



Comptroller of the Currency
Administrator of National Banks

Large Bank

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

National Exchange Bank and Trust

Charter Number: 13879

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Fond du Lac, Wisconsin 54936

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NOTE: This evaluation is not, nor should it 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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GENERAL INFORMATION

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

This document is an evaluation of the CRA performance of **National Exchange Bank and Trust** prepared by The Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of November 1, 1999. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

Low-Income - Income levels that are less than 50% of the MFI.

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

Low and Moderate Income (LMI) - Income levels that are less than 80% of the MFI.

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

Metropolitan Statistical Area (MSA) - An area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

National Exchange Bank and Trust (NEBAT) - National Exchange Bank and Trust, Fond du Lac, Wisconsin.

Small Business Loan - Loans with original amounts of \$1 million or less that are secured by nonfarm nonresidential properties, or commercial industrial loans to U.S. addresses.

Small Farm Loan - Loans with original amounts of \$500 thousand or less that are secured by farmland, that finance agricultural production, and other farm-related loans.

Overall CRA Rating

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

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

Performance levels	National Exchange Bank and Trust		
	Lending Test *	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* Note: The lending test was weighted more heavily than the investment and service tests in determining the overall rating.

Summary of Performance: Key factors in reaching our conclusions regarding NEBAT's CRA performance are as follows:

- NEBAT has demonstrated excellent responsiveness to credit needs within its AAs taking into account the number and amount of small business and home mortgage loans originated within the AAs.
- The bank has an excellent distribution of loans to businesses of different sizes and borrowers of different income levels. This is particularly true in the distribution of loans to businesses with gross annual revenues less than \$1 million and LMI individuals.
- NEBAT uses flexible lending products to meet the needs of LMI individuals.
- The bank's service delivery systems are readily accessible to individuals of different income levels in its AAs.

- To the extent changes have been made, NEBAT has improved the accessibility of its delivery systems.
- NEBAT provides a relatively high number of community development services.
- In the bank's main AA, the Fond du Lac AA, NEBAT has made a good level of qualified community development investments. In other AAs, the bank has made an adequate number of community development investments.

Description of National Exchange Bank and Trust

NEBAT is a full-service intrastate community bank headquartered in Fond du Lac, Wisconsin. NEBAT is a wholly owned subsidiary of NEB Corporation, a \$667 million two-bank holding company also headquartered in Fond du Lac. Serving portions of Fond du Lac, Sheboygan, Washington, Dodge and Columbia counties, NEBAT operates 16 full-service offices, one stand-alone drive-through facility, and 16 Automated Teller Machines (ATMs).

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

In addition to the main office, NEBAT operates five full-service branches and one drive-through facility in Fond du Lac County, six offices in Sheboygan County, one in Washington County, and three branches in Columbia County. Subsequent to NEBAT's last CRA Performance Evaluation in October of 1997, the bank acquired five branch locations. One of the branches, located in Fond du Lac County in the town of Eden, was finalized in December 1998. The other four acquisitions were finalized in May of 1999. Three of the branches acquired in 1999 are located in Columbia County and resulted in NEBAT expanding their AA to include portions of Columbia and Dodge Counties. The other branch acquired in 1999 is located in the Village of Campbellsport in Fond du Lac County.

As of September 30, 1999, NEBAT had total assets of \$620 million with net loans representing 68.1% of total assets. NEBAT's loan portfolio is broken down as follows: \$242.9 million in commercial and industrial loans (56.3% of total loans); \$131.6 million in residential-related real estate loans (30.5%); \$42.2 million in consumer loans (9.8%); \$11 million in agricultural loans (2.6%); and \$3.3 million in other loans (0.8%). Based on June 30, 1998 Federal Deposit Insurance Corporation data, the latest available, NEBAT has the largest deposit market share in Fond du Lac County at 27%. The institution with the second largest deposit base in Fond du Lac County has a market share of 22.4%.

Approximately 76% of NEBAT's entire deposit base is from Fond du Lac County. In Sheboygan County, where NEBAT operates six branches, the bank ranks 5th of 15 institutions with a deposit market share of 4.5%. NEBAT ranks 12th of 14 institutions in Washington County with a deposit market share of 2.1%. The bank's one branch in Washington County was opened in December of 1995. Deposit market share data is not available for Columbia County as NEBAT did not operate branches in this county until 1999.

There are no legal or financial impediments that adversely affect NEBAT's ability to serve its communities. NEBAT is "well capitalized" for regulatory purposes, and posted return on assets ratios

of 1.77% and 1.66% in 1998 and 1997, respectively. The bank was rated “Satisfactory” at its last CRA evaluation dated October 3, 1997.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation presents information on NEBAT's small business, residential real estate-related, and small farm loan originations from January 1, 1998 through September 30, 1999. Community Development loan originations were also evaluated over the same time period. Unless stated otherwise, references to loans means exclusively these three types of loans and not any other NEBAT loan origination (e.g., consumer loans). In addition to NEBAT's lending activity, we also assessed the bank's retail banking services and community development investments and services over that time period.

Data Integrity

We reviewed a sample of residential-related loans to assess the accuracy of reported HMDA data. Although we noted several errors in the data, there were no systemic data errors that affected the overall reliability of the data. We found small business and farm reporting to be substantially correct. As a result, the bank's HMDA, small business, and small farm reporting is sufficiently accurate for us to assess NEBAT's performance over the evaluation period.

Selection of Areas for Full-Scope Review and Rating Information

NEBAT's ratings are based primarily on results of AAs that received a full-scope review. A full-scope review means that performance under the Lending, Investment, and Service Tests is analyzed taking into account both quantitative (e.g., borrower distribution, dollar and number of loans and investments, branch distribution) and qualitative (innovation, responsiveness, economic conditions) information. We completed a full-scope review on the Fond du Lac AA. This AA represents the most significant market for NEBAT in terms of both loans and deposits. As such, this AA was given the greatest weight in assessing the bank's performance. We also completed a full-scope review on the bank's performance in the Sheboygan and Washington County MSAs. The Sheboygan AA represents NEBAT's second largest market in terms of loans and deposits. The Washington AA represents a less significant market for NEBAT. Market profiles of areas receiving full-scope reviews can be found in Appendix A.

Receiving limited-scope reviews were the AAs located in the Dodge and Columbia County non-MSAs. The Dodge and Columbia AAs were not included as AAs of the bank until May of 1999. In a limited-scope review, performance under the Lending, Investment, and Service tests is evaluated using only quantitative factors.

Other

Community contact information and credit need assessments can be found within the market profiles of each AA in Appendix A of this evaluation.

Fair Lending Review

In conjunction with this CRA evaluation, we also performed an examination to assess the bank's compliance with antidiscrimination laws and regulations. Our review targeted home purchase loans originated by NEBAT between January 1, 1999 and September 30, 1999. We compared 50 approved owner-occupied home purchase loans to single male applicants to all single female applicants denied for a home purchase loan over that time period. The number of single females denied for this type of loan over that time period was seven. The objective of the review was to assess if any difference in treatment was based on the gender of the applicant. The results of our comparative analysis indicated no disparate treatment between male and female applicants during the time period reviewed with respect to home purchase loans.

Conclusions With Respect To Performance Tests

LENDING TEST

Conclusions For Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is "Outstanding." Based on full-scope reviews, the bank's performance in the Fond du Lac non-MSA AA is excellent. The bank's performance in the Sheboygan MSA AA is also excellent. NEBAT's lending performance in the Washington MSA AA is good.

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

- NEBAT exhibits excellent responsiveness to credit needs in its AAs taking into account the number and amount of small business and home mortgage loan originations in comparison to the bank's size, resources, presence in the AAs, and AA needs.
- Overall, the bank has an excellent distribution of loans to businesses of different sizes and borrowers of different income levels. The bank's record of serving businesses with gross annual revenues less than \$1 million and LMI borrowers is excellent.
- A substantial majority of NEBAT's loans are originated within the bank's AAs.
- The bank makes good use of flexible lending programs to address credit needs of LMI borrowers and small businesses.
- Based on the limited opportunities available to originate community development loans, NEBAT has made an adequate amount of these types of loans.

Lending Activity

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

Fond du Lac Assessment Area

Home Mortgage Lending

NEBAT is a leader in home mortgage lending in the AA. The bank originated 788 residential real estate-related loans totaling over \$64 million during the assessment period. In home purchase loans, the bank ranks first in market rank with a market share of 21.2%. This is significantly above the 12.2% market share of the bank's next closest competitor. NEBAT is also the market leader in home improvement loans with a market share of 22.3%. This performance is viewed quite positively as home purchase lending helps individuals achieve home ownership and home improvement lending helps individuals improve their homes. Furthermore, NEBAT's home purchase and home improvement loan market share is comparable to the bank's deposit market share and rank in Fond du Lac County. The bank's market share of 6.7% in home refinance loans is ranked third in the market. Although NEBAT's home refinance market share and rank is not as strong as the other mortgage categories, the bank's performance in home refinance lending is given only modest weight as refinance loans are primarily used to improve a borrower's cost of credit.

NEBAT's overall mortgage lending volume is even higher when considering the volume of loans sold on the secondary market. In 1998 and through September 30, 1999, NEBAT sold 610 loans located in the AA totaling over \$56 million.

