loans | Overall                        | Low  | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                                   |                        |                      |                        |              |                             |              |                           |  |                          |              |                                |      |       |       |       |
| NEBAT Fond du Lac MSA 2016                            | 269                    | 37.31                | 0.00                   | 0.00         | 4.66                        | 0.00         | 81.63                     | 82.16  | 13.70                    | 17.84        | 46.20                          | 0.00 | 0.00  | 45.86 | 50.00 |
| NEBAT Sheboygan MSA 2016                              | 126                    | 17.48                | 0.00                   | 0.00         | 12.84                       | 10.32        | 83.58                     | 89.68  | 3.58                     | 0.00         | 38.78                          | 0.00 | 42.86 | 39.33 | 0.00  |
| <b>Limited Review:</b>                                |                        |                      |                        |              |                             |              |                           |  |                          |              |                                |      |       |       |       |
| NEBAT Madison Partl MSA 2016                          | 87                     | 12.07                | 0.00                   | 0.00         | 0.00                        | 0.00         | 100.00                    | 100.00   | 0.00                     | 0.00         | 35.00                          | 0.00 | 0.00  | 35.90 | 0.00  |
| NEBAT Milwaukee Partl MSA 2016                        | 3                      | 0.42                 | 0.11                   | 0.00         | 1.26                        | 0.00         | 44.54                     | 100.00   | 54.10                    | 0.00         | 1.79                           | 0.00 | 0.00  | 4.44  | 0.00  |
| NEBAT Non-MSA 2016                                    | 236                    | 32.73                | 0.00                   | 0.00         | 4.03                        | 0.00         | 90.79                     | 100.00   | 5.18                     | 0.00         | 28.80                          | 0.00 | 0.00  | 30.77 | 16.67 |

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2016).

Institution ID: National Exchange Bank (Included)

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

| Borrower Distribution: HOME PURCHASE |                           | Geography: WISCONSIN     |                           |                              |                           |                              |                           |                              |                           | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |                           |       |      |      |      |
|--------------------------------------|---------------------------|--------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|---|---------------------------|-------|------|------|------|
| Assessment Area:                     | Total Home Purchase Loans |                          | Low-Income Borrowers      |                              | Moderate-Income Borrowers |                              | Middle-Income Borrowers   |                              | Upper-Income Borrowers    |   | Market Share <sup>*</sup> |       |      |      |      |
|                                      | #                         | % of Total <sup>**</sup> | % Families <sup>***</sup> | % BANK Loans <sup>****</sup> | % Families <sup>1</sup>   | % BANK Loans <sup>****</sup> | % Families <sup>***</sup> | % BANK Loans <sup>****</sup> | % Families <sup>***</sup> | % BANK Loans <sup>****</sup>                            | Overall                   | Low   | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                  |                           |                          |                           |                              |                           |                              |                           |                              |                           |   |                           |       |      |      |      |
| NEBAT Fond du Lac MSA 2016           | 392                       | 49.56                    | 17.70                     | 15.18                        | 18.60                     | 27.72                        | 26.60                     | 26.73                        | 37.09                     | 30.36   | 8.59                      | 11.01 | 8.27 | 8.70 | 8.05 |
| NEBAT Sheboygan MSA 2016             | 189                       | 23.89                    | 18.50                     | 14.10                        | 18.89                     | 25.64                        | 25.11                     | 22.44                        | 37.50                     | 37.82   | 3.15                      | 1.89  | 3.66 | 3.18 | 3.02 |
| <b>Limited Review:</b>               |                           |                          |                           |                              |                           |                              |                           |                              |                           |   |                           |       |      |      |      |
| NEBAT Madison Partl MSA 2016         | 16                        | 2.02                     | 25.85                     | 46.67                        | 21.62                     | 6.67                         | 26.79                     | 33.33                        | 25.75                     | 13.33   | 2.82                      | 3.85  | 2.04 | 2.86 | 3.13 |
| NEBAT Milwaukee Partl MSA 2016       | 79                        | 9.99                     | 10.72                     | 10.53                        | 14.16                     | 19.30                        | 21.71                     | 21.05                        | 53.41                     | 49.12   | 0.19                      | 0.00  | 0.32 | 0.17 | 0.18 |
| NEBAT Non-MSA 2016                   | 115                       | 14.54                    | 18.23                     | 9.35                         | 18.07                     | 30.84                        | 24.74                     | 22.43                        | 38.96                     | 37.38   | 3.10                      | 6.25  | 1.65 | 3.08 | 3.55 |

<sup>\*</sup> Based on 2016 Peer Mortgage Data -- US and PR

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

<sup>\*\*\*</sup> Percentage of Families is based on the 2010 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 19.3% of loans originated and purchased by bank.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: National Exchange Bank (Included)

