



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **Public Disclosure**

February 11, 2002

# **Community Reinvestment Act Performance Evaluation**

**Tri City National Bank  
Charter Number: 15738  
6400 South 27<sup>th</sup> Street  
Oak Creek, Wisconsin 53154**

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

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

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

The following table indicates the performance level of Tri City National Bank (TCNB) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Tri City National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve		X	
Substantial Noncompliance			

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

The major factors that support this rating include:

- TCNB’s borrower distribution of loans is good. The distribution of loans to borrowers of different incomes reflects an excellent level of home improvement lending and good levels of home purchase and refinance lending to low- and moderate-income individuals. Lending to businesses of different sizes indicates a good level of lending to businesses with revenue of \$1 million or less.
- TCNB’s geographic distribution of loans is adequate. The bank has a good level of home purchase and small business lending in low- and moderate-income geographies. The distribution is adequate for home refinance and home improvement lending in low- and moderate-income geographies.
- TCNB provides a relatively high level of community development services. Delivery systems are accessible to geographies and individuals of different income levels in its assessment area (AA).
- TCNB has a low level of qualified investments considering the needs and opportunities available throughout the bank’s AA and the bank’s size and financial capability.

## Definitions and Common Abbreviations

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

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

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

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Description of Institution

Tri City National Bank (TCNB) is an intrastate institution headquartered in Oak Creek, Wisconsin. TCNB operates 31 full service branches in southeastern Wisconsin. The larger communities the bank serves are Milwaukee, Waukesha, Brookfield, Greenfield, Wauwatosa, Menomonee Falls, Brown Deer, Sturtevant, West Allis, Cedarburg, Hales Corners, Grafton, South Milwaukee, and Franklin.

Seventeen of the bank's 31 offices are traditional full-service branch facilities and fourteen are convenience centers located in supermarkets. TCNB also has 28 ATMs, with 17 being deposit-taking. Branches and ATMs are located throughout the area, including low- and moderate-income geographies.

TCNB is a wholly-owned subsidiary of Tri City Bankshares, Incorporated, a one-bank holding company located in Oak Creek, Wisconsin. As of December 31, 2001, Tri City Bankshares, Incorporated had total assets of \$603 million. The bank has two subsidiaries, Tri City Capital Corporation and Tri City Investment Services, neither of which was considered in this CRA evaluation and has no impact on TCNB's capacity to meet community credit needs.

TCNB had \$583 million in total assets, \$377 million in total loans, and \$68 million in Tier 1 capital on September 30, 2001. The majority of the loan portfolio is real estate secured. Almost 39.0 percent of the portfolio is 1-4 family residential loans, 32.6 percent is commercial real estate loans, 6.2 percent is construction and land development loans, and 2.6 percent is multifamily loans. The remainder of the portfolio is mostly commercial lending (11.6 percent) and consumer loans (7.5 percent).

TCNB's historical business strategy was to operate in smaller communities on the perimeter of Milwaukee and Washington Counties. In 1990, Tri City Bankshares, Incorporated merged the then six existing community banks into one, TCNB, resulting in an expanded AA. Instead of several smaller AA's around the six individual institutions, the bank combined the separate AA's into one large AA. This resulted in a greater number of geographies further away from bank offices. This new, larger AA includes all of the City of Milwaukee, where several large regional banks with greater resources are located. These factors make it more difficult for TCNB to be competitive in areas of its AA where office locations are further away. Small business lending is the bank's market niche, serving businesses with up to \$15 million in annual sales with financing from \$100,000 to \$1 million. Residential mortgage lending is also a primary focus of the bank. The bank is not active in agricultural lending with only 0.8 percent of its loan portfolio comprised of agricultural loans. Therefore, the bank's performance in agricultural lending is not being considered as part of this evaluation.

There are no financial, legal or other factors, which would impede the bank's ability to meet the credit needs in its AAs. TCNB's previous CRA rating, as of January 19, 1999, was Satisfactory.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We reviewed home mortgage and small business loans for the time period of January 1, 1999 to December 31, 2001. Community development loans were reviewed from January 19, 1999 through February 11, 2002.

Our review of investments included an analysis of the investment portfolio and the donations and grants made between January 19, 1999 and February 11, 2002. We considered investments and donations or grants to organizations that have community development as their primary purpose.

Our evaluation of bank services included analyzing the bank's branch and ATM network for the availability and effectiveness of delivering retail-banking services. We analyzed the effect of changes in branch locations since our previous CRA examination. We also considered the extent and innovativeness of the bank's community development services in meeting the credit needs of its AA. This analysis covered the period between January 19, 1999 and February 11, 2002.

### Data Integrity

We verified a sample of HMDA and small business loans to determine the accuracy of data presented by the bank. We reviewed the sample of HMDA-reportable transactions to ensure the purpose, action taken, location, race, gender, applicant income, and loan size were accurately included on TCNB's Loan Application Register. We reviewed the sample of small business loans to ensure the loan type, original amount, location, and gross revenue were accurately reported. We determined the bank's HMDA and small business data to be reasonably accurate.

We also reviewed community development loans, investments, donations, and services provided from January 19, 1999 through February 11, 2002. The bank submitted several loans, investments, donations, and services for our review that did not meet the definition of community development. We determined which investments, organizations, and services met the definition of community development and included those under the Lending, Investment or Service Test, respectively.