Small Business Lending

NEBAT is also a leader in small business lending in the AA. Over the evaluation period, NEBAT originated 827 small business loans totaling over \$51 million. Based on 1998 market share information, the latest available, NEBAT ranked first in small business loan market share at 29.7%. The bank's small business loan market share is higher than its deposit market share in the county. NEBAT's market share of loans to businesses with gross annual revenues less than \$1 million is even higher at 40.9%. Market share information indicates that the second ranked small business lender in the AA had a market share of 17.5%. This information indicates that NEBAT is the premier small business lender in the AA. This is viewed very positively given that community contact information indicated that small business growth in the county is strong and is helping the area prepare for future population growth (see the Fond du Lac AA Market Profile in Appendix A).

The bank's excellent small business lending record is also evident in the United States Small Business Administration's Office of Advocacy 1998 Small Business Lending Report. This report lists "small business-friendly banks" throughout the United States. The data for the report is compiled from public information. NEBAT was ranked second of 13 banks in the State of Wisconsin with total assets between \$500 million and \$1 billion. According to the report, NEBAT performed particularly well in making very small business loans, those below \$100 thousand. Among the 13 banks with total assets between \$500 million and \$1 billion, NEBAT ranked first in business loan originations of less than \$100 thousand.

Small Farm Lending

NEBAT is not an active agricultural lender as indicated by the small percentage of agricultural loans that make up the bank's loan portfolio (2.6%). There are other institutions with more specialized lenders that meet the agricultural needs of the AA. Still, the bank originated nearly 100 agricultural loans in the AA over the assessment period for a total of \$3.1 million. Of the 12 institutions reporting at least one agricultural loan in the AA during 1998, NEBAT ranked second with a market share of 15.7%.

Sheboygan County Assessment Area

Home Mortgage Lending

NEBAT's performance in home mortgage lending in this AA is excellent. The bank originated 332 residential real estate-related loans totaling over \$22.4 million during the assessment period. In home purchase loans, NEBAT ranks first with a market share of 11.9%. This is excellent performance considering the bank ranks only fifth in the county in deposit market share. This performance also reflects well on the bank's commitment to meet AA credit needs (see the Sheboygan AA Market Profile in Appendix A). NEBAT ranks fifth in home improvement loans in the AA only 2 loans behind the third ranked institution in the AA. The bank's dollar amount of home improvement loans ranks second in the AA. The bank's market share in home refinance loans is lower than its home purchase or home improvement market share at 1.9%. Like the Fond du Lac AA, NEBAT's performance in home refinance lending in this AA is given only modest weight as refinance loans are primarily used to improve a borrower's cost of credit.

Small Business Lending

NEBAT is a leading small business lender in the Sheboygan AA. During this evaluation period, NEBAT originated 234 small business loans totaling over \$7 million. Based on 1998 market share information, NEBAT ranked second in small business loan market share at 12.7%. The bank trails only an affiliate of a large regional institution in market share. NEBAT's market share of loans to businesses with gross annual revenues less than \$1 million is significantly higher than its overall small business market share at 22%. The bank's market share of small business loans compares very favorably to NEBAT's deposit market share in the AA. This information indicates that NEBAT is strongly committed to meeting the credit needs of smaller businesses that may have a more difficult time accessing credit.

Small Farm Lending

Over the assessment period, NEBAT originated 40 agricultural loans in this AA for a total of \$1.2 million. Even though NEBAT is not an active agricultural lender, the bank ranked first in market share among banks reporting at least one agricultural loan origination in 1998. Significant weight, however, was not placed on the bank's performance in this loan category as only 85 agricultural loans were reported as being originated by all lenders in the AA in 1998.

Washington County Assessment Area

Home Mortgage Lending

Considering the relatively short time period the bank has been operating in this AA, NEBAT's overall home mortgage lending performance in the Washington AA is good. The bank originated 100 residential real estate-related loans totaling nearly \$10.7 million during the assessment period. Based on 1998 market share information, NEBAT ranks 15th of 125 lenders in the AA in home purchase loans with a market share of 2.1%. The bank ranked 18th in home improvement loan market share only 2 loans behind the 12th ranked lender. Like the other AAs receiving a full-scope review, the bank's market share in home refinance loans is lower than its home purchase or home improvement market share. Overall, the bank's market share in home mortgage financing is comparable to its deposit market share in the AA.

Small Business Lending

NEBAT has a strong presence in small business lending in the Washington AA. Over the evaluation period, the bank originated 327 small business loans totaling \$18.7 million. Based on 1998 information, NEBAT ranked second in the AA in small business loan market share at 10.8%. This is excellent performance considering the bank has operated in the AA for less than four years and has only a 2% deposit market share in the county. NEBAT's market share of loans to businesses with gross annual revenues less than \$1 million is lower than its overall small business loan market share at 5.4%. This is primarily due to NEBAT originating a fairly large number of small dollar loans to one large company in the AA and does not reflect poorly on the bank's performance. Overall, NEBAT's market share of small business loans is excellent in relation to the bank's deposit market share in the AA.

Small Farm Lending

The bank originated only 2 agricultural loans in this AA over the evaluation period. Based on 1998 market share information, only 69 agricultural loans were originated by all lenders. Due to the very limited nature of NEBAT's agricultural activity in this AA, and based on the fact that only a small number of agricultural loans were reported by all lenders in the AA, significant weight was not placed on the bank's performance in this lending category.

Assessment Area Concentration

A substantial majority of the bank's loans are originated in NEBAT's AAs. During the evaluation period, nearly 84% of the number and 85% of the dollar amount of residential-related loans were made in NEBAT's AAs. The bank originated 85% of the number of its small business loans within its AAs during the evaluation period. On a dollar basis, 77% of the bank's small business loan originations were made within the AA. Finally, the bank originated 86% of the number and 89% of the dollar amount of small farm loans in its AAs over the evaluation period.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Fond du Lac Assessment Area

Home Purchase Loans

NEBAT's distribution of home purchase loans to borrowers of different income levels is excellent in the Fond du Lac AA. The bank originated 7.1% of its home purchase loans to low-income borrowers over the assessment period. This is somewhat lower than the percentage of low-income families in the AA (11.7%). However, considering that nearly 50% of all low-income families have incomes below the poverty level and the median sales price of a home in the AA (see Market Profile of the Fond du Lac AA in Appendix A), this performance is excellent. The bank's percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

Table 7 in Appendix B also indicates that the bank's market share of home purchase loans to low-income borrowers is significantly above its overall home purchase market share. In market rank, the bank ranks first in home purchase loans to low-income borrowers. In fact, the bank's market share of 36.5% to low-income borrowers is well above the nearest competitors' market share of 13.5%. NEBAT's market share to moderate-income borrowers is comparable to its overall market share. NEBAT ranks first in the AA in home purchase loans to moderate-income borrowers with a market share well above the second ranked lender.

Home Improvement Loans

NEBAT has also done an excellent job of providing home improvement loans in the Fond du Lac AA. Like home purchase loans, the bank originated 7.1% of its home improvement loans over the assessment period to low-income borrowers. This percentage is considered excellent given the demographics of the AA. The bank's percentage of home improvement loans to moderate-income borrowers significantly exceeds the percentage of moderate-income families in the AA.

NEBAT ranks first in home improvement loan market share to both low- and moderate-income borrowers. Based on 1998 market share data, very few home improvement loans were made by all lenders in the AA. Had NEBAT originated just one additional home improvement loan to a low-income borrower, its market share would have exceeded its overall home improvement loan market share by three percentage points. The bank's market share of home improvement loans to moderate-income

borrowers in the AA ranks first at 32.3%. This percentage is well above its overall market share and is twice that of the second ranked lender.

Home Refinance Loans

NEBAT has a very good record of home refinance lending in the Fond du Lac AA. The bank's percentage of refinance loans to low-income borrowers during the assessment period is below the percentage of low-income families in the AA. However, the interest rate environment of 1998 resulted in a higher proportion of middle- and upper-income families refinancing their debt in comparison to low- and moderate-income families. The bank did, however, originate a higher percentage of their home refinance loans to moderate-income borrowers than the percentage of moderate-income families in the AA.

Aggregate 1998 HMDA data indicates that the bank's overall market rank of home refinance loans was fourth. As discussed earlier, home refinance performance is only given moderate weight in assessing overall performance. Despite a lower overall ranking in home refinance loans in comparison to other home mortgage financing, NEBAT ranks first in the AA in refinance loans to low-income borrowers and third to moderate-income borrowers. The bank's market share of home refinance loans to both low- and moderate-income borrowers exceeds their overall market share. This demonstrates a strong commitment to meeting the needs of the most economically disadvantaged borrowers.

Sheboygan Assessment Area

Home Purchase Loans

Considering that a smaller percentage of the bank's total lending is within this AA (21.8%), and the fact that the bank has a significantly smaller deposit market share in this AA (4.2%), NEBAT's record of home purchase lending in the AA is excellent. The bank's percentage of home purchase loans to low-income families exceeds the percentage of low-income families in the AA. NEBAT also originated a higher percentage of its loans to moderate-income borrowers than the percentage of moderate-income families in the AA. This performance reflects excellent responsiveness to AA needs (see Market Profile for Sheboygan AA in Appendix A).

