

PUBLIC DISCLOSURE

June 12, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Johnson Bank
RSSD# 58243

555 Main Street
Racine, Wisconsin 53403

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Johnson Bank Overall CRA Rating: Satisfactory

Performance Test Rating Table

The following table indicates the performance level of Johnson Bank with respect to the lending, investment, and service test.

Johnson Bank			
Performance Levels	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	✓	✓	✓
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

Summary of Major Factors that Support the Rating

Lending Test:

- Lending levels reflect good responsiveness to assessment area credit needs;
- A substantial majority of loans are made in the bank's assessment area;
- The geographic distribution of loans reflects good penetration throughout the combined assessment area;
- The distribution of borrowers reflects, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes;
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses;

- The bank makes a relatively high level of community development loans; and
- The bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Investment Test:

- The bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position;
- The bank makes occasional use of innovative and complex investments to support community development initiatives; and
- The bank exhibits adequate responsiveness to credit and community development needs.

Service Test:

- Delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment areas;
- The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and individuals;
- Services do not vary in a way that inconveniences its assessment areas, particularly low- and moderate-income geographies and individuals; and
- The bank provides a relatively high level of community development services.

JOHNSON BANK

DESCRIPTION OF INSTITUTION

Johnson Bank is a wholly owned subsidiary of Johnson Financial Group (JFG), a large non-complex holding company headquartered in Racine, Wisconsin. The bank has one affiliate through common ownership, Johnson Wealth Inc., based out of Milwaukee, Wisconsin, as well as a subsidiary, Johnson Community Development Corporation, also based out of Racine, Wisconsin.

According to the Uniform Bank Performance Report, the bank reported total assets of \$6.2 billion and total deposits of \$5.0 billion as of March 31, 2023. The bank offers a full range of loan products with commercial lending representing the majority of the loan portfolio at 66.2 percent, by dollar volume. The portfolio is also comprised of residential real estate loans (23.9 percent), consumer loans (5.7 percent), other loans (4.1 percent), and agricultural loans (0.1 percent) as of March 31, 2023. In addition, the bank participates in various government-sponsored loan programs including, but not limited to, those offered through the Small Business Administration (SBA), Veteran Affairs (VA), United States Department of Agriculture (USDA), Freddie Mac Home Possible program, and the Wisconsin Housing and Economic Development Authority (WHEDA) mortgage program.

Deposit products include, but are not limited to, personal checking and savings, Health Savings Accounts, business/commercial checking and savings, money market, certificates of deposit, investment, and retirement accounts. Further, the bank recently achieved the Bank On National Certification for the low-cost digital checking account offered by the bank. The Bank On Certified digital checking account meets over 25 safe and affordable features. The goal of Bank On is to ensure that everyone has access to safe and affordable financial products and services. Customers have access to their accounts via phone, internet, and mobile banking. The bank's website, www.johnsonfinancialgroup.com, provides customers with online bill-pay, account transfers, and e-statements. Further, individuals may submit mortgage loan applications online through the website, as well as inquire about automobile loans, personal lines of credit, financial planning, and investment management services. The bank's mobile application, MyJFG, allows customers to check balances, view transaction history, deposit checks, make loan and bill payments, and transfer funds via Zelle.

Marketing efforts are generally for brand awareness and targeted throughout the entirety of the bank's assessment area. Content is primarily focused on commercial, consumer, and residential real estate products and services through a variety of mediums including social media platforms such as Facebook, Twitter, and LinkedIn.

Details of the allocation of the bank's loan portfolio are provided in the following table.

Composition of Loan Portfolio as of March 31, 2023 (000's)		
Type	\$	%
Commercial	3,020,404	66.2
Residential Real Estate	1,093,145	23.9
Consumer	261,923	5.7
Agriculture	3,153	0.1
Other	186,342	4.1
Total	4,564,967	100.0

Note: Percentages may not total 100.0 percent due to rounding.