### Selection of Areas for Full-Scope Review

Our analysis included full-scope examination procedures for the Milwaukee/Waukesha County MSA. We performed limited-scope examination procedures in the Racine County MSA. TCNB has one branch and one ATM in the Racine County MSA. Activity in the Racine County MSA has been minimal. Less than three percent of the bank's total deposits are from within this MSA. Just over 10 percent of the loans originated during this evaluation period were in this MSA. Please refer to the table in Appendix A for additional information on the scope of our review.



## **Ratings**

TCNB's overall rating and ratings assigned to each test are based primarily on the conclusions reached during our full-scope review of the Milwaukee/Waukesha County AA. When determining conclusions for the Lending Test in this AA, home mortgage loans were weighted more heavily than small loans to businesses, as 1-4 family residential mortgage loans represent a larger volume of TCNB's lending during the evaluation period

## **Other**

We conducted one community contact interview during our examination. We contacted a local low-income housing organization in Milwaukee, Wisconsin. The contact indicated the major credit need was financing of second mortgages to low- and moderate-income individuals as well as refinancing of high cost "predatory" first mortgages made to these individuals. The contact indicated that the performance of local financial institutions has been good.

## **Fair Lending Review**

An analysis of recent year's public comments and consumer complaint information, and Home Mortgage Disclosure Act (HMDA) and small business lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in January 1999.

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

The bank's performance under the lending test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Milwaukee/Waukesha AA is good.

#### Lending Activity

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity.

TCNB extended 3,545 home mortgage, small business and small farm loans totaling \$272 million in the Milwaukee/Waukesha County AA. Of these, 61.3 percent were home mortgage loans, 38.6 percent were small business loans and 0.1 percent were small farm loans. Among home mortgage loan originations and purchases, 45.1 percent were for home mortgage refinance, 28.2 percent were for home improvement, and 26.7 percent were for home purchase.

TCNB's lending activity in the Milwaukee/Waukesha AA is good. Information on deposit market share, compiled by the FDIC as of June 30, 2001, shows that the bank ranks tenth out of 63 institutions with a deposit market share of 1.62 percent in the AA. Based on 2000 aggregate HMDA data, TCNB ranks 44th of 479 HMDA reporters with a 0.74 percent market share. TCNB ranks 42nd of 359 lenders for home purchase lending with a market share of 0.66 percent. TCNB ranks 9th of 130 lenders for home improvement loans with a market share of 3.39 percent and 44th of 331 lenders for home refinance loans with a market share of 0.70 percent. TCNB ranks 13th of 138 lenders with a 1.84 percent market share of small business loans.

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

The geographic distribution of TCNB's home mortgage loans and small loans to businesses reflects adequate penetration throughout the full-scope AA geographies. Although the lending performance in low- and moderate-income geographies is below the percentage of owner-occupied units in these tracts, the majority of the low- and moderate-income census tracts (73 percent) are located within the central city of Milwaukee. These census tracts are not in close proximity to any of the bank's branch locations. This fact, along with the strong competition TCNB faces from larger institutions which have branch locations closer to, or in these census tracts, limits TCNB's ability to lend in these areas. Refer to the Description of Institution for branch location information. Due to the bank's involvement with a community development group; however, the bank was able to penetrate low- and moderate-income geographies with its home purchase lending. Additionally, the Market Profile for the Milwaukee/Waukesha AA in Appendix B contains information on the census tract and owner-occupied housing distribution within the bank's AA.

## ***Home Mortgage Loans***

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

The geographic distribution of home purchase loans in the Milwaukee/Waukesha AA is good. TCNB made 571 home purchase loans within the Milwaukee/Waukesha AA. Twenty-four loans were made in low-income geographies and 52 loans were made in moderate-income geographies. Home purchase loans made in the bank's low- and moderate-income geographies (4.20 and 9.11 percent, respectively) are below the percentage of owner-occupied units in those geographies (4.71 and 10.23 percent, respectively). The market share for loans made in the low-income geographies (1.23 percent) exceeds the overall market share (0.66 percent) for home purchase loans. The market share for loans made in the moderate-income geographies (0.60 percent) is slightly below the overall market share (0.66 percent) for home purchase loans.

The geographic distribution of home improvement loans in the Milwaukee/Waukesha AA is adequate. The bank made 602 home improvement loans within the Milwaukee/Waukesha AA. Thirteen loans were made in low-income geographies and 43 loans were made in moderate-income geographies. Home improvement loans made in the bank's low- and moderate-income geographies (2.16 and 7.14 percent, respectively) are below the percentage of owner-occupied units in those geographies (4.71 and 10.23 percent, respectively). The market share for home improvement loans made in the low-income geographies (1.34 percent) and moderate-income geographies (1.68 percent) in the AA are below the overall market share (3.39 percent) for home improvement loans.

The geographic distribution of home refinance loans in the Milwaukee/Waukesha AA is adequate. The bank made 962 home mortgage refinance loans within the Milwaukee/Waukesha AA. Fifteen loans were made in low-income geographies and 47 loans were made in moderate-income geographies. Home refinance loans made in the bank's low- and moderate-income geographies (1.56 and 4.89 percent, respectively) are below the percentage of owner-occupied units in those geographies (4.71 and 10.23 percent, respectively). The market share for home refinance loans made in the low-income geographies (0.21 percent) and moderate-income geographies (0.38 percent) in the AA are below the overall market share (0.70 percent) for home refinance loans.