Market share data from 1998 indicates that NEBAT has a significantly higher market share of home purchase loans to low- and moderate-income borrowers than its overall market share of home purchase loans. The bank ranks first in market share to both low- and moderate-income borrowers. The bank's market share to low-income borrowers is nearly double the second ranked lender. Again, this demonstrates excellent performance.

Home Improvement Loans

NEBAT also has an excellent record of home improvement lending in the Sheboygan AA. The bank's percentage of home improvement loans to low-income borrowers in the AA is comparable to the demographics of the AA. A significant percentage (41.3%) of the bank's home improvement loan originations in the AA was to moderate-income borrowers. These percentages indicate that the bank is making strong efforts to meet the needs of LMI borrowers.

The bank's market rank to LMI borrowers of fourth and second, respectively is higher than the overall home improvement market rank. The bank's market share to low-income borrowers is slightly below its overall market share. However, the bank was only one home improvement loan origination to a low-income borrower from meeting its overall market share. NEBAT's market share to moderate-income borrowers is well above its overall market share. Taking into account the bank's deposit market share and overall home improvement loan market share rank, NEBAT's performance in home improvement lending to LMI borrowers in the AA is excellent.

Home Refinance Loans

NEBAT's overall market rank of 13th in home refinance loans lags the bank's ranking in other mortgage loan categories. However, home refinance lending performance has only a modest impact on the overall rating for reasons discussed earlier. Still, the bank originated a higher percentage of refinance loans to both low- and moderate-income borrowers than the percentage of LMI families in the AA.

Table 9 in Appendix B shows that NEBAT's market share of home refinance loans to both low- and moderate-income borrowers exceed the bank's overall market share. These percentages also demonstrate NEBAT's commitment to meet the credit needs of borrowers of all income levels.

Washington Assessment Area

Home Purchase Loans

NEBAT's presence is more limited in the Washington AA than compared to the other AAs receiving full-scope reviews. Lending volume in this AA equals 15.5% of the bank's total lending and the bank's deposit market share in this AA is 2.1%. NEBAT has operated a branch in this AA for less than four years. In a fairly short time period though, NEBAT has demonstrated a commitment to meet the credit needs of borrowers of all income levels. The bank's percentage of home purchase loans to low-income borrowers is comparable to the percentage of low-income families in the AA. NEBAT's percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Similar to the performance in all the AAs receiving full-scope reviews, the bank's percentage of loans to LMI borrowers demonstrates excellent responsiveness to AA needs.

The bank's market share of home purchase loans to low-income borrowers in the Washington AA exceeds their overall market share. The same is true for market share of home purchase loans to moderate-income borrowers. NEBAT's market rank of eighth and ninth to LMI borrowers are well

above their overall market rank of 15th. This performance is viewed quite positively considering community contact assertions of a need for affordable housing in this AA (see Market Profile of the Washington AA in Appendix A).

Home Improvement Loans

The bank originated very few home improvement loans in the Washington AA over the assessment period. None of the bank's home improvement loan originations were to low-income borrowers; however, according to 1998 market share data, only nine home improvement loans were originated to low-income borrowers by all lenders in the AA. Market share data also indicates that very few home improvement loans were made to moderate-income borrowers. Two, or 40%, of the bank's home improvement originations during the assessment period were to moderate-income borrowers. Given that all lenders in the AA originated very few home improvement loans, very little weight was placed on the bank's performance in this lending category in assigning the bank's overall rating.

Home Refinance Loans

NEBAT's performance in home refinance lending in the Washington AA is good. The bank's percentage of loans to low-income borrowers is slightly below the percentage of low-income families in the AA. The bank's percentage of home refinance loans to moderate-income borrowers in the AA exceeds the demographic characteristics of the AA.

The bank's market share of home refinance loans to both low- and moderate-income borrowers exceed their overall market share. This shows good responsiveness to the needs of LMI borrowers in the Washington AA.

Small Business Loans

Refer to Table 10 in Appendix B for the facts and data used to evaluate the borrower distribution of NEBAT's small business loan originations.

Fond du Lac Assessment Area

NEBAT's small business lending performance in this AA was weighed quite heavily in assessing the bank's overall performance. This was done for a number of reasons. NEBAT has developed a market niche in small business lending and the majority of the bank's small business loans are originated within this AA. Fond du Lac County has experienced good business growth over the last several years and a community contact stated that a significant amount of time was being spent on small business development efforts by a local economic development agency. These factors led us to place significant weight on the bank's performance in this loan category.

NEBAT has an excellent record of lending to small businesses within the Fond du Lac AA. Over the assessment period, NEBAT originated 91.9% of its small business loans to businesses with gross annual revenues less than \$1 million. This percentage exceeds the percentage of businesses in the AA with revenues less than \$1 million. Furthermore, the bank's percentage of loans to businesses with revenues less than \$1 million is significantly above that for all reporting institutions in the AA. Table 10 in Appendix B also shows that NEBAT's market share of loans to businesses with revenues less than \$1 million is well above its overall market share of small business loans. NEBAT's market share to businesses with revenues less than \$1 million is nearly three times larger than the second ranked lender in the AA. Another indication of the bank's commitment to small business is evident in the distribution of small business loans by dollar amount of loan. Nearly 84% of all business loans were under \$100 thousand in original amount. The bank's performance in this category is clearly excellent.

Sheboygan Assessment Area

NEBAT's record of lending to small businesses in the Sheboygan AA is excellent. Over the assessment period, NEBAT originated 234 small business loans in the AA. Nearly 98%, or 229 small business loans, were to businesses with revenues less than \$1 million. The bank's percentage of loans to businesses with revenues less than \$1 million is well above the percentage of businesses with revenues less than \$1 million in the AA. Furthermore, the bank's percentage of loans to smaller businesses is significantly above the percentage for all reporting lenders in the AA. This performance demonstrates leadership in the AA when it comes to meeting the credit needs of the AA's smallest businesses.

Another indication of NEBAT's strong performance in small business lending is evident in market share data. The bank ranks second in the county in total small business lending. This is very good considering the bank ranks fifth in deposit market share and the leading small business lenders in the county are generally larger, regional institutions. NEBAT's performance in lending to businesses with revenues less than \$1 million is more impressive. The bank ranks first in lending to businesses with revenues less than \$1 million with a market share of 22.1%. The second ranked lender in the AA has a market share of 12.4% to businesses with revenues less than \$1 million. Finally, the bank's average business loan size (\$30.4 thousand) and percent of loans in original amounts less than \$100 thousand (94.9%) are other indications of the bank's willingness to make small loans to businesses.

Washington Assessment Area

NEBAT has done a good job of meeting small business credit needs in the Washington AA. Table 10 in Appendix B indicates that the bank originated only 33% of its small business loans to businesses with revenues less than \$1 million. This percentage is less than the percentage of businesses with revenues less than \$1 million in the AA. It is also lower in comparison to the percentage of loans made by all lenders to businesses with revenues less than \$1 million. However, as indicated in the "Lending Activity" section above, NEBAT originated a fairly large number of small dollar loans to a large company in the AA. This significantly affected the percentage of the bank's loans to smaller businesses.

The bank ranks second in total small business loans in the AA with a market share of 10.8%. In lending to businesses with revenues less than \$1 million, NEBAT ranks seventh with a market share of 5.4%. The lower market share to businesses with less than \$1 million in revenues is a function of the number of loans made to the large company discussed above. Still, the bank's market share for both total small business loans and loans to businesses with revenues less than \$1 million is above the bank's deposit market share in the county. This indicates that NEBAT is committed to meeting the small business needs of the AA.

Small Farm Loans

Refer to Table 11 in Appendix B for the facts and data used to evaluate the borrower distribution of NEBAT's small farm loan originations.

We did not place much weight on the bank's performance in lending to small farms. The bank is not an active agricultural lender as only 2.6% of the bank's outstanding loans are agricultural-related. Also, more specialized lenders are meeting the agricultural credit needs of the AAs. The bank's performance in agricultural lending is discussed below.

Fond du Lac Assessment Area

NEBAT originated 97 agricultural loans over the assessment period at an average loan size of \$32 thousand. All of the bank's farm loan originations were to farms with revenues less than \$1 million. NEBAT's percentage of loans to farms with revenues less than \$1 million is above the percentage of all reporting institutions in the AA. According to market share information, only 12 institutions reported at least one farm loan origination in 1998. NEBAT ranked second among these institutions with a market share of 15.7%. The bank's market share to farms with revenues less than \$1 million is slightly above their overall market share at 16.2%. These numbers indicate that the bank's small farm lending performance in the AA is excellent.

Sheboygan Assessment Area

According to 1998 Dun & Bradstreet information, there are only 68 farms in the Sheboygan AA. This does not present lenders in the AA with significant opportunities to originate farm loans. Still, NEBAT originated 40 small farm loans over the assessment period. All but one of the loans was to farms with revenues less than \$1 million. Data from 1998 indicates that NEBAT ranks first among 10 reporting institutions with a market share of 27%. NEBAT also ranks first in the AA in loans to farms with less than \$1 million in revenues with a market share of 27.4%. This information shows that NEBAT is a leading agricultural lender in the Sheboygan AA.