Johnson Bank is a large intrastate bank that operates within ten individual assessment areas throughout the state of Wisconsin. The bank's operations include 30 branch office locations, including the main office, 28 Automated Teller Machines (ATMs), and two loan production offices (LPOs). Since the previous evaluation, the bank has closed three full-service branch locations, two with cash-only ATMs, as well as a LPO all of which were located within middle- and upper-income census tracts. Further, two of the previously mentioned branch closures, including one cash-only ATM, were closed in Milwaukee, Wisconsin, with all operations from the branch closures consolidated into a new branch office located within 0.4 miles of each impacted location. The new branch is located within an upper-income census tract in Milwaukee, Wisconsin, representing the only branch opening since the previous evaluation.

Details relative to the bank's branch operations are outlined in the following table.

Johnson Bank Branch Locations							
Assessment Area	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Unknown -Income	Total	
	#	#	#	#	#	#	%
Appleton-Oshkosh-Neenah, WI CSA	1	0	0	0	0	1	3.3
Green Bay, WI MSA	0	0	1	1	0	2	6.7
Janesville-Beloit, WI MSA	1	0	1	0	0	2	6.7
Lake County-Kenosha County, IL-WI MD	0	2	2	0	0	4	13.3
Madison, WI MSA	0	0	1	1	1	3	10.0
Milwaukee-Waukesha, WI MSA	0	0	3	4	0	7	23.3
Northwest, WI Non-MSA	0	0	3	0	0	3	10.0
Racine, WI MSA	1	0	2	3	0	6	20.0
Sheboygan, WI MSA	0	0	0	1	0	1	3.3
Southeast, WI Non-MSA	0	0	0	1	0	1	3.3
Total	3	2	13	11	1	30	100.0

Note: Percentages may not total to 100.0 percent due to rounding.

There are no known legal, financial or other factors impeding the bank’s ability to help meet the credit needs in its communities.

At its previous evaluation conducted on May 3, 2021, the bank was rated **Satisfactory** under the CRA.

SCOPE OF THE EXAMINATION

Johnson Bank’s CRA performance was evaluated using the Federal Financial Institutions Examination Council’s Large Institution CRA Examination procedures. Performance was evaluated in the context of information about the institution and its assessment areas, including the bank’s asset size, financial condition, competition, and the economic and demographic characteristics of the assessment area.

Products reviewed include Home Mortgage Disclosure Act (HMDA)- and Community Reinvestment Act (CRA)-reportable small business loans originated from January 1, 2021, through December 31, 2022. HMDA-reportable loans were used to analyze home mortgage lending activity, and CRA-reportable loans were used to analyze small business lending activity. CRA-reportable small farm lending was not considered as it comprised only 0.1 percent of all reportable loans. The evaluation places equal emphasis on HMDA- and CRA-reportable loans given both comprise the majority of the bank’s lending volumes. Further, lending performance in 2021 was weighted more heavily as peer lending data was not available for the 2022 calendar year. Tables detailing 2021 and 2022 lending data are included in each of the assessment area discussions.

The bank's performance was evaluated using the following performance standards:

- ***Lending Activity*** – HMDA-reportable and CRA-reportable small business loans were reviewed to determine the bank's responsiveness to credit needs in the bank's assessment area from January 1, 2021 through December 31, 2022.
- ***Lending in the Assessment Area*** – HMDA-reportable and CRA-reportable small business loans were reviewed to determine the percentage of loans originated in the assessment area from January 1, 2021 through December 31, 2022.
- ***Geographic Distribution of Lending in the Assessment Area*** – HMDA-reportable and CRA-reportable small business loans were analyzed to determine the extent to which the bank is making loans in census tracts of different income levels, including those designated as low- or moderate-income, from January 1, 2021 through December 31, 2022.
- ***Lending to Borrowers of Different Incomes and Businesses of Different Sizes*** – HMDA-reportable and CRA-reportable small business loans were analyzed to determine the loan distribution among borrowers of different income and businesses of different revenue sizes from January 1, 2021 through December 31, 2022.
- ***Community Development Lending*** – The number, volume, innovativeness, and complexity of community development loans were reviewed from May 4, 2021 through June 12, 2023.
- ***Innovative or Flexible Lending Practices*** – The degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals, small businesses, and geographies.
- ***Investments*** – Qualified investments from May 4, 2021 through June 12, 2023 were reviewed to determine the bank's responsiveness to community development needs. Qualified investments were also evaluated to determine the bank's use of innovative or complex investments.
- ***Services*** – The distribution of the bank's branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services were reviewed from May 4, 2021 to June 12, 2023.