The geographic distribution of multi-family loans in the Milwaukee/Waukesha AA is good. The bank made 37 multi-family loans within this AA. Four loans were made in low-income geographies and eight loans were made in moderate-income geographies. Multi-family loans made in the bank's low-income geographies (10.81 percent) are below the percentage of multi-family units in those geographies (13.81 percent). Multi-family loans made in the bank's moderate-income geographies (21.62 percent) exceeds the percentage of multi-family units in those geographies (16.02 percent). The market share for loans made in low-income geographies (1.45 percent) is below the overall market share (1.72 percent) for multi-family loans. The market share for multi-family loans made in moderate-income geographies (2.22) exceeds the overall market share (1.72 percent) for multi-family loans.

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

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

The geographic distribution of small loans to businesses is good in the Milwaukee/Waukesha AA. TCNB's lending in low-income geographies (2.99 percent) is below the percentage of businesses located in these geographies (6.74 percent). The bank's lending in moderate-income geographies (8.98 percent) exceeds the percentage of the AA's businesses located in these geographies (8.92 percent). TCNB's market share in low-income geographies (0.68 percent) is below its market share overall (1.84 percent). The bank's market share in moderate-income geographies (2.22 percent) exceeds its market share overall (1.84 percent).

### **Lending Gap Analysis**

Maps and reports detailing TCNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of those loans. No unexplained conspicuous gaps were identified in the Milwaukee/Waukesha AA.

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

A substantial majority of home mortgage loans and small business loans, originated or purchased by TCNB over the evaluation period, were within the Milwaukee/Waukesha and Racine AAs. Ninety-four percent of the bank's home mortgage loans and ninety-six percent of its small business loans were extended within the two AAs. Of the home mortgage loans, ninety percent of its home purchase loans, ninety-six percent of its home mortgage refinance loans, and ninety-seven percent of its home improvement loans are within these two AAs. This analysis was completed at the bank level as opposed to the AA level and was positively factored into the overall geographic distribution analysis of lending by income level of geographies.

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

TCNB's borrower distribution of home mortgage and small business loans is good. Consideration was given to the inability of low-income families to afford even a low-priced home. Using 1990 census data, 10.38 percent of the households in the AA are living below the poverty level. Income of the low-income borrower is \$31,750 or less. The average median housing price is \$73,428. Although some of the housing stock is affordable for a low-income borrower, most households living below the poverty level could not afford to purchase a home, which also limits home improvement and home refinance lending opportunities to these borrowers. Also, the strong competition TCNB faces from national mortgage companies and loan brokers, as well as the larger institutions that have more branch locations and resources, is a contributing factor to the low penetration to low-income borrowers. This information affected the home mortgage conclusions regarding lending levels for loans to low-income borrowers. Refer to the Market Profile in Appendix B for more information.

## ***Home Mortgage Loans***

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

The borrower distribution of home purchase loans is good. The bank made 571 home purchase loans within the Milwaukee/Waukesha AA. Seventy-four loans were made to low-income borrowers and 143 loans were made to moderate-income borrowers. Home purchase loans made to low-income borrowers (13.17 percent) were below the percentage of low-income families within the AA (19.55 percent). Home purchase loans made to moderate-income borrowers (25.44 percent) exceeded the percentage of moderate-income families within the AA (17.66 percent). The market share for loans made to low-income borrowers (1.08 percent) exceeds the overall market share (0.75 percent) for home purchase loans. The market share for loans made to moderate-income borrowers (0.58 percent) is below the overall market share (0.75 percent) for home purchase loans. It should be noted that almost ten percent of the households in the AA are living below the poverty level (See comments in Market Profile in Appendix B for further details).

The borrower distribution of home improvement loans is excellent. The bank made 602 home improvement loans within the Milwaukee/Waukesha AA. Eighty-two loans were made to low-income borrowers and 157 loans were made to moderate-income borrowers. Home improvement loans made to low-income borrowers (13.71 percent) are below the percentage of low-income families within the AA (19.55 percent). Home improvement loans made to moderate-income borrowers (26.25 percent) exceeded the percentage of moderate-income families within the AA (17.66 percent). The market share of home improvement loans made to low- and moderate-income borrowers (4.48 and 3.72 percent, respectively) in the AA exceeded the overall market share (3.48 percent) for home improvement loans.

The borrower distribution of home mortgage refinance loans is good. The bank made 962 home mortgage refinance loans within the Milwaukee/Waukesha AA. Seventy loans were made to low-income borrowers and 222 loans were made to moderate-income borrowers. Home refinance loans made to low-income borrowers (7.49 percent) are below the percentage of low-income families within the AA (19.55 percent). Home refinance loans made to moderate-income borrowers (23.77 percent) exceeded the percentage of moderate-income families within the AA (17.66 percent). The market share of home mortgage refinance loans made to low-income borrowers (0.84 percent) exceeded the overall market share (0.81 percent) for home mortgage refinance loans. The market share of home mortgage refinance loans made to moderate-income borrowers (0.69 percent) was below the overall market share (0.81 percent) for home mortgage refinance loans.