Washington Assessment Area

NEBAT has originated a very small number of agricultural loans in the Washington AA. Dun & Bradstreet information for 1998 indicates that there are only 64 farms within the Washington AA. Market share information from 1998 also indicates that only 8 lenders reported originating a total of 69 small farm loans. One lender originated more than half of the agricultural loans in the AA. Taking into account that more specialized agricultural lenders are operating in the AA, that there are a small number of farms, and NEBAT's limited time with a physical presence in the AA, an analysis of the bank's performance does not produce meaningful results. This is especially true considering the relatively small volume of agricultural loan originations by all lenders.

Distribution of Loans by Income Level of the Geography

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

Home Mortgage Loans

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

NEBAT has no low-income geographies in its AAs and only one moderate-income geography. The moderate-income geography is situated within the Fond du Lac AA. Based on this information, an analysis of the bank's geographic distribution of loans in the Sheboygan and Washington AA would not be meaningful. An analysis of the bank's geographic distribution of home mortgage loans in the Fond du Lac AA also does not produce meaningful results. The moderate-income geography in the Fond du Lac AA contains only 48 owner-occupied units. Market share data from 1998 also indicates that all reporting lenders originated only seven home purchase loans, one home improvement loan, and six home refinance loans in that geography. Given the small number of owner-occupied units and low loan volume, a meaningful analysis is not possible.

Small Business and Small Farm Loans

Refer to tables 5 and 6 in Appendix B for the facts and data used to evaluate the geographic distribution of NEBAT's small business and farm loan originations.

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

NEBAT's performance in lending to small businesses in the moderate-income tract of the Fond du Lac AA is satisfactory. Over the evaluation period, NEBAT originated 6.4% of its small business loans in the moderate-income geography. This is lower than the percentage of businesses located in that geography. Considering the overall volume of small business loans originated by the bank, the percentage of NEBAT's loans originated in the moderate-income geography is satisfactory.

NEBAT's market share of small business loans in the moderate-income geography is 24.8%. This is slightly below the bank's overall market share and places the bank second in market share in the moderate-income geography. NEBAT is only eight loans behind the market leader. The lender with the highest market share is a national financial corporation that made no loans in the geography to a business with gross annual revenues less than \$1 million. NEBAT's market share to businesses with less than \$1 million in revenues in the moderate-income geography is 52.3%. This demonstrates a strong commitment to the smallest businesses in the geography.

Dun & Bradstreet data indicates that very few farms are located in the moderate-income geography. Market share data from 1998 shows that all lenders originated only one agricultural loan in the geography. Based on this information, an analysis of the bank's geographic distribution of agricultural loans does not produce meaningful results.

Community Development Loans

Opportunities for making qualified CD loans are not as prevalent in NEBAT's AAs as in larger communities. NEBAT operates in AAs that have no low-income geographies and only one moderate-income geography. This limits the opportunity to originate loans to stabilize or revitalize LMI geographies. Furthermore, many of NEBAT's small business loans in the moderate-income geography have a CD purpose, but because they are in original amounts less than \$1 million they cannot be reported as CD loans. In fact, NEBAT originated over 25 small business loans in the moderate-income geography in 1999. These loans are, however, considered under other sections of the Lending Test. Other CD lending avenues are also limited. Lending to a Community Development Financial Institution (CDFI) is a qualified CD lending activity; however, the State of Wisconsin has only three certified CDFI's and none of them are operating in or near NEBAT's AAs. There has been limited construction of multi-family rental property serving primarily LMI families. The area has experienced some growth in community-based retirement facilities; however, many of these facilities are not primarily for LMI individuals or those on lower-fixed incomes. Overall, there is limited opportunity for CD lending. Because of this, the number and amount of CD loans is not an important consideration in the determination of the bank's overall lending test performance. The CD loan the bank is involved with has a positive impact on the community by providing a needed skilled facility for elderly individuals. The bank's CD loan is described below:

Subsequent to the bank's last CRA examination, NEBAT issued a \$12 million letter of credit providing credit enhancement and liquidity to an entity issuing tax exempt bonds for the construction of a large skilled nursing facility (SNF). The facility operates as a nursing home and provides other health care

programs for the aged, injured and sick. According to an employee of the SNF, at least 50% of the beds are set aside for individuals on lower fixed-incomes. This provides housing and services to LMI individuals in the Fond du Lac AA.

Product Innovation and Flexibility

NEBAT makes good use of flexible lending programs to address the needs of LMI borrowers. Programs used by the bank include the following:

ADVOCAP Homeowner Development Program (HDP): The HDP is a cooperative effort between ADVOCAP, Incorporated, the cities of Fond du Lac and Oshkosh, and a consortium of local lenders to assist LMI borrowers with the purchase of homes. The program provides funds for down payments, closing costs, rehabilitation loans or first mortgages. ADVOCAP, Inc. is a very accomplished community action agency located in the City of Fond du Lac. Over the assessment period, NEBAT originated three loans under this program totaling over \$136 thousand. In 1998 and 1999, NEBAT committed \$125 thousand and \$200 thousand to this program, respectively.

C-Cap, Incorporated Downpayment and Closing Cost Assistance Program (DCCAP): The DCCAP is a statewide program that covers NEBAT's AAs. The program provides up to \$3,000 in forgivable grants to borrowers with less than 80% of the county median family income for down payment costs on the purchase of a home. Grant funds are forgiven if the borrower remains in the house for five years. NEBAT recently joined the DCCAP and has originated four loans under it totaling over \$200 thousand. The program also requires borrowers to complete a home purchase counseling course prior to closing.

Wisconsin Housing and Economic Development Authority (WHEDA) HOME Program: This program is a first-time home buyer program that provides below-market fixed interest rates and allows for a lower down payment than conventional mortgage programs. NEBAT originated six loans under this program in 1998 totaling \$392 thousand. In 1999, NEBAT originated 12 loans totaling approximately \$766 thousand.

St. Agnes Loan Program: This program provides lower interest rate financing for patients of St. Agnes Hospital who do not have sufficient insurance or are unable to repay hospital bills within a certain time frame. The program primarily benefits LMI individuals. NEBAT originated four loans under this program in 1998.

Conclusions For Areas Receiving Limited-Scope Reviews

Refer to Tables 1 through 11 in Appendix B for the facts and data used to support these conclusions.

Because the Dodge/Columbia AA is so new, a conclusion on the consistency of overall lending performance cannot be reached at this time.

INVESTMENT TEST

Conclusions For Areas Receiving Full-Scope Reviews

Refer to Table 12 in Appendix B for the facts and data used to evaluate NEBAT's level of qualified investments.

NEBAT's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Fond du Lac AA is good. The performance in the Sheboygan and Washington AAs is adequate.

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

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

NEBAT's qualified investments over the assessment period total \$1.7 million. This is an adequate total, especially considering that there are limited opportunities available in the AAs to make qualified investments. There are a few statewide housing organizations that indirectly serve the area, but none with a physical presence in the AAs. Small Business Investment Companies, which are viable investment vehicles, are not in the immediate area. There are several social service agencies and at least one community action agency that provide investment and/or grant opportunities. There have also been a few opportunities to invest in the construction of affordable housing projects or in organizations that support or benefit LMI individuals or community development needs. Given this information, NEBAT has an adequate level of qualified community development investments and grants. Although none of the investments or grants are particularly innovative or complex, they do represent adequate responsiveness to community needs. The following summarizes NEBAT's qualified investments:

Fond du Lac AA: The bank's largest single qualified investment was the purchase of a \$1.6 million municipal bond used to finance the renovation of a nursing facility where at least 50% of the residents are on a lower fixed income. NEBAT purchased the bond subsequent to its last CRA examination. The home provides housing and needed services to LMI individuals.

Washington AA: In 1998, NEBAT invested \$25,000 in a Rehabilitation Loan Program benefiting LMI borrowers in a three county area, including the Washington County AA. The bank's investment in the program represents a 5.8% investment in the loan pool. The program provides funds of up to \$3,000 to LMI individuals for downpayment, closing costs, prepaid items and reserves. The loan is forgiven by 20% each year the borrower lives in the house. NEBAT has originated several loans under this program.

Community Development Grants:

Fond du Lac AA: During the assessment period, NEBAT granted a total of \$40 thousand to a nursing facility located in the AA where at least 50% of the beds are for lower fixed income residents.

NEBAT has contributed a total of \$6 thousand over the assessment period to the Fond du Lac Economic Development Corporation (FDLEDC). The FDLEDC assists small businesses in development plans, financing options and expansion plans. The FDLEDC is also active in the recruitment of small business to the area.

Contributions to United Way over the assessment period totaled \$17,750. These monies went to social service agencies that benefit LMI individuals and/or families.

The bank granted \$2,500 to Habitat for Humanity for the financing of materials necessary to build a single family home in the AA. The home is for a LMI family.

Sheboygan AA: Over the assessment period, the bank granted a total of \$2,500 to two social service agencies benefiting LMI individuals and families. The agencies scope of operations is in the Sheboygan AA.