Full-scope examination procedures were conducted for designated assessment areas, which were selected based on several factors including deposit market share, office and ATM concentration, volume of HMDA- and CRA reportable lending, economic and demographic characteristics, and community development needs. The following assessment areas received full reviews:

Full Review Assessment Areas:

- Lake County-Kenosha County, IL-WI Metropolitan Division #29404
- Racine, WI Metropolitan Statistical Area #39540
- Milwaukee-Waukesha, WI Metropolitan Statistical Area #33340
- Green Bay, WI Metropolitan Statistical Area #24580
- Northwest, WI Non-Metropolitan Statistical Area

Assessment areas under limited review were evaluated for consistency with the bank's overall performance. Performance in assessment areas under limited review does not affect the overall rating. The following assessment areas received limited reviews:

Limited Review Assessment Areas:

- Appleton-Oshkosh-Neenah, WI Combined Statistical Area #118
- Janesville-Beloit, WI Metropolitan Statistical Area #27500
- Madison, WI Metropolitan Statistical Area #31540
- Sheboygan, WI Metropolitan Statistical Area #43100
- Southeast, WI Non-Metropolitan Statistical Area

In addition, nine community representatives were contacted in connection with this evaluation to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: affordable housing, community development, and economic development.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Johnson Bank's performance relative to the lending test is rated High Satisfactory based on its performance across the combined assessment area. Factors contributing to the rating include: lending levels reflect good responsiveness to assessment area credit needs; a substantial majority of loans are made in the bank's assessment area; loans reflect good geographic distribution throughout the bank's assessment area, including low- and moderate-income geographies; the bank demonstrates an adequate distribution of loans among individuals of different income levels and businesses of different sizes; the bank makes use of innovative and/or flexible lending practices to address the credit needs of low- or moderate-income individuals or geographies; and the bank makes a relatively high level of community development loans.

Level of Lending Activity

The bank's lending levels reflect good responsiveness to credit needs in its assessment area,

considering the number and amount of home mortgage and small business loans extended in its assessment area. During the review period, the bank’s HMDA-reportable and CRA-reportable small business lending activity comprised 9,941 loans for a total of \$2.9 billion. The level of lending activity represents a decrease from the previous evaluation in number volume during which time the bank originated 11,247 loans, however dollar volume remained relatively stable totaling approximately \$2.9 billion. As it pertains to HMDA-reportable lending, the bank’s performance declined 14.6 percent by number and marginally by dollar volume when compared to the previous evaluation. Further, the bank’s performance declined 1.3 percent by number and 11.6 percent by dollar volume when analyzing CRA-reportable small business lending.

The following table summarizes the bank’s lending activity from January 1, 2021, through December 31, 2022.

Summary of Lending Activity				
January 1, 2021 – December 31, 2022				
Loan Type	#	%	\$(000s)	%
Home Improvement	174	1.8	19,287	0.7
Home Purchase	3,195	32.1	1,106,950	38.6
Multi-Family Housing	25	0.3	111,278	3.9
Refinancing	4,071	41.0	1,007,302	35.1
Total HMDA Reportable	7,465	75.1	2,244,817	78.3
Total Small Business Reportable	2,476	24.9	621,775	21.7
Total Loans	9,941	100.0	2,866,592	100.0
<i>Note: Percentages may not total to 100.0 percent due to rounding.</i>				

Assessment Area Concentration

Johnson Bank made a substantial majority of loans in its combined assessment area. The bank originated 89.0 percent of its loans by number and 85.7 percent by dollar volume within the bank’s combined assessment area. During the review period, 87.6 percent by number and 84.1 percent by dollar volume of the bank’s HMDA-reportable loans were originated within the combined assessment area. Further, 93.3 percent by number and 91.4 percent by dollar volume of the bank’s small business loans were originated within the combined assessment area during the same time period. The performance during this review period represents a slight decline when compared to the previous evaluation in which the bank originated 90.1 percent by number and 87.1 percent by dollar volume of total loans within the assessment area.