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

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

The distribution of lending to businesses of different sizes is good in the AA. TCNB made 81.46 percent of its small business loans to businesses with revenues of less than \$1 million. This performance substantially meets the percentage of businesses in the AA that report having revenues less than \$1 million (84.40 percent). TCNB's market share for loans

with revenue of \$1 million or less (3.94 percent) exceeds its overall small business market share (1.84 percent).

## **Community Development Lending**

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

TCNB's CD lending had a neutral impact on the overall lending test rating. The bank made four CD loans totaling \$664,000 during the evaluation period. These loans were to finance the purchase of three properties (two multi-family residences and one mixed-use building) in moderate-income geographies and one building to be used as a group home for mentally handicapped low- and moderate income-individuals.

The bank has also made numerous loans that have CD characteristics, but they were reported as and considered in the evaluation of home mortgage and/or small loans to businesses.

## **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the lending test conclusions for the Milwaukee/Waukesha AA. The following programs indicate the bank has been responsive to the affordable housing needs of the AA.

TCNB is a participant in the Wisconsin Housing and Economic Development Authority (WHEDA) Home Ownership Mortgage Loan (HOME) program. This program offers low cost, lower interest rate mortgages to low-income first-time homebuyers. These programs include home purchase, construction, rehabilitation, and low down-payment loans. The borrowers must meet certain eligibility requirements, including income standards, as determined by WHEDA. The program also can be used in "targeted" census tracts in the City of Milwaukee. During this evaluation period, the bank made 28 loans totaling \$1.8 million.

SBA 504 Debenture Program. This program is a federal program administered by the Small Business Administration. The program provides long-term, second mortgage financing at a low cost, fixed rate of interest and reduced down payment. The program is designed to stimulate job-creating projects (preferably one job for every \$35,000 of debenture funds). During this evaluation period, the bank made four loans totaling \$1.2 million.

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

Based on a limited-scope review, the bank's performance under the lending test in the Racine County AA is not inconsistent with the bank's overall High Satisfactory performance under the lending test. Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

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

The bank's performance under the Investment Test is rated Needs to Improve. Based on a full-scope review, the bank's performance in the Milwaukee/Waukesha AA is poor. This conclusion is based on the bank's limited activities in qualified investments considering the needs of the community, opportunities available, and the bank's size and financial capability. The bank's AA includes the City of Milwaukee, where many opportunities are available to invest in community development activities that benefit the bank's AA.

We contacted the OCC's District Community Affairs Officer to determine the level and types of investment opportunities available in the AA. We also reviewed available evaluations from other financial institutions in the AA to determine the level and types of investments other local institutions have made. We determined that there are numerous qualified investment opportunities available within the AA. These opportunities include investments in community development corporations (CDCs), Small Business Administration loan programs (Microlending Demonstration Program and 504 Program), credit counseling agencies, small business development centers, and non-profit organizations that provide social services to low- and moderate-income individuals.

TCNB's qualified investments during the evaluation period consisted of cash contributions and donations to various community development organizations totaling \$74,774. One additional investment for \$34,250, which was made in the prior period, remains outstanding on the bank's books. These investments were routine and non-complex in nature. Examples of the more prominent contributions made by TCNB are indicated below.

#### **Current Period Investments**

TCNB provided a \$25,000 donation to a foundation that provides scholarships to low- and moderate-income students. The foundation offers renewable scholarships each year to two low- or moderate-income minority individuals who would not otherwise be able to attend a private high school.

Three grants provided by TCNB totaling \$9,000 were made to a community organization's microenterprise activities. These activities support small business development by providing financial assistance as well as self-employment and self-sufficiency training to women, minorities and low-income entrepreneurs and small business owners.

Four grants provided by TCNB totaling \$7,000 were made to a community organization that provides pre- and post-home ownership counseling, sponsors home maintenance workshops and assists clients in obtaining home improvement loans. These services are targeted to low- and moderate-income individuals.

TCNB provided a \$6,500 grant to a community organization that provides working capital and community services related to the access, repair or restoration of credit for African American small business owners located mainly in low- and moderate income geographies.

TCNB provided a \$5,000 grant to a nonprofit community development organization to provide training to students in basic home construction and rehabilitation of residential properties. These students build and rehab homes in low- and moderate-income neighborhoods in an effort to create affordable low-income housing.

### **Prior Period Investment**

TCNB had an outstanding investment of \$34,250 in a revolving loan pool used to fund home improvements in the target area of the City of Milwaukee. This program strives to revitalize low- and moderate-income neighborhoods of Milwaukee through pre- and post-home ownership counseling, sponsoring home maintenance workshops and assisting clients in obtaining home improvements loans.

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

Based on a limited-scope review, the bank's performance under the investment test in the Racine AA is not inconsistent with the bank's overall needs to improve performance under the investment test. Refer to Table 14 in appendix C for the facts and data that support these conclusions.



## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Milwaukee/Waukesha AA is good. The level of community development services provided by TCNB to this AA was a major factor in determining the overall rating for the Service Test.