**Table 9. Borrower Distribution of Home Improvement Loans**

| Borrower Distribution: HOME IMPROVEMENT |                              | Geography: WISCONSIN |                      |                  |                           |                  |                         | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, 2016 |                        |                  |               |      |       |       |       |
|---|------------------------------|----------------------|----------------------|------------------|---------------------------|------------------|-------------------------|---|------------------------|------------------|---------------|------|-------|-------|-------|
| Assessment Area:                        | Total Home Improvement Loans |                      | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |   | Upper-Income Borrowers |                  | Market Share* |      |       |       |       |
|   | #                            | % of Total**         | % Families***        | % BANK Loans**** | % Families <sub>2</sub>   | % BANK Loans**** | % Families***           | % BANK Loans****  | % Families***          | % BANK Loans**** | Overall       | Low  | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                     |                              |                      |                      |                  |                           |                  |                         |   |                        |                  |               |      |       |       |       |
| NEBAT Fond du Lac MSA 2016              | 53                           | 54.08                | 17.70                | 6.38             | 18.60                     | 12.77            | 26.60                   | 36.17   | 37.09                  | 44.68            | 13.81         | 7.69 | 10.26 | 10.42 | 18.52 |
| NEBAT Sheboygan MSA 2016                | 17                           | 17.35                | 18.50                | 0.00             | 18.89                     | 25.00            | 25.11                   | 31.25   | 37.50                  | 43.75            | 1.50          | 0.00 | 3.45  | 2.08  | 0.53  |
| <b>Limited Review:</b>                  |                              |                      |                      |                  |                           |                  |                         |   |                        |                  |               |      |       |       |       |
| NEBAT Madison Partl MSA 2016            | 3                            | 3.06                 | 25.85                | 33.33            | 21.62                     | 33.33            | 26.79                   | 33.33   | 25.75                  | 0.00             | 0.00          | 0.00 | 0.00  | 0.00  | 0.00  |
| NEBAT Milwaukee Partl MSA 2016          | 13                           | 13.27                | 10.72                | 0.00             | 14.16                     | 30.00            | 21.71                   | 10.00   | 53.41                  | 60.00            | 0.19          | 0.00 | 0.00  | 0.00  | 0.31  |
| NEBAT Non-MSA 2016                      | 12                           | 12.24                | 18.23                | 0.00             | 18.07                     | 33.33            | 24.74                   | 25.00   | 38.96                  | 41.67            | 3.85          | 0.00 | 7.14  | 2.38  | 3.53  |

\* Based on 2016 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 10.2% of loans originated and purchased by bank.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: National Exchange Bank (Included)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

| Borrower Distribution: HOME MORTGAGE REFINANCE<br>2016 |                                     | Geography: WISCONSIN |                      |                  |                           |                  |                         |                  |                        | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, |               |       |       |       |       |
|--|-------------------------------------|----------------------|----------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|--|---------------|-------|-------|-------|-------|
| Assessment Area:                                       | Total Home Mortgage Refinance Loans |                      | Low-Income Borrowers |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |  | Market Share* |       |       |       |       |
|  | #                                   | % of Total**         | % Families***        | % BANK Loans**** | % Families <sub>3</sub>   | % BANK Loans**** | % Families***           | % BANK Loans**** | % Families***          | % BANK Loans****                                   | Overall       | Low   | Mod   | Mid   | Upp   |
| <b>Full Review:</b>                                    |                                     |                      |                      |                  |                           |                  |                         |                  |                        |  |               |       |       |       |       |
| NEBAT Fond du Lac MSA 2016                             | 289                                 | 46.17                | 17.70                | 8.00             | 18.60                     | 20.80            | 26.60                   | 25.60            | 37.09                  | 45.60  | 11.87         | 13.79 | 12.28 | 11.62 | 11.64 |
| NEBAT Sheboygan MSA 2016                               | 113                                 | 18.05                | 18.50                | 3.06             | 18.89                     | 17.35            | 25.11                   | 25.51            | 37.50                  | 54.08  | 3.00          | 0.95  | 3.29  | 2.53  | 3.45  |
| <b>Limited Review:</b>                                 |                                     |                      |                      |                  |                           |                  |                         |                  |                        |  |               |       |       |       |       |
| NEBAT Madison PartI MSA 2016                           | 21                                  | 3.35                 | 25.85                | 33.33            | 21.62                     | 33.33            | 26.79                   | 19.05            | 25.75                  | 14.29  | 6.42          | 25.00 | 3.45  | 0.00  | 8.82  |
| NEBAT Milwaukee PartI MSA 2016                         | 105                                 | 16.77                | 10.72                | 4.17             | 14.16                     | 16.67            | 21.71                   | 28.13            | 53.41                  | 51.04  | 0.40          | 0.29  | 0.46  | 0.57  | 0.34  |
| NEBAT Non-MSA 2016                                     | 98                                  | 15.65                | 18.23                | 8.79             | 18.07                     | 26.37            | 24.74                   | 26.37            | 38.96                  | 38.46  | 2.73          | 3.39  | 4.07  | 2.51  | 2.30  |