The following table summarizes the bank’s lending inside and outside its combined assessment area for HMDA-reportable and CRA-reportable small business loans from January 1, 2021, through December 31, 2022.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	159	91.4	17,500	90.7	15	8.6	1,787	9.3
Home Purchase – Conventional	2,749	86.4	927,990	84.1	434	13.6	175,354	15.9
Home Purchase – FHA	1	100.0	172	100.0	0	0.0	0	0.0
Home Purchase – VA	9	81.8	2,912	84.8	2	18.2	522	15.2
Multi-Family Housing	16	64.0	65,393	58.8	9	36.0	45,885	41.2
Refinancing	3,603	88.5	873,718	86.7	468	11.5	133,584	13.3
Total HMDA Reportable	6,537	87.6	1,887,685	84.1	928	12.4	357,132	15.9
Total Small Bus. Reportable	2,311	93.3	568,325	91.4	165	6.7	53,450	8.6
Total Loans	8,848	89.0	2,456,010	85.7	1,093	11.0	410,582	14.3

Note: Percentages may not total to 100.0 percent due to rounding.

Geographic and Borrower Distribution

Johnson Bank’s geographic distribution of loans reflects good penetration throughout the assessment areas, and lending activities reflect adequate penetration, particularly in its assessment areas, of loans among customers of different income levels and businesses of different sizes, given the product lines offered by the bank. Further discussion with respect to the geographic and borrower distribution of lending can be found in the individual assessment area analyses.

Johnson Bank makes use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies. Further, Johnson Bank exhibits an adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment areas, low-income individuals, and businesses with gross annual revenues of \$1 million or less, consistent with safe and sound operations. These practices are primarily designed to expand affordable homeownership opportunities for low- and moderate-income individuals and geographies. These programs are particularly responsive to community needs as community representatives explained there is a dire need for affordable housing options throughout the assessment areas.

Programs include Johnson Bank’s internally administered First Step Down Payment Grant Program offering up to \$2,500 to eligible first-time homebuyers for property located in low- or moderate-income census tracts. Since the previous evaluation, the bank provided 208 First Step grants totaling approximately \$513 thousand with 98.6 percent of participants being low- and moderate-income (LMI). Additionally, the bank offers grant assistance through the Federal Home Loan Bank of Chicago’s Down Payment Plus program and the Freddie Mac-sponsored “BorrowSmart” program. These programs are designed to provide a responsible financing option for qualified low- and moderate-income borrowers, including first time home buyers, who may lack funds for a larger down payment. Since the previous evaluation, 143 Down Payment Plus grants and 203 “BorrowSmart” grants were provided, of which 98.8 percent and 61.0 percent by

number benefited low- and moderate-income individuals and census tracts, respectively. Additionally, the bank partners with several other organizations that also provide down-payment and closing cost assistance grants. Including the program previously mentioned, the bank participated in providing 697 grants totaling approximately \$2.7 million, of which 98.7 percent benefited low- and moderate-income individuals.

Johnson Bank also offers mortgages through the Wisconsin Housing Economic Development Authority (WHEDA) and Guaranteed Rural Housing. These loan programs have a higher concentration of LMI borrowers as there are income restrictions and utilize targeted geographic areas.

Community Development Lending

Johnson Bank makes a relatively high-level of community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the review period, the bank originated 139 qualified community development loans totaling \$221.9 million, of which 52 loans totaling \$137.0 million were originated within the full review assessment areas. The majority of community development loans were towards affordable housing and community service purposes representing 90.6 percent by number and 77.4 percent by dollar volume. Affordable housing was identified as a critical need throughout the bank's assessment areas. The bank's community development lending has declined since the previous evaluation during which the bank originated 238 community development loans totaling \$245.0 million. When adjusting for variance in review period length, the bank's current performance in community development lending decreased 25.9 percent by number but increased 14.9 percent by dollar volume when compared to the previous evaluation. Further, it should be noted that during the previous evaluation the bank had one additional assessment area contributing to more community development opportunity. Please refer to the individual assessment areas for more information.

The following table presents the bank's community development loans throughout its combined assessment area during the review period.