### Retail Banking Services

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

TCNB has a good distribution of delivery systems that are accessible to geographies and individuals of different income levels in the AA. TCNB has 31 branch locations, 16 of which are traditional stand-alone branches, with all but one having an attached drive up facility. One location is a remote drive-up facility approximately two blocks away from the traditional branch. Fourteen locations are convenience centers that are located within Pick 'n Save grocery stores.

Thirty of these locations are within the Milwaukee/Waukesha AA (one traditional branch is located in the Racine AA.) TCNB has one branch located in a low-income geography. The percentage of branches (3.3 percent) in low-income geographies is below the percentage of the population within this AA which live in low-income geographies (12.7 percent). Four of the 29 branches are located in moderate-income geographies. The percentage of branches (13.3 percent) in moderate-income geographies mirrors the percentage of the population within moderate-income geographies in this AA (13.6 percent).

All branches offer the same deposit and loan products. Commercial and residential loan originators are located at all 16 traditional locations and are able to open any loan product. The convenience centers can open consumer loans; however, customers wishing to apply for a commercial or residential loan are referred to the closest branch location. Commercial and residential loan originators are available to meet with a customer at any of the bank's locations or at the consumer's place of business.

The traditional branch locations have different hours of operation than the convenience centers. The branch locations are open from 9 a.m. to 6 p.m. weekdays and 9 a.m. until noon on Saturdays. The drive-up facilities at these locations open one hour earlier, at 8 a.m., Monday through Saturday. The Pick 'n Save convenience centers are open from 10 a.m. until 8 p.m. seven days a week.

Since the last exam, TCNB has not opened any branches; however, two locations have been closed. Neither closing had a negative effect on low- or moderate-income geographies or individuals. In February 2001, the Pick 'n Save grocery store that housed a TCNB convenience center was closed. This location was in a moderate-income neighborhood in the City of Milwaukee. TCNB has a traditional branch location less than one mile from the convenience center location.

The second location, a limited service branch located inside San Camillo retirement home, was closed in June 2001. The retirement home was located in a middle-income geography. The owners of the retirement home decided to go with a larger financial institution and therefore did not allow TCNB to renew the lease on the location.

### **Alternative Delivery Systems**

TCNB offers three types of alternative delivery systems: ATMs, telephone banking, and PC banking. Although the bank does not monitor ATM usage by low- or moderate-income individuals, TCNB has a good distribution of ATMs among low- and moderate-income geographies, which positively impacted the Service Test rating. TCNB does not monitor the usage of telephone and PC banking services by either low- and moderate-income individuals or geographies. Therefore, we did not place significant weight on telephone and PC banking systems when drawing our CRA performance conclusions.

All but one of TCNB's 28 ATMs are located within the Milwaukee/Waukesha AA. ATMs are located at 15 of the traditional branch locations, the one remote drive-up facility and 12 of the convenience centers. All ATMs allow withdrawals and deposits are accepted at 17 of them (all of the brick-and-mortar locations, the remote drive-up and one of the convenience centers). The overall distribution of ATMs in low-income geographies (3.7 percent) is below the percentage of individuals living in low-income geographies (12.73 percent). The overall distribution of ATMs in moderate-income census tracts (14.8 percent) is slightly above the percentage of individuals living in moderate-income geographies (13.58 percent).

TCNB offers a 24-hour touch-tone telephone banking service to its customers. By dialing T-R-I-C-I-T-Y, any TCNB customer can access information regarding deposit and loan information. Specifically, the customer can check account balances, transfer funds between accounts, inquire on the status of checks or deposits, or inquire about TCNB products and services. Operators are available for personal assistance between 8:30 a.m. and 6:00 p.m. Monday through Friday, and between 8:30 a.m. and 2:00 p.m. on Saturdays.

TCNB has a website, tcnb.com, which is accessible to anyone on the Internet. The website allows visitors to obtain information on bank products and services, apply for a checking or savings account, submit a loan application, or receive information on employment opportunities. The bank also has a transactional website (called TriLine) that is accessible through tcnb.com. Bank customers can view deposit and loan account activity, confirm CD maturity dates, transfer funds between accounts, and initiate stop payment requests. These services are all free of charge. Customers also have the option of signing up for the bank's bill pay services. For a minimal fee, the customer can make up to five payments online.

TCNB also offers a transactional website for its business customers. This website (called Tri DATA) is similar to the TriLine product, and allows business customers to view deposit and loan account activity, transfer funds, initiate stop payments and download account information in various file formats for use in accounting software for a minimal fee. There are various levels of TriData service available for additional fees. Some of the benefits of these levels are the ability to perform manual ACH debit and credit transactions, the ability to upload ACH debit and credit transactions, and the detailed reporting of all account balance and transaction information.

## Community Development Services

All of the following services benefited the bank's AA by providing services directed towards low- and moderate-income geographies or individuals

TCNB's performance in providing Community Development (CD) services in the Milwaukee/Waukesha AA is good. Bank management invests numerous hours in community development programs targeted to low- and moderate-income individuals, positively impacting the Service Test rating. These services include providing credit counseling, first-time homebuyer seminars, financial planning, technical expertise to nonprofit or government organizations, and financial education and management skills. The following paragraphs describe the CD services TCNB provided during this evaluation period.