\* Based on 2016 Peer Mortgage Data -- US and PR

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

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 11.2% of loans originated and purchased by bank.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: National Exchange Bank (Included)

Table 11. Borrower Distribution of Small Loans to Businesses

| Borrower Distribution: SMALL LOANS TO BUSINESSES<br>2016 |                                    | Geography: WISCONSIN |   |                     | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31,   |                            |                              |               |                            |
|--|------------------------------------|----------------------|---|---------------------|--|----------------------------|------------------------------|---------------|----------------------------|
| Assessment Area:   | Total Small Loans to<br>Businesses |                      | Businesses With<br>Revenues of \$1 million<br>or less |                     | Loans by Original Amount Regardless of Business Size |                            |                              | Market Share* |                            |
|  | #                                  | % of<br>Total**      | % of<br>Businesses<br>***                             | % BANK<br>Loans**** | \$100,000 or less                                    | >\$100,000 to<br>\$250,000 | >\$250,000 to<br>\$1,000,000 | All           | Rev \$1 Million or<br>Less |
| <b>Full Review:</b>                                      |                                    |                      |   |                     |  |                            |                              |               |                            |
| NEBAT Fond du Lac<br>MSA 2016                            | 1,220                              | 58.04                | 76.62   | 69.59               | 75.08  | 14.67                      | 10.25                        | 26.12         | 38.60                      |
| NEBAT Sheboygan<br>MSA 2016                              | 259                                | 12.32                | 77.25   | 75.68               | 78.38  | 11.58                      | 10.04                        | 4.74          | 7.98                       |
| <b>Limited Review:</b>                                   |                                    |                      |   |                     |  |                            |                              |               |                            |
| NEBAT Madison Partl<br>MSA 2016                          | 82                                 | 3.90                 | 74.49   | 69.51               | 76.83  | 4.88                       | 18.29                        | 3.52          | 5.67                       |
| NEBAT Milwaukee<br>Partl MSA 2016                        | 255                                | 12.13                | 76.36   | 62.35               | 67.06  | 16.47                      | 16.47                        | 0.53          | 0.90                       |
| NEBAT Non-MSA 2016                                       | 286                                | 13.61                | 77.26   | 76.57               | 73.08  | 17.48                      | 9.44                         | 5.57          | 9.85                       |

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&amp;B - 2016).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: National Exchange Bank (Included)

**Table 12. Borrower Distribution of Small Loans to Farms**

| Borrower Distribution: SMALL LOANS TO FARMS<br>2016 |                            | Geography: WISCONSIN |  |                  | Evaluation Period: JANUARY 1, 2014 TO DECEMBER 31, |                         |                         |               |                         |
|---|----------------------------|----------------------|--|------------------|--|-------------------------|-------------------------|---------------|-------------------------|
| Assessment Area:                                    | Total Small Loans to Farms |                      | Farms With Revenues of \$1 million or less |                  | Loans by Original Amount Regardless of Farm Size   |                         |                         | Market Share* |                         |
|   | #                          | % of Total**         | % of Farms***                              | % BANK Loans**** | \$100,000 or less                                  | >\$100,000 to \$250,000 | >\$250,000 to \$500,000 | All           | Rev \$1 Million or Less |
| <b>Full Review:</b>                                 |                            |                      |  |                  |  |                         |                         |               |                         |
| NEBAT Fond du Lac MSA 2016                          | 269                        | 37.31                | 94.17                                      | 96.28            | 81.41  | 14.13                   | 4.46                    | 46.20         | 77.78                   |
| NEBAT Sheboygan MSA 2016                            | 126                        | 17.48                | 93.73                                      | 97.62            | 78.57  | 15.87                   | 5.56                    | 38.78         | 77.08                   |
| <b>Limited Review:</b>                              |                            |                      |  |                  |  |                         |                         |               |                         |
| NEBAT Madison Partl MSA 2016                        | 87                         | 12.07                | 97.56                                      | 98.85            | 70.11  | 27.59                   | 2.30                    | 35.00         | 70.00                   |
| NEBAT Milwaukee Partl MSA 2016                      | 3                          | 0.42                 | 93.07                                      | 100.00           | 66.67  | 33.33                   | 0.00                    | 1.79          | 3.03                    |
| NEBAT Non-MSA 2016                                  | 236                        | 32.73                | 96.93                                      | 93.22            | 73.73  | 23.31                   | 2.97                    | 28.80         | 52.20                   |