Community Development Loans May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Full Review Assessment Areas										
Lake County-Kenosha County, IL-WI MD	1	1,680	8	9,609	0	0	0	0	9	11,289
Racine, WI MSA	8	3,891	10	24,400	1	2,813	2	37,990	21	69,093
Milwaukee-Waukesha, WI MSA	12	35,583	3	14,400	1	250	0	0	16	50,233
Green Bay, WI MSA	0	0	0	0	2	1,730	0	0	2	1,730
Northwest Non-MSA	3	845	0	0	0	0	1	3,842	4	4,687
Full Review Total	24	41,998	21	48,409	4	4,793	3	41,832	52	137,031
Limited Review Assessment Area										
Appleton-Oshkosh-Neenah, WI CSA	0	0	0	0	1	1,531	0	0	1	1,531
Janesville-Beloit, WI MSA	4	2,348	8	7,955	0	0	3	1,450	15	11,753
Sheboygan, WI MSA	3	2,432	0	0	0	0	0	0	3	2,432
Madison, WI MSA	6	12,950	14	27,541	2	600	0	0	22	41,091
Southeast Non-MSA	9	3,360	0	0	0	0	0	0	9	3,360
Limited Review Total	22	21,090	22	35,497	3	2,131	3	1,450	50	60,167
Other										
Regional	37	24,653	0	0	0	0	0	0	37	24,653
Grand Total	83	87,741	43	83,905	7	6,923	6	43,282	139	221,851

INVESTMENT TEST

Johnson Bank's performance relative to the Investment Test is High Satisfactory based on a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex qualified investments to support community development initiatives and demonstrates adequate responsiveness to the credit and community development needs of its assessment areas. During the evaluation period, the bank made or maintained, 99 community development investments totaling approximately \$57.3 million, of which 61 investments for \$36.8 million were within the full review assessment areas. Additionally, of the qualified community development investments, 16 investments, totaling \$27.1 million, were made within the current review period whereas the remaining investments were made prior to the current evaluation period still maintained by the bank. Community development investments are comprised largely of less innovative school bonds and mortgage-backed securities. However, the bank also invested in the following: New Market Tax Credits (NMTCs) helping spur revitalization and economic development efforts in low- and moderate-income communities, as well as

investment into a Community Development Entity (CDE)-certified community development fund with the primary mission of promoting permanent job creation, retention, and/or improvement for low- and moderate-income individuals by small businesses. During the previous evaluation the bank made, and maintained, 100 community development investments totaling \$53.4 million. When adjusting for variance in review period length, the bank’s current performance in community development investments increased 25.7 percent by number and 36.1 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its combined assessment area during the review period.

Community Development Investments May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Full Review Assessment Areas										
Lake County-Kenosha County, IL-WI MD	10	6,248	8	2,934	1	720	0	0	19	9,901
Racine, WI MSA	7	638	6	8,558	1	461	0	0	14	9,656
Milwaukee-Waukesha, WI MSA	4	311	0	0	2	471	2	6,176	8	6,958
Green Bay, WI MSA	11	5,435	1	310	1	152	0	0	13	5,897
Northwest Non-MSA	2	103	5	4,255	0	0	0	0	7	4,359
Full Review Total	34	12,735	20	16,057	5	1,803	2	6,176	61	36,771
Limited Review Assessment Area										
Appleton-Oshkosh-Neenah, WI CSA	5	590	0	0	0	0	1	4,000	6	4,590
Janesville-Beloit, WI MSA	6	932	2	460	1	308	0	0	9	1,701
Sheboygan, WI MSA	3	489	1	511	0	0	0	0	4	1,000
Madison, WI MSA	8	4,609	0	0	1	1,175	1	1,075	10	6,859
Southeast Non-MSA	3	518	0	0	1	1,003	0	0	4	1,521
Limited Review Total	25	7,138	3	971	3	2,487	2	5,075	33	15,672
Other										
Regional	2	36	0	0	1	1,233	2	3,563	5	4,831
Grand Total	61	19,909	23	17,028	9	5,524	6	14,813	99	57,274

Additionally, the bank made 220 donations totaling \$2.3 million to organizations during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, towards community service efforts targeting low- and moderate-income individuals and communities (66.1 percent) and revitalization and stabilization efforts impacting low- and moderate-income geographies and distressed and/or underserved nonmetropolitan middle-income geographies with an emphasis on COVID-19 pandemic relief. During the previous evaluation the bank made 276 community development donations totaling \$3.1 million. When adjusting for variance in review period length, the bank’s current performance

in community development donations increased slightly by 1.2 percent by number, but a decline of 7.9 percent by dollar volume.