TCNB sponsored and participated in six first-time homebuyer seminars presented by the Neighborhood Housing Services of Milwaukee, Inc. (NHS). Bank employees presented information about the various types of mortgage products available, how lenders determine eligibility, and ways for a person to improve his or her credit rating. NHS' goals are to increase home ownership among low- and moderate-income individuals as well as provide neighborhood revitalization in low- and moderate-income geographies within the City of Milwaukee. These seminars were held at locations in low- and moderate-income geographies and marketed to low- and moderate-income individuals. In addition, a bank employee participated in a NHS board meeting discussing the handling of problem loans as well as providing input in the approval process of recent applicants.

Bank employees helped establish a school savings program at Edison Middle School, located in a moderate-income neighborhood in the AA. The student body is reflective of the local community and is comprised mainly of low- and moderate-income students. Also, several seminars were held for students, which focused on banking principles, how to budget finances, and the proper handling of a checking account. These programs provided financial education and real-life experiences and related skills that will serve these low- and moderate-income students throughout their lifetime.

A bank employee participated in the Milwaukee Public Schools Family Day. The program, providing information about first-time home buying and financial planning, was held at a high school located in a moderate-income geography. The attendees were families participating in the Head Start Program, which is a child development program that serves 3 and 4 year olds in a preschool setting. Head Start is reserved for low-income families and for children with disabilities.

A bank employee was a guest speaker at a seminar presented by the Wisconsin Women's Business Initiative Corporation (WWBIC). The WWBIC is a not-for-profit economic development corporation whose goal is to provide quality business education and training, technical assistance, and access to traditional and nontraditional sources of capital for small and micro-businesses throughout Wisconsin, which includes TCNB's AA. The employee spoke about how a borrower can qualify for a loan and what a lender looks for in a borrower. In addition, a bank employee assisted WWBIC in counseling a local small business owner on

achieving financial stability and how to secure normal bank financing to purchase equipment and fund future growth.

Bank employees conducted home buying seminars in connection with Nazareth GED Church and the Latino Community Center. Both locations are in low-income geographies. The seminars, conducted in both English and Spanish, discussed the various mortgage products offered by lending institutions, how lenders determine eligibility, and how to improve one's credit rating.

An officer of the bank continues to serve as a board member and Vice-President of the Wauwatosa Revolving Loan Fund (WRLF). The Board of Directors of the Loan Fund Corporation manages and administers the lending program. The WRLF is a private corporation established by the City of Wauwatosa in Milwaukee County. The mission of the WRLF is to help attract and retain small businesses to the City. The WRLF makes up to \$50,000 available to both existing and new businesses wanting to establish themselves in the City. One of the requirements of obtaining funds is to show that the request for financing was not available from traditional sources due to lack of collateral or experience.

An officer of the bank continues to serve on the loan committee of the West Allis Economic Development (WAED) loan program. The purpose of the program is to facilitate new job creation for low- and moderate-income workers. Borrowers must guarantee they will create one new job for every \$10,000 the city lends. At least 51% of the new jobs must be filled by a worker from a low- or moderate-income household. The program is designed to fill the gap between available private financing and the total project costs.

Several bank employees are involved with the business management department of Alverno College, located in a moderate-income geography. The employees volunteer their time and act as "bank assessors" for business management plans submitted by students. This provides students with real life knowledge and experience related to starting and maintaining their own small business.

TCNB co-sponsored and participated in a home buying seminar with the South Community Organization (SCO). SCO is a community-based organization that specializes in counseling low-income minority residents for the purchase of their first home. Bank employees presented information on budgets, credit histories, and loans to low- and moderate-income individuals.

TCNB participated in a workshop for Maximus Wisconsin Works. Maximus is an organization that counsels and assists persons in the State of Wisconsin to transcend welfare and return to the work force. The clients of Maximus are predominately low-income, minority individuals that have been displaced by the welfare system and are now required to work. Bank employees presented information on budgeting, saving and borrowing.

A TCNB employee met with representatives from the University of Wisconsin-Milwaukee Small Business Development Center. The center provides education assistance to small businesses at no or low cost. They work with low- and moderate-income individuals and minority-owned businesses. The bank employee discussed ways in which TCNB could assist the Center in financing small businesses in low- and moderate-income neighborhoods of Milwaukee.

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

Based on a limited-scope review, the bank's performance under the Service Test in the Racine AA is weaker than the bank's overall "high satisfactory" performance under the Service Test. The bank was involved with only one community service project in this AA during this evaluation period. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

The following table identifies the time period covered, affiliate activities reviewed, and loan products considered in this evaluation. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/1999 to 12/31/2001) Investment and Service Tests and CD Loans: (01/19/1999 to 02/11/2002)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Tri City National Bank (TCNB) Oak Creek, Wisconsin	Home Purchase Loans, Home Refinance Loans, Home Improvement Loans, Small Business Loans, Community Development Loans, Qualified Investments, and Retail and Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Milwaukee/Waukesha MSA #5080	Full-Scope	None
Racine MSA #6600	Limited-Scope	None

# Appendix B: Market Profiles for Full-Scope Areas

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### Market Profiles for Areas Receiving Full-Scope Reviews

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## Appendix B: Market Profile for Full-Scope Area