Washington AA: NEBAT granted \$2,000 to the Washington County United Way during the evaluation period. The monies went to social service agencies benefiting LMI individuals in the AA.

Conclusions For Areas Receiving Limited-Scope Reviews

The bank's performance in the Dodge/Columbia AAs under the Investment Test is not being assessed. The Dodge/Columbia AA is new and NEBAT has not made any qualified investments in these AAs as of yet. The performance in these AAs does not affect the bank's overall rating.

SERVICE TEST

Conclusions For Areas Receiving Full-Scope Reviews

NEBAT's performance under the Service Test is rated "Outstanding." Based on a full-scope review, the bank's performance in the Fond du Lac AA is excellent. Since there are no low- or moderate-income geographies in any AA except the Fond du Lac AA, and the majority of the bank's activities take place in the Fond du Lac AA, the rating is based primarily on the bank's performance in this AA. NEBAT's performance in the Sheboygan AA is also excellent. The bank's performance in the Washington AA is very good. The bank's performance in the Washington AA is not considered excellent mainly because the bank is involved with fewer community development services in this AA. However, the community development organization the bank is involved with in this AA is very responsive to the AA's needs.

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

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

Retail Banking Services

Refer to Table 13 in Appendix B for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

Fond du Lac Assessment Area

The bank's service delivery systems are readily accessible to geographies and individuals of different income levels and exhibit no conspicuous gaps. NEBAT operates seven of its 17 offices in the Fond du Lac AA. One of the offices is a drive-through facility only. All full-service offices also have a drive-up facility. The main office is located in the AA's only moderate-income geography. NEBAT has office locations in two of the three geographies in the AA with the highest number of low-income families. The bank also has a branch in the geography with the highest number of moderate-income families. This branch, located in Eden, Wisconsin, was opened in December of 1998 and improves the accessibility of delivery systems to LMI individuals.

The bank's ATM distribution is also excellent. NEBAT has 10 ATMs well disbursed throughout the AA. Four of them were opened or acquired subsequent to the bank's last CRA examination. A full-service ATM is located in the moderate-income geography. Six of the ATMs in this AA are not located in geographies where a branch is situated. This results in branches and/or ATMs being located in 10 of the 18 geographies in the AA. Approximately 60% of all LMI families in the AA are in geographies where NEBAT has branches or ATMs. This represents excellent service availability throughout the AA.

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

Office hours do not vary in a way that inconveniences its AA. All offices open between 8:00 and 8:30 AM and close between 4:00 and 5:00 PM Monday through Thursday. Hours are extended at all offices on Friday. Drive-through hours promote convenience. All drive-through facilities are open before the branch and close later. All but two of the offices are open on Saturday. The main office, located in the moderate-income geography, has drive-up hours on Saturday. Traffic patterns at the main office indicate that drive-up hours are sufficient at this office on Saturday. Considering the few number of housing units in this geography, the main office's hours are convenient to all segments of the community. The other office with no lobby hours on Saturday is located in a geography where another NEBAT branch is open. Differences in hours of operation do not impact the accessibility of services to any geography or customers of different income levels.

Alternative Delivery Systems

NEBAT's service delivery system is enhanced by its ATM distribution discussed above. This is especially true with the addition of the ATMs since the last CRA evaluation.

Other alternative delivery systems offered by the bank were not given significant weight as they are not designed specifically for LMI individuals. However, they do add additional convenience to the AA. NEBAT offers a 24-hour telephone and personal computer banking service where customers can access information regarding loan and deposit information. The services also allow for fund transfers between accounts. The bank also offers a checking account designed specifically for students. The account offers a preferential rate and no service charges under certain conditions. Seminars on student loans are provided with this account.

Sheboygan Assessment Area

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

NEBAT operates one ATM in this AA. The ATM began operation in February of 1999 and is located in a geography where nearly 20% of all LMI families in the AA reside. The opening of the ATM improved the accessibility of services within the AA.

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

Washington County Assessment Area

The Washington AA also consists of only middle-income tracts. As a result, an analysis of the geographic distribution of branches in comparison to geography income level will not be meaningful. However, NEBAT's service delivery systems are accessible to individuals of different income levels. NEBAT operates one branch in this AA. The office, located in the City of West Bend, is open on Saturdays and has extended hours on Friday. The branch also has a drive-up facility. Although NEBAT operates a branch office in only one geography in the AA, that geography has more moderate-income families than any other geography in the AA. Furthermore, the third highest number of low-income families reside in that geography. In all, nearly 20% of the LMI families in the AA are located in this geography.

NEBAT owns and operates two ATMs in the Washington AA. One of the ATMs was opened subsequent to the bank's last CRA evaluation. The opening of the ATM improved the accessibility of banking services in the AA. Nearly 20% of all LMI families in the AA reside in the geographies where NEBAT operates ATMs.

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

Community Development Services

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

Fond du Lac Assessment Area

A senior bank employee serves as Vice Chair of the Fond du Lac Economic Development Corporation (FDLEDC). The FDLEDC is a county wide private/public partnership working to attract, retain, develop, and assist businesses located in, or wishing to locate in, Fond du Lac County. The FDLEDC's main focus has been on small business development and assistance. The employee provides technical and financial expertise by being involved with the FDLEDC's Assessment and Investor Relations Committees. These committees work on developing the FDLEDC's bylaws, assess the success of the FDLEDC, work with other investors in the Corporation, and have a significant say in the allocation of the Corporation's resources. The FDLEDC has been instrumental in the county's economic growth. The employee's involvement as a key member of the FDLEDC board, and the bank's involvement as an investor (see *Investment Test*) in the corporation, demonstrates excellent responsiveness to the community's needs (refer to Market Profile of Fond du Lac County in Appendix A).

In 1998, bank employees participated in a first-time home buyers seminar co-sponsored by WHEDA. The seminar, held in the Fond du Lac AA, focused on prospective LMI home buyers and provided information on the home purchase process and types of financing available.

A bank employee serves on the board of directors of ADVOCAP, Incorporated. ADVOCAP services and programs are geared to LMI individuals or have a community development purpose. As a director, the employee provides financial and technical expertise by assisting ADVOCAP in the administration of loan programs directed towards low-income individuals. Participation with ADVOCAP is viewed as being quite responsive to community needs. ADVOCAP is located in the City of Fond du Lac and serves several counties, including Fond du Lac County.

In 1998, an employee of the bank presented information at a home buyers seminar sponsored by ADVOCAP. Information presented at the seminar included information on the home purchase process and types of financing available. The seminar was directed to low-income individuals and families.

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

A bank employee serves on the board of the Fond du Lac Business Improvement District (BID). The BID's purpose is to encourage reinvestment and assist business and property owners in order to enhance the downtown Fond du Lac area, including the moderate-income geography. The downtown area of Fond du Lac has been targeted by local authorities as an area to revitalize in terms of business development and employment. The employee provides financial and technical expertise by assisting in the budgeting process and allocation of resources.

NEBAT has also increased access to financial services by waiving certain fees on checking accounts to clients of the Fond du Lac County Department of Social Services. These are low-income clients who have checking accounts at NEBAT. Approximately 70 account holders had specific fees waived in 1998 and 1999.

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

NEBAT also provides accounts for those who are required to receive government benefits through electronic methods. There are no minimum balance requirements and no monthly maintenance fees. This service is also provided in all of NEBAT's AAs.

Sheboygan County Assessment Area

In 1998, bank employees participated in a first-time home buyers seminar co-sponsored by WHEDA. The seminar, held in the Sheboygan AA, focused on prospective LMI home buyers and provided information on the home purchase and closing process and types of financing available. Based on an evaluation of AA needs (see Market Profile of the Sheboygan County AA in Appendix B), this is viewed as a responsive way to address AA needs.

An employee serves with the Sheboygan County Economic Development Corporation (SCEDC). The SCEDC primarily serves the need of small businesses by assisting in the development of start-up plans, providing financing options, and assisting in the expansion of existing businesses. The employee serves as one of two lenders on the SCEDC. The employee also provides expertise by presenting information to individuals wanting to start up a business.

A bank employee serves on the SBA Advisory Board and has presented information to prospective or current small business owners on business planning and financing options. Presentations are geared to prospective small business owners in the Sheboygan AA.

An employee serves on the board of the Zion Housing Development. The Zion Housing Development provides multi-family housing for elderly individuals with incomes less than 80% of the county's median family income. The employee is involved in the development's

budgeting process and assists in the allocation of resources. This is also a responsive way to meet AA needs.

An employee in the AA has also worked for the Sheboygan County Interfaith Housing Corporation. The corporation focuses on finding work for LMI women and refers clients to appropriate government funding programs.

An employee serves on the board of the Mainstreet Development Program (MDP) in Sheboygan Falls. Sheboygan Falls is home to one of NEBAT's branches in this AA. The MDP fosters economic development of downtown Sheboygan Falls by recruiting and providing financial services to primarily small businesses. The employee provides technical expertise by helping the MDP fulfill its mission.

Washington County Assessment Area

A bank employee presented home purchase information to LMI individuals in conjunction with the Tri County Home Consortium's (TCHC) C-Cap Grant Program in 1999. To qualify for grant funds, LMI individuals must complete a home purchase counseling course that covers various topics. The TCHC serves three counties including Washington County. Grant funds must be used to cover downpayment, closing or other costs associated with the purchase of a home. Considering information provided in the Market Profile of the Washington AA in Appendix A, the bank's involvement in the TCHC is viewed very positively.