\* Based on 2016 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2016).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Institution ID: National Exchange Bank (Included)

**Table 14. Qualified Investments**

| QUALIFIED INVESTMENTS                                   |                           |           |                            |           |                   |           |            |                        |           |
|---|---------------------------|-----------|----------------------------|-----------|-------------------|-----------|------------|------------------------|-----------|
| Geography: WISCONSIN                                    |                           |           |                            |           |                   |           |            |                        |           |
| Evaluation Period: JANUARY 1, 2014 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) |
| <b>Full Review:</b>                                     |                           |           |                            |           |                   |           |            |                        |           |
| NEBAT Fond du Lac MSA 2016                              | 0                         | 0         | 96                         | 3,460     | 96                | 3,460     | 45.50      | 0                      | 0         |
| NEBAT Sheboygan MSA 2016                                | 0                         | 0         | 24                         | 264       | 24                | 264       | 9.48       | 0                      | 0         |
| <b>Limited Review:</b>                                  |                           |           |                            |           |                   |           |            |                        |           |
| NEBAT Madison Partl MSA 2016                            | 0                         | 0         | 9                          | 359       | 9                 | 359       | 4.27       | 0                      | 0         |
| NEBAT Milwaukee Partl MSA 2016                          | 2                         | 300       | 40                         | 1,026     | 42                | 1,326     | 19.91      | 0                      | 0         |
| NEBAT Non-MSA 2016                                      | 0                         | 0         | 38                         | 649       | 38                | 649       | 18.00      | 0                      | 0         |
| NEBAT Oshkosh Neenah Partl MSA 2017                     | 0                         | 0         | 6                          | 40        | 6                 | 40        | 2.84       | 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.

Institution ID: National Exchange Bank (Included)

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS<br>TO DECEMBER 31, 2017 |                                |                    |                                |   |       |        |       | Geography: WISCONSIN     |                      |   |     | Evaluation Period: JANUARY 1, 2014 |     |                                       |       |        |       |
|---|--------------------------------|--------------------|--------------------------------|---|-------|--------|-------|--------------------------|----------------------|---|-----|------------------------------------|-----|---------------------------------------|-------|--------|-------|
| 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   |
| <b>Full Review:</b>   |                                |                    |                                |   |       |        |       |                          |                      |   |     |                                    |     |                                       |       |        |       |
| NEBAT Fond du Lac Partl MSA 2016  | 59.98                          | 8                  | 25.81                          | 12.50   | 12.50 | 75.00  | 0.00  | 0                        | 0                    | 0   | 0   | 0                                  | 0   | 4.38                                  | 6.96  | 78.19  | 10.47 |
| NEBAT Sheboygan MSA 2016  | 8.64                           | 7                  | 22.58                          | 0.00  | 0.00  | 85.71  | 14.29 | 0                        | 0                    | 0   | 0   | 0                                  | 0   | 0.00                                  | 12.97 | 72.20  | 14.84 |
| <b>Limited Review:</b>  |                                |                    |                                |   |       |        |       |                          |                      |   |     |                                    |     |                                       |       |        |       |
| NEBAT Madison Partl MSA 2016  | 5.05                           | 3                  | 9.68                           | 0.00  | 0.00  | 100.00 | 0.00  | 0                        | 0                    | 0   | 0   | 0                                  | 0   | 0.00                                  | 0.00  | 100.00 | 0.00  |
| NEBAT Milwaukee Partl MSA 2016  | 11.68                          | 4                  | 12.90                          | 0.00  | 0.00  | 100.00 | 0.00  | 0                        | 0                    | 0   | 0   | 0                                  | 0   | 0.00                                  | 2.86  | 33.42  | 63.72 |
| NEBAT Non-MSA 2016  | 13.80                          | 11                 | 29.03                          | 0.00  | 0.00  | 100.00 | 0.00  | 0                        | 0                    | 0   | 0   | 0                                  | 0   | 0.00                                  | 0.00  | 93.87  | 6.13  |
| NEBAT Oshkosh Neenah Partl MSA 2017   | 0.85                           | 1                  | 0.00                           | 0.00  | 0.00  | 100.00 | 0.00  | 0                        | 0                    | 0   | 0   | 0                                  | 0   | 0.00                                  | 0.00  | 100.00 | 0.00  |