### Milwaukee/Waukesha MSA

Demographic Information for Full Scope Area: Milwaukee/Waukesha						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	392	19.13	17.35	43.11	19.64	0.77
Population by Geography	1,432,149	12.73	13.58	46.59	27.05	0.06
Owner-Occupied Housing by Geography	319,660	4.71	10.23	51.28	33.77	0.00
Business by Geography	51,261	6.74	8.92	48.38	35.65	0.31
Farms by Geography	1,503	0.86	3.26	54.89	40.85	0.13
Family Distribution by Income Level	372,335	19.55	17.66	25.59	37.21	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	138,530	23.14	20.22	43.78	12.86	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below Poverty Level		39,005 63,500 10.38%	Median Housing Value Unemployment Rate (1990 US Census)	73,428 2.81%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 US Census and 2001 HUD updated MFI

### Description of Milwaukee/Waukesha AA:

Tri City National Bank (TCNB) is headquartered in Oak Creek, Wisconsin, which is located in the Milwaukee/Waukesha MSA (5080). MSA 5080 is in the southeastern corner of Wisconsin along Lake Michigan and consists of 392 census tracts in the Milwaukee, Waukesha, Ozaukee and Washington counties of Wisconsin. Of the 392 census tracts, 19.13 percent are low-income, 17.35 percent are moderate-income, 43.11 percent are middle-income, 19.64 percent are upper-income, and 0.77 percent of tracts for which income was not provided. Larger cities in this MSA are Milwaukee, Greenfield, Waukesha, Brookfield, Mequon and West Bend.

The total population for this MSA, based on the 1990 census data, was 1,432,149 persons. Approximately 12.7 percent of the population lives in low-income geographies. 13.6 percent live in moderate-income geographies, 46.6 percent live in middle-income geographies, and 27.1 percent live in upper-income geographies.

Based on the 2001 HUD adjusted Median Family Income of \$63,500, the percentage breakdown of families in the AA by income level is 19.5 percent low-income, 17.7 percent moderate-income, 25.6 percent middle-income, and 37.2 percent upper-income. A low-income family has a maximum income of only \$31,750. In addition, just over 10 percent of the households in the AA are living below the poverty level. These factors may make it difficult for low-income individuals to qualify for a home purchase loan.

Of the 562,031 housing units in the AA, 319,660 (57 percent) of the homes are owner-occupied, 218,062 (39 percent) of the housing units are rental-occupied while the remaining 24,304 units (4 percent) are vacant. Approximately five percent of the owner-occupied units



are located in the AA's low-income geographies, 10 percent are located in moderate-income geographies, 51 percent are located in middle-income geographies, and the remaining 34 percent are in upper-income geographies. The median housing price for this AA is \$73,428 and the average age of homes is approximately 46 years old.

A majority of the businesses in the AA are incorporated with 1-4 employees. Eighty-four percent of the businesses in the AA report gross revenues of \$1 million or less. The primary industry in the AA is service oriented (40 percent); followed by retail trade (18 percent); finance, insurance, & real estate (10 percent); and manufacturing (8 percent). The unemployment level for the Milwaukee/Waukesha AA averaged 3.8 percent in 2000, compared to the Wisconsin State unemployment rate of 3.5 percent and the national unemployment rate of 4.0 percent.

Major employers in the AA are: Aurora Health Care, Inc., a hospital system with 10,000 employees; Covenant Healthcare System, Inc., a hospital system with 9,600 employees; Horizon Healthcare, Inc., a hospital system with 7,900 employees; Marshall & Ilsley Corp., a bank holding company with 6,500 employees; Quad/Graphics Inc., a commercial printer with 5,300 employees; Rockwell Automation, an automation products and systems company with 5,000 employees; Ameritech Corp., a telecommunication services company with 4,600 employees; and Briggs & Stratton Corp., a manufacturer of small gasoline engines with 4,500 employees.

As indicated previously, the bank is located in close proximity to the City of Milwaukee. There are numerous deposit-taking financial institutions both local and regional. There are also numerous lenders, besides depository institutions, that offer a variety of loan products. Therefore, competition for both deposits and loans is intense. Our community contact indicated the major credit need was financing of second mortgages to low- and moderate-income individuals as well as refinancing of high cost "predatory" first mortgages made to these individuals. The contact indicated that the performance of local financial institutions has been good.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

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

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm.

Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

### Table 1. Lending Volume

LENDING VOLUME												
Geography: WISCONSIN												
Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001												
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Milwaukee/Waukesha	89.80	2,172	178,345	1,370	93,475	3	280	4	664	3,549	272,764	97.71
<b>Limited Review:</b>												
Racine	10.20	195	19,868	208	22,126	0	0	0	0	403	41,994	2.29

### Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															
Geography: WISCONSIN															
Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Tri City - Milwaukee/Waukesha	571	91.21	4.71	4.20	10.23	9.11	51.28	49.39	33.77	37.30	0.66	1.23	0.60	0.59	0.72
<b>Limited Review:</b>															
Tri City - Racine	55	8.79	4.09	5.45	4.26	5.45	81.76	74.55	9.89	14.55	0.63	0.74	1.32	0.62	0.45

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 19, 1999 to February 11, 2002.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

\* Based on 2000 Peer Mortgage Data Central.