In addition to organizations listed under the AAs above, members of the bank's staff also participate on local planning boards that promote economic development throughout NEBAT's AAs. The planning boards recruit and provide financial services to small business.

Conclusions For Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Columbia/Dodge non-MSA AA is not inconsistent with the bank's overall performance under this test. Branches and ATM's are readily accessible in this AA. Banking services provided in this AA are consistent with other AAs. Bank employees are also active in several organizations that serve LMI individuals or promote economic development. For example, an employee in this AA serves on the board of a foundation that provides services to elderly LMI individuals in Columbia County.

Appendix A: Market Profiles for Full-Scope Areas

Fond du Lac Non-MSA

DEMOGRAPHIC INFORMATION FOR FULL-SCOPE AREA: FOND DU LAC NON-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A % of #
Geographies (CTs)	18	N/A	5.6%	61.1%	33.3%	N/A
Population by Geography	73,414	N/A	0.9%	59.7%	39.4%	N/A
Owner-Occupied Housing By Geography	19,071	N/A	0.2%	57.9%	41.9%	N/A
Businesses By Geography	2,219	N/A	12.7%	63.1%	24.2%	N/A
Farms By Geography	102	N/A	2.9%	52.0%	45.1%	N/A
Family Distribution By Income Level	19,508	11.7%	15.9%	26.3%	46.1%	N/A
Distribution of LMI Families Throughout AA Geographies	5,377	N/A	1.0%	67.9%	31.1%	N/A
Unemployment Rate (September, 1999) *	= 1.6%	Median Family Income		= \$30,290		
Households Below the Poverty Level	= 8.33%	HUD Adjusted MFI for 1999		= \$44,400		
Families Below the Poverty Level	= 5.51%	HUD Adjusted MFI for 1998		= \$41,800		
		Median Housing Value		= \$57,544		

Source: 1990 U.S. Census, 1998 and 1999 HUD Updated MFI and (*) Department of Workforce Development.

Operations Within the Fond du Lac AA

NEBAT's main office and five full-service branches are located within the Fond du Lac AA. A stand-alone drive through facility is also located in this AA. Ten of the bank's 16 ATMs are located in this AA. Approximately 77% of the bank's deposit base and 62% of lending activities are within the Fond du Lac AA. As a result, significant weight was placed on the bank's performance in this AA when assigning an overall rating.

Assessment Area Information

The Fond du Lac AA includes all but four geographies in Fond du Lac County.¹ The excluded geographies are in the western portion of the county. Bank management made the decision to exclude the four geographies from the Fond du Lac AA as they are not in close proximity to bank branches. There are no low-income geographies in any of NEBAT's AAs and only one moderate-income

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

geography. The one moderate-income geography is located in the Fond du Lac AA. NEBAT's delineation of the Fond du Lac AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

Demographic Information

As indicated in the table above, the majority of the population, owner-occupied housing, businesses, and farms are located in the middle-income geographies of the Fond du Lac AA. Approximately 38% of the population, owner-occupied housing, businesses, and farms in all of NEBAT's AAs are located in the Fond du Lac AA. The largest number of LMI families reside in the Fond du Lac AA in comparison to NEBAT's other AAs. Of the 2,288 low-income families in the Fond du Lac AA, nearly 50% have incomes below the poverty level. These families may have difficulties qualifying for housing-related products.

Fond du Lac County's population increased by approximately 6.7% between 1990 and 1998. This is slower than the 7% growth rate experienced by the State of Wisconsin and surrounding counties. Job growth in the county between 1992 and 1997 was 7.7%. Based on this, business growth has poised the county for future population growth. Because business-related growth has been more significant in this AA, and the majority of the bank's business lending is within this AA, more weight was placed on business lending than home mortgage lending in this AA.

Approximately 38% of all businesses in the bank's AAs are located in the Fond du Lac AA. This represents the highest concentration of businesses in any of the bank's AAs. A similar percentage of businesses with revenues less than \$1 million are also located in the Fond du Lac AA. A significant majority of the businesses located in the Fond du Lac AA have revenues less than \$1 million (88%).

Economy, Major Industries and Employers

Fond du Lac is enjoying a strong economy. The September 1999 unemployment rate of 1.6% compares favorably to the statewide unemployment rate of 2.0%. Industrial machinery and equipment is the largest industry within Fond du Lac County accounting for approximately 32% of all non-farm wages. However, the finance, insurance and real estate sector of the service producing industry has experienced significant growth over the last five years. Agricultural employment does not represent a large portion of the county's employment base. Major employers in the county include Brunswick Corporation, Agnesian Healthcare, Inc., Giddings & Lewis and Alliance Laundry Systems (formerly Raytheon Corporation).

Financial Competition

Financial competition in the Fond du Lac AA is strong. There are approximately 13 financial institutions with offices in the county, not including credit unions. Besides financial institutions, NEBAT faces competition from insurance companies, mortgage corporations and loan brokers. Based on 1998 market share information, over 60 different entities originated at least one mortgage loan in this AA. Primary mortgage competition in the Fond du Lac AA comes from mortgage corporations affiliated with financial corporations much larger than NEBAT. There is also strong competition for commercial loans. The most significant competition for business loans comes from two large regional banks and a national financial corporation.

Community Contacts and Credit Needs

In an effort to assess the credit needs of the AA, we conducted one community contact with a local economic development agency. The contact was quite complementary of all local bank efforts in meeting community development needs. The contact did mention that diversification of the county's employment base would be beneficial. The contact also stated that the agency has recently spent a majority of its efforts on entrepreneurial business assistance indicating a need for new small business credit.

We also received information from a local realtor who mentioned that the average sales price of a home in the City of Fond du Lac was approximately \$110,000. Information from the Wisconsin Realtors Association indicates that the median sales price of a home in the county was \$90 thousand at the end of 1998. These average prices hinder the ability of LMI families to find affordable housing. However, research indicates that there are over 1,000 affordable housing units in the City of Fond du Lac with several of the housing complexes experiencing a high vacancy rate. This indicates that there has not been strong demand for affordable housing units in the City of Fond du Lac. The quality of the housing stock in the AA is considered good.

In addition to our contact, we also reviewed community contacts and Public Evaluations prepared by other regulatory agencies. The most frequently cited credit need was start up capital for small business loans.

Sheboygan MSA

DEMOGRAPHIC INFORMATION FOR FULL-SCOPE AREA: SHEBOYGAN MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A % of #
Geographies (CTs)	10	N/A	N/A	100%	N/A	N/A
Population by Geography	44,758	N/A	N/A	100%	N/A	N/A
Owner-Occupied Housing By Geography	12,009	N/A	N/A	100%	N/A	N/A
Businesses By Geography	1,289	N/A	N/A	100%	N/A	N/A
Farms By Geography	68	N/A	N/A	100%	N/A	N/A
Family Distribution By Income Level	12,229	12.1%	19.0%	31.6%	37.3%	N/A
Distribution of LMI Families Throughout AA Geographies	3,808	N/A	N/A	100%	N/A	N/A
Unemployment Rate (September, 1999)*	= 1.5%			Median Family Income	= \$36,707	
Households Below the Poverty Level	= 5.3%			HUD Adjusted MFI for 1999	= \$54,500	
Families Below the Poverty Level	= 3.2%			HUD Adjusted MFI for 1998	= \$50,500	
				Median Housing Value	= \$63,756	

Source: 1990 U.S. Census, 1998 and 1999 HUD Updated MFI and (*) Department of Workforce Development.

Operations Within the Sheboygan County MSA

NEBAT operates six full-service branches in the Sheboygan AA. This accounts for 35% of all bank branches. The bank owns and operates one ATM in this AA. The Sheboygan AA accounts for approximately 16% of the bank's total deposits and 22% of NEBAT's lending activity. Unlike NEBAT's other AAs, the bank originates a higher percentage of residential mortgage lending in this AA in comparison to the other AAs. As a result, more weight was placed on residential real estate lending when assessing the bank's performance in this AA.

Assessment Area Information

The Sheboygan AA includes all geographies with the exception of the most eastern census tracts in the county.² Because NEBAT does not have a branch presence in the eastern portion of the county, and that part of the county is served by a number of other financial institutions, NEBAT has elected not to include that portion of the county in its AA, including the City of Sheboygan.

² The geographies included in NEBAT's AA in Sheboygan County are: 102 through 106 and 109 through 113.

All geographies in this AA are middle-income CTs. NEBAT's delineation of this AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

Demographic Information

Approximately 24% of the owner-occupied housing, and 22% of the businesses in all of NEBAT's AAs, are located within the Sheboygan AA. Similar to all of NEBAT's AAs, the majority of businesses (87%) in this AA have annual revenues less than \$1 million.