Please refer to the individual assessment areas for more information.

SERVICE TEST

Johnson Bank's performance relative to the Service Test is rated High Satisfactory based on the following major factors in the assessment areas: delivery systems are accessible to the bank's geographies and individuals of different income levels in the assessment area; the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals; services do not vary in a way that inconveniences the assessment area, particularly LMI geographies and individuals, and the bank provides a relatively high level of community development services.

Retail Services

Johnson Bank's retail delivery services are accessible to the bank's geographies and individuals of different income levels in its assessment area. The bank operates a total of 30 offices, five of which are located in low- or moderate-income census tracts. In addition, the bank operates a total of 28 cash-only ATMs, five of which are located in a low- or moderate-income census tract. Although branch offices are not evenly distributed throughout the assessment area, they are accessible to low- and moderate-income individuals and geographies. Alternative delivery systems include phone, internet banking, and mobile banking.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income individuals or geographies. Since the previous evaluation, the bank closed three full-service branch locations, two with cash-only ATMs, as well as one LPO. All closed locations were located within middle- and upper-income census tracts, with no branches closed within low- or moderate-income census tracts. Further, two of the previously mentioned branches, including one cash-only ATM, were closed in Milwaukee, Wisconsin, with all operations from the branch closures consolidated into a new branch office located within 0.4 miles of each associated location. The new branch is located within an upper-income census tract in Milwaukee, Wisconsin, representing the only branch opening since the previous evaluation.

Bank hours and services do not vary in a way that inconveniences low- and moderate-income individuals or geographies. Office hours are generally 8:30 a.m. to 5:00 p.m., Monday through Friday. Multiple locations also provide drive-up services with extended hours and services on Saturday. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank's website.

Community Development Services

Johnson Bank provided a relatively high level of community development services. During the review period, the bank provided 6,472 hours of community development services. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations; however, the large majority of community development services had a focus of community services and affordable housing targeting low- and moderate-income individuals and geographies. This is inclusive of financial literacy education and homeownership counseling, which community representatives identified as significant needs within the bank’s assessment areas. This demonstrates the bank’s understanding and responsiveness to the needs of the communities it serves. During the previous evaluation the bank conducted 7,740 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours increased by 6.1 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its combined assessment area during the review period.

Community Development Services May 4, 2021 through June 12, 2023					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Full Review Assessment Areas					
Lake County-Kenosha County, IL-WI MD	110	249	125	0	484
Racine, WI MSA	633	1,161	192	104	2,090
Milwaukee-Waukesha, WI MSA	1,364	1,052	28	0	2,444
Green Bay, WI MSA	30	221	0	0	251
Northwest Non-MSA	15	73	0	0	88
Full Review Total	2,152	2,755	345	104	5,356
Limited Review Assessment Area					
Appleton-Oshkosh-Neenah, WI CSA	10	25	0	0	35
Janesville-Beloit, WI MSA	435	420	2	0	857
Sheboygan, WI MSA	10	5	0	0	15
Madison, WI MSA	63	89	0	0	152
Southeast Non-MSA	10	9	0	0	19
Limited Review Total	528	548	2	0	1,078
Other					
Regional	38	0	0	0	38
Grand Total	2,718	3,303	347	104	6,472

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

LAKE COUNTY-KENOSHA COUNTY, IL-WI MD #29404- Full Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LAKE COUNTY-KENOSHA COUNTY, IL-WI MD #29404

Johnson Bank's Lake County-Kenosha County, IL-WI MD #29404 assessment area remains unchanged from the previous evaluation and consists of Kenosha County, WI in its entirety, but excludes Lake County, IL. Located within the assessment area are four full-service branch locations with cash-only ATMs representing no change in branch operations within the assessment area since the previous evaluation. Two branches and cash-only ATMs are located within moderate-income census tracts, whereas the remaining two branches and ATMs are located within middle-income census tracts. In 2021, the assessment area was comprised of 36 census tracts: six low-income, 14 moderate-income, 15 middle-income, and one unknown-income census tracts. There were no upper-income census tracts, and the unknown-income census tract includes a portion of Lake Michigan.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey (ACS) and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes			
American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	6	7	1
Moderate	14	12	-2
Middle	15	21	6
Upper	0	1	1
Unknown	1	2	1
Total	36	43	7
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015</i> <i>U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 2nd among 11 FDIC-insured financial institutions operating within the assessment area. The bank held \$790.0 million in deposits, representing 22.9 percent of the total deposit market share in the assessment area. In comparison, the first ranked institution, JP Morgan Chase Bank, National Association (NA) held \$972.7 million in deposits, representing 28.2 percent of the deposit market share. The third ranked institution, BMO Harris Bank, NA, held \$431.3 million in deposits, representing 12.5 percent of the deposit market share.