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

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



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

Geographic Distribution: HOME IMPROVEMENT			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Milwaukee/Waukesha	602	91.77	4.71	2.16	10.23	7.14	51.28	54.15	33.77	36.21	3.39	1.34	1.68	3.71	3.85	
<b>Limited Review:</b>																
Racine	54	8.23	4.09	1.85	4.26	1.85	81.76	85.19	9.89	11.11	2.45	0.00	2.70	2.88	0.00	

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Milwaukee/Waukesha	962	92.15	4.71	1.56	10.23	4.89	51.28	45.95	33.77	47.61	0.70	0.21	0.38	0.62	1.09	
<b>Limited Review:</b>																
Racine	82	7.85	4.09	2.44	4.26	3.66	81.76	79.27	9.89	14.63	0.62	0.00	0.78	0.57	1.67	

\* Based on 2000 Peer Mortgage Data Central.

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

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

\* Based on 2000 Peer Mortgage Data Central.

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

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

### Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Milwaukee/Waukesha	37	90.24	13.81	10.81	16.02	21.62	50.60	51.35	19.57	16.22	1.72	1.45	2.22	2.09	0.00	
<b>Limited Review:</b>																
Racine	4	9.76	7.16	0.00	6.80	25.00	69.20	75.00	16.16	0.00	0.00	0.00	0.00	0.00	0.00	

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
<b>Full Review:</b>																
Milwaukee/Waukesha	1,370	86.82	6.74	2.99	8.92	8.98	48.38	48.10	35.65	39.78	1.84	0.68	2.22	1.94	1.94	
<b>Limited Review:</b>																
Racine	208	13.18	11.32	11.06	5.32	5.77	76.33	70.19	6.89	12.98	3.62	3.98	6.32	3.12	7.73	

\* Based on 2000 Peer Mortgage Data Central.

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

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

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).



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

Geographic Distribution: SMALL LOANS TO FARMS		Geography: WISCONSIN					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Milwaukee/Waukesha	3	100.00	0.86	0.00	3.26	0.00	54.89	33.33	40.85	66.67	1.94	0.00	0.00	1.52	2.78	
<b>Limited Review:</b>																
Racine	0	0.00	0.28	0.00	0.00	0.00	97.22	0.00	2.50	0.00	0.00	0.00	0.00	0.00	0.00	

## Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: WISCONSIN					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Milwaukee/Waukesha	571	91.21	19.55	13.17	17.66	25.44	25.59	30.25	37.21	31.14	0.75	1.08	0.58	0.80	0.73	
<b>Limited Review:</b>																
Racine	55	8.79	18.61	9.26	17.50	29.63	27.26	20.37	36.63	40.74	0.67	0.27	0.71	0.39	1.04	

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

\* Based on 2000 Peer Mortgage Data Central.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.60% of loans originated and purchased by BANK.

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

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

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

Borrower Distribution: HOME IMPROVEMENT			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Milwaukee/Waukesha	602	91.77	19.55	13.71	17.66	26.25	25.59	28.60	37.21	31.44	3.48	4.48	3.72	3.42	3.00	
<b>Limited Review:</b>																
Racine	54	8.23	18.61	12.96	17.50	16.67	27.26	27.78	36.63	42.59	2.51	0.97	3.02	1.54	4.10	

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Milwaukee/Waukesha	962	92.15	19.55	7.49	17.66	23.77	25.59	31.05	37.21	37.69	0.81	0.84	0.69	0.70	0.98	
<b>Limited Review:</b>																

\* Based on 2000 Peer Mortgage Data Central.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.61% of loans originated and purchased by BANK.

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

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

\* Based on 2000 Peer Mortgage Data Central.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.87% of loans originated and purchased by BANK.

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

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

Racine	82	7.85	18.61	2.50	17.50	18.75	27.26	30.00	36.63	48.75	0.68	0.34	0.35	0.42	1.44
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**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Milwaukee/Waukesha	1,370	86.82	84.40	81.46	83.28	10.22	6.50	1.84	3.94	
<b>Limited Review:</b>										
Racine	208	13.18	86.57	87.50	70.67	17.31	12.02	3.62	7.61	

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: WISCONSIN				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*		
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Milwaukee/Waukesha	3	100.00	91.68	66.67	66.67	33.33	0.00	1.94	2.17	
<b>Limited Review:</b>										

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 7.41% of small loans to businesses originated and purchased by the bank.

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 33.33% of small loans to farms originated and purchased by the bank.

Racine	0	0.00	94.72	0.00	0.00	0.00	0.00	0.00	0.00
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**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: WISCONSIN				Evaluation Period: JANUARY 19, 1999 TO FEBRUARY 11, 2002			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Milwaukee/Waukesha	1	34,250	30	74,774	31	109,024	100.00	0	0
<b>Limited Review:</b>									
Racine	0	0	0	0	0	0	0.00	0	0

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Geography: WISCONSIN				Evaluation Period: JANUARY 19, 1999 TO FEBRUARY 11, 2002			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population							
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography							
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp				
<b>Full Review:</b>																					
Milwaukee/Waukesha	97.71	30	97	3.33	13.33	60.00	23.33	0	2	0	- 1	- 1	0	12.73	13.58	46.59	27.05				
<b>Limited Review:</b>																					
Racine	2.29	1	3	0.00	0.00	100.00	0.00	0	0	0	0	0	0	9.02	6.05	74.46	10.12				

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

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