Among all AAs receiving a full-scope review, the Sheboygan AA has the highest percentage of low-income families (1,480 of 12,229 families or 12.1%). Approximately 27% of all low-income families in this AA have incomes below the poverty level. Moderate-income families comprise 19% of all families in this AA. Between 1990 and 1998, the population growth rate of 7.3% in Sheboygan County slightly exceeded the State of Wisconsin growth rate of 7.0%. The City of Sheboygan's population growth rate over that time period was only 3%. This indicates that the majority of the population growth was in the portion of the county included in NEBAT's AA. This, too, indicates a need for housing-related loans in the AA.

Wisconsin Realtors Association information indicates that the median sales price of a home in Sheboygan County was \$88.7 thousand at the end of 1998. The median sales price has risen to well over \$95 thousand in 1999.

Economy, Major Industries and Employers

The AA, as well as the entire county, has a strong economy. As of September 1999, the county's unemployment rate was 1.5%. Similar to the Fond du Lac AA, Sheboygan County has a large manufacturing employment base. Manufacturing accounts for approximately 42% of the employment in the county. Fabricated metals manufacturing is the largest industry in the county. The largest growth over the last five years, though, has been in health, finance, insurance, and real estate services. Agriculture does not represent a significant portion of the employment base in Sheboygan County. Major employers in the county include Kohler Company, Bemis Manufacturing, J.L. French Corporation, Sargento Foods, and, from the public sector, Sheboygan County.

Financial Competition

Not including credit unions, 15 financial institutions have offices within Sheboygan County. Several large mortgage companies also have a significant presence in the AA. Based on 1998 HMDA data, over 75 financial institutions originated at least one residential mortgage loan within this AA. Primary competition for home purchase and refinance loans in the AA comes from large regional and national

mortgage corporations. A credit union owned by a large employer in the county originates a significant number of home improvement loans. The primary competition for business loans comes from several larger banking institutions.

Community Contacts and Credit Needs

A review of Public Evaluations and prior community contacts indicate that the population growth outside of the City of Sheboygan, or primarily in NEBAT's AA, has created a need for additional housing. Another cited need was for small business development or redevelopment loans.

Washington MSA

DEMOGRAPHIC INFORMATION FOR FULL-SCOPE AREA: WASHINGTON MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A % of #
Geographies (CTs)	11	N/A	N/A	100%	N/A	N/A
Population by Geography	58,180	N/A	N/A	100%	N/A	N/A
Owner-Occupied Housing By Geography	14,400	N/A	N/A	100%	N/A	N/A
Businesses By Geography	1,970	N/A	N/A	100%	N/A	N/A
Farms By Geography	64	N/A	N/A	100%	N/A	N/A
Family Distribution By Income Level	15,667	11.8%	19.2%	32.5%	36.5%	N/A
Distribution of LMI Families Throughout AA Geographies	4,851	N/A	N/A	100%	N/A	N/A
Unemployment Rate (September, 1999)*	=	1.5%	Median Family Income		=	\$39,005
Households Below the Poverty Level	=	3.8%	HUD Adjusted MFI for 1999		=	\$57,600
Families Below the Poverty Level	=	2.4%	HUD Adjusted MFI for 1998		=	\$53,900
			Median Housing Value		=	\$80,617

Source: 1990 U.S. Census, 1998 and 1999 HUD Updated MFI and (*) Department of Workforce Development.

Operations within the Washington County MSA

NEBAT operates one full-service branch office and two ATM's within this AA. Approximately 7% of the bank's deposits and 15% of total loans are within this AA. NEBAT's branch in this AA is fairly new having opened in December of 1995. As such, NEBAT is working on expanding market share in this AA. The bank's deposit market share in Washington County is only 2%. Given this information, it is evident that NEBAT is committed to meeting credit needs in this AA as NEBAT originates a higher percentage of the bank's total loans in this AA than the percentage of total deposits generated from the AA.

Assessment Area Information

The Washington AA comprises most of the CT's in the northern half of the county³. NEBAT's branch, located in the City of West Bend, is situated in the north central portion of the county. Portions of Washington County not included in the AA are further away from the branch and/or served by other institutions. All of the geographies in this AA are middle-income. The delineation of this AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

Demographic Information

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

Washington County has experienced significant population growth over the last eight years. A large percentage of the growth has been in towns outside of, or on the fringes of, the bank's AA. Still, the City of West Bend has grown by 15.8% since 1990. Many of the county's workers commute south to Milwaukee County. Demographic information indicates that very few workers in the county commute north to Sheboygan or Fond du Lac counties for employment.

Nearly 29% of all owner-occupied housing units in NEBAT's combined AAs are within this AA. This AA also has the newest housing stock of the three AAs receiving a full-scope review. The weighted average of the median year a home was built in the Washington AA is 1967. The average year built in the Fond du Lac and Sheboygan AAs are 1957 and 1956, respectively. In the City of West Bend, the average sales price of a home is \$138 thousand and the median sales price of a home in the county is even higher. These prices, and the fact that 20% of the low-income families in this AA have incomes below the poverty level, make it difficult for LMI families to find affordable housing.

Total businesses in this AA constitute 33% of all businesses in the combined AAs. A significant majority (88%) of the businesses in this AA have gross annual revenues less than \$1 million.

Economy, Major Industries and Employers

Similar to NEBAT's other AAs, the economy in Washington County is strong. The unemployment rate, as of September 1999, was 1.5%. Manufacturing represents the largest employment base employing 34% of the county's non-farm workforce. Contrary to national trends, goods producing industries have

³ The Washington AA consists of the following CTs: 4001.01, 4001.02, 4101, 4201.01, 4201.02, 4202 through 4204, 4301, 4501.01, and 4501.02.

grown at a faster rate than service producing industries in Washington County. Major employers in the area include Serigraph, West Bend Company, Regal Ware, and Quad Graphics.

Financial Competition

There is very strong financial competition within the Washington County AA. There are 13 financial institutions with offices in the county, not including credit unions. Over 125 entities originated at least one mortgage-related product in the AA in 1998. Primary competitors for mortgage products include a local savings bank, large regional and national mortgage companies, and other local banks. Primary competitors for business loans include an affiliate of a regional institution, a national financial corporation and several other banks of varying size.

Community Contacts and Credit Needs

A review of other recently issued Public Evaluations and prior community contacts indicate a need for affordable housing in the Washington AA. This is consistent with information provided in the *Demographics* section above.

Appendix B: Tables of Performance Data

Content of Standardized Tables

The tables cover the period from January 1, 1998 through September 30, 1999. For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the AA; and market share is the number of loans originated by NEBAT as a percentage of the aggregate number of reportable loans originated by all lenders in the AA. The following is a listing and brief description of the tables included in this Appendix:

Table 1. - Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by NEBAT over the evaluation period by AA.

Table 2. - Geographic Distribution of Home Purchase Loan Originations - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available (1998).

Table 3. - Geographic Distribution of Home Improvement Loan Originations - See Table 2.

Table 4. - Geographic Distribution of Home Mortgage Refinance Loan Originations - See Table 2.

Table 5. - Geographic Distribution of Small Business Loan Originations - The percentage distribution of the number of small loans (<\$1 million) to businesses originated and purchased by NEBAT in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available (1998).

Table 6. - Geographic Distribution of Small Farm Loan Originations - The percentage distribution of the number of small loans (<\$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

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

Table 8. - Borrower Distribution of Home Improvement Loan Originations - See Table 7.

Table 9. - Borrower Distribution of Home Mortgage Refinance Loan Originations - See Table 7.

Table 10. - Borrower Distribution of Small Business Loan Originations - Compares the percentage distribution of the number of small loans (<\$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. The table also presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

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

Table 12. - Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period.

Table 13. - Distribution of Branch and ATM Delivery System - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

Table 1. Lending Volume

LENDING VOLUME State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Scope:												
Fond du Lac County AA	76.6%	788	64,121	827	51,197	97	3,119	1	12,000	1,713	130,437	61.7%
Sheboygan County AA	16.6%	332	22,412	234	7,106	40	1,188	0	N/A	606	30,706	21.8%
Washington County AA	6.8%	100	10,694	327	18,705	2	19	0	N/A	429	29,418	15.5%
Limited Scope:												
Dodge/Columbia AA *	N/A	8	491	8	642	11	561	0	N/A	27	1,694	1.0%

(*) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 2. Geographic Distribution of Home Purchase Loan Originations

Geographic Distribution: HOME PURCHASE State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	N/A	N/A	0.2%	0.9%	57.9%	58.0%	41.9%	41.1%	1	21.2%	N/A	14.3%	22.4%	19.8%	450	63.2%
Sheboygan County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1	11.9%	N/A	N/A	11.9%	N/A	182	25.6%
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	15	2.1%	N/A	N/A	2.1%	N/A	69	9.7%
Limited Scope:																
Dodge/Columbia AA **	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5	0.7%

(*) Based on 1998 Aggregate HMDA Data only.

(**) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 3. Geographic Distribution of Home Improvement Loan Originations

Geographic Distribution: HOME IMPROVEMENT State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	N/A	N/A	0.2%	0.0%	57.9%	70.9%	41.9%	29.1%	1	22.3%	N/A	0.0%	26.7%	15.7%	86	62.8%
Sheboygan County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	5	8.0%	N/A	N/A	8.0%	N/A	46	33.6%
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	18	1.2%	N/A	N/A	1.2%	N/A	5	3.6%
Limited Scope:																
Dodge/Columbia AA **	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0%

(*) Based on 1998 Aggregate HMDA Data only.