Johnson Bank ranks 2nd out of 325 aggregate lenders in 2021 HMDA-reportable transactions. A total of 695 originations and purchase transactions were reported by the bank compared to 788 reported by market leader Gateway Mortgage Corporation. Further, the CRA Market Peer Report ranks Johnson Bank 4th out of 80 reporters with 276 CRA-reportable loans in 2021 compared to 619 loans reported by 1st ranked JP Morgan Chase Bank, NA.

Additional demographic information about the assessment area is provided in the following table.

2022 Lake County-Kenosha County, IL-WI MD 29404 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	7	16.3	5,772	13.7	1,188	20.6	12,202	29.0
Moderate	12	27.9	10,972	26.1	1,185	10.8	9,354	22.3
Middle	21	48.8	23,270	55.4	945	4.1	9,467	22.5
Upper	1	2.3	1,601	3.8	30	1.9	10,997	26.2
Unknown	2	4.7	405	1.0	50	12.3	0	0.0
Total AA	43	100.0	42,020	100.0	3,398	8.1	42,020	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	10,846	4,263	9.9	39.3	5,359	49.4	1,224	11.3
Moderate	18,338	10,802	25.2	58.9	6,514	35.5	1,022	5.6
Middle	37,752	25,414	59.2	67.3	8,832	23.4	3,506	9.3
Upper	2,238	2,013	4.7	89.9	103	4.6	122	5.5
Unknown	1,581	423	1.0	26.8	872	55.2	286	18.1
Total AA	70,755	42,915	100.0	60.7	21,680	30.6	6,160	8.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	679	12.7	629	12.9	46	11.2	4	6.3
Moderate	1,269	23.8	1,183	24.3	71	17.4	15	23.8
Middle	2,943	55.2	2,636	54.2	269	65.8	38	60.3
Upper	159	3.0	153	3.1	4	1.0	2	3.2
Unknown	281	5.3	258	5.3	19	4.6	4	6.3
Total AA	5,331	100.0	4,859	100.0	409	100.0	63	100.0
Percentage of Total Businesses:				91.1		7.7		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	5	4.5	5	4.7	0	0.0	0	0.0
Moderate	2	1.8	2	1.9	0	0.0	0	0.0
Middle	101	90.2	96	89.7	5	100.0	0	0.0
Upper	4	3.6	4	3.7	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	112	100.0	107	100.0	5	100.0	0	0.0
Percentage of Total Farms:				95.5		4.5		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 169,151. The assessment area experienced a slight increase in population by 0.8 percent between 2015 and 2020, which is slightly below the state of Wisconsin’s population growth of 2.6 percent during the same period. A community representative indicated that at the very beginning of the COVID-19 pandemic there was a portion of the local population that left the area due to business closures and increased civil unrest. However, community representatives stated that there has been a large increase in population growth as more people have moved to the area from larger metropolitan cities in the past few years. The increase in flexibility provided by businesses has allowed people to work partially or fully remote, which has been the primary factor in the recent population increase due to individuals seeking a lower cost of living yet close proximity to major metropolitan cities. The community representatives anticipate Kenosha County will experience continued, and sustained, population growth in the coming years.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	167,738	169,151	0.8
Lake County-Kenosha County, IL-WI MD	870,636	883,493	1.5
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 42,020 families, of which 29.0 percent are designated as low-income, 22.3 percent are moderate-income, 22.5 percent are middle-income, and 26.2 percent are upper-income. However, 8.1 percent of families residing within the assessment area live below the poverty line, which is above the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income (MFI) for the assessment area is \$82,340, which is above the MFI for the state of Wisconsin