(**) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations

Geographic Distribution: HOME MORTGAGE REFINANCE State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	N/A	N/A	0.2%	0.0%	57.9%	56.5%	41.9%	43.5%	4	6.7%	N/A	0.0%	6.5%	6.8%	248	64.7%
Sheboygan County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	13	1.9%	N/A	N/A	1.9%	N/A	104	27.2%
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	61	0.2%	N/A	N/A	0.2%	N/A	25	6.5%
Limited Scope:																
Dodge/Columbia AA **	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	0.8%

(*) Based on 1998 Aggregate HMDA Data only.

(**) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 5. Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Business In CT/BNA	% BANK Loans	% of Business In CT/BNA	% BANK Loans	% of Business In CT/BNA	% BANK Loans	% of Business In CT/BNA	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	N/A	N/A	12.7%	6.4%	63.1%	53.5%	24.2%	40.1%	1	29.7%	N/A	24.8%	28.6%	35.1%	827	58.1%
Sheboygan County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2	12.7%	N/A	N/A	14.2%	N/A	234	16.4%
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2	10.8%	N/A	N/A	14.1%	N/A	327	23.0%
Limited Scope:																
Dodge/Columbia AA **	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8	0.5%

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

(*) Based on 1998 Aggregate Small Business Data only.

(**) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 6. Geographic Distribution of Small Farm Loan Originations

Geographic Distribution: SMALL FARM State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	N/A	N/A	2.9%	0.0%	52.0%	40.2%	45.1%	59.8%	2	15.7%	N/A	0.0%	8.8%	28.6%	97	61.4%
Sheboygan County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1	27.1%	N/A	N/A	27.7%	N/A	40	25.3%
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	5	1.5%	N/A	N/A	1.7%	N/A	2	1.3%
Limited Scope:																
Dodge/Columbia AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11	6.9%

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

(*) Based on 1998 Aggregate Small Farm Data only.

(**) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 7. Borrower Distribution of Home Purchase Loan Originations

Borrower Distribution: HMDA HOME PURCHASE State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	11.7%	7.1%	15.9%	17.5%	26.3%	26.0%	46.1%	49.4%	1	21.2%	36.5%	20.4%	18.7%	23.7%	450	63.2%
Sheboygan County AA	12.1%	13.3%	19.0%	23.9%	31.6%	33.3%	37.3%	29.5%	1	11.9%	21.6%	17.2%	10.9%	10.8%	182	25.6%
Washington County AA	11.8%	10.1%	19.2%	20.3%	32.5%	34.8%	36.5%	34.8%	15	2.1%	2.9%	3.5%	1.8%	2.6%	69	9.7%
Limited Scope:																
Dodge/Columbia AA ***	15.0%	0.0%	20.8%	0.0%	28.3%	80.0%	35.9%	20.0%	N/A	N/A	N/A	N/A	N/A	N/A	5	0.7%

(*) As a percentage of loans with borrower income information available. No information was available for 2.1% of home purchase loans originated by NEBAT.

(**) Based on 1998 Aggregate HMDA Data only.

(***) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 8. Borrower Distribution of Home Improvement Loan Originations

Borrower Distribution: HOME IMPROVEMENT State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	11.7%	7.1%	15.9%	20.0%	26.3%	29.4%	46.1%	43.5%	1	22.3%	18.2%	32.3%	18.5%	23.8%	86	62.8%
Sheboygan County AA	12.1%	10.9%	19.0%	41.3%	31.6%	28.3%	37.3%	19.5%	5	8.0%	6.1%	12.9%	6.9%	7.4%	46	33.6%
Washington County AA	11.8%	0.0%	19.2%	40.0%	32.5%	20.0%	36.5%	40.0%	18	1.2%	0.0%	3.6%	1.7%	N/A	5	3.6%
Limited Scope:																
Dodge/Columbia AA ***	15.0%	N/A	20.8%	N/A	28.3%	N/A	35.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0.0%

(*) As a percentage of loans with borrower income information available. No information was available for 0.7% of home improvement loans originated by NEBAT.

(**) Based on 1998 Aggregate HMDA Data only.

(***) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations

Borrower Distribution: HOME MORTGAGE REFINANCE State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Fond du Lac County AA	11.7%	5.1%	15.9%	17.7%	26.3%	28.3%	46.1%	48.9%	4	6.7%	15.0%	8.5%	6.4%	6.8%	248	64.7%
Sheboygan County AA	12.1%	17.0%	19.0%	22.0%	31.6%	33.0%	37.3%	28.0%	13	1.9%	6.1%	3.1%	1.9%	1.4%	104	27.2%
Washington County AA	11.8%	8.0%	19.2%	20.0%	32.5%	32.0%	36.5%	40.0%	61	0.2%	1.0%	0.4%	0.2%	0.2%	25	6.5%
Limited Scope:																
Dodge/Columbia AA ***	15.0%	33.3%	20.8%	0.0%	28.3%	33.3%	35.9%	33.3%	N/A	N/A	N/A	N/A	N/A	N/A	3	0.8%

(*) As a percentage of loans with borrower income information available. No information was available for 3.9% of home refinance loans originated by NEBAT.

(**) Based on 1998 Aggregate HMDA Data only.

(***) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 10. Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999											
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size (000's)
Full Scope:											
Fond du Lac County AA	87.8%	91.9%	65.8%	83.6%	12.0%	4.4%	29.7%	40.9%	827	58.1%	\$61.9
Sheboygan County AA	87.1%	97.9%	56.1%	94.9%	3.8%	1.3%	12.7%	22.1%	234	16.4%	\$30.4
Washington County AA	88.0%	33.0%	56.3%	89.0%	7.3%	3.7%	10.8%	5.4%	327	23.0%	\$57.2
Limited Scope:											
Dodge/Columbia AA *****	91.7%	100%	N/A	75.0%	25.0%	0.0%	N/A	N/A	8	0.5%	\$80.3

(*) As a percentage of businesses with known revenues.

(**) As a percentage of loans with revenue information available. All of NEBAT's loans have revenue information available.

(***) The market consists of all other Small Business reporters in NEBAT's assessment area and is based on 1998 Aggregate Small Business Data only.

(****) Based on 1998 Aggregate Small Business Data only.

(*****) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 11. Borrower Distribution of Small Farm Loan Originations

Borrower Distribution: SMALL FARM State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loan by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size (000's)
Full Scope:											
Fond du Lac County AA	99.0%	100%	97.2%	92.8%	6.2%	1.0%	15.7%	16.2%	97	61.4%	\$32.2
Sheboygan County AA	96.8%	97.5%	98.8%	97.5%	0.0%	2.5%	27.1%	27.4%	40	25.3%	\$29.7
Washington County AA	98.4%	100%	100%	100%	0.0%	0.0%	1.5%	1.5%	2	1.3%	\$9.5
Limited Scope:											
Dodge/Columbia AA *****	83.9%	90.9%	N/A	90.9%	9.1%	0.0%	N/A	N/A	11	6.9%	\$51.0

(*) As a percentage of Farms with known revenues.

(**) As a percentage of loans with revenue information available. All of NEBAT's loans have revenue information available.

(***) The market consists of all other Small Farm reporters in NEBAT's assessment area and is based on 1998 Aggregate Small Farm Data only.

(****) Based on 1998 Aggregate Small Farm Data only.

(*****) Data for the Dodge/Columbia AA includes only 1999 lending activity.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999									
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full Scope:									
Fond du Lac County AA	0	N/A	N/A	7	1,666	100%	7	1,666	98.3%
Sheboygan County AA	0	N/A	N/A	3	2.5	100%	3	2.5	0.1%
Washington County AA	0	N/A	N/A	3	27	100%	3	27	1.6%
Limited Scope:									
Dodge/Columbia AA	N/A	N/A	N/A	0	0	N/A	0	0	N/A

(*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(**) Percentage of the dollars invested in that MSA/Assessment Area that are current period investments.

Table 13. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: Wisconsin Evaluation Period: January 1, 1998 to September 30, 1999																	
MSA /Assessment Area	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs*	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope:																	
Fond du Lac AA	77%	7 #	41%	N/A	14%	57%	29%	10	67%	N/A	10%	40%	50%	N/A	1%	60%	39%
Sheboygan AA	16%	6	35%	N/A	N/A	100%	N/A	1	7%	N/A	N/A	100%	N/A	N/A	N/A	100%	N/A
Washington AA	7%	1	6%	N/A	N/A	100%	N/A	2	13%	N/A	N/A	100%	N/A	N/A	N/A	100%	N/A
Limited Scope:																	
Dodge/Columbia AA**	N/A	3	18%	N/A	N/A	100%	N/A	2	13%	N/A	N/A	100%	N/A	N/A	N/A	100%	N/A

(*) NEBAT owns and operates one non-deposit taking ATM outside of its AA. The percentage distribution of ATM's is based on NEBAT's total of 16 ATMs.
 (**) The percentage of bank deposits is based on June 30, 1998 information. NEBAT did not have branches/ATMs located in the Dodge/Columbia AA until 1999.
 (#) Includes one stand-alone drive-through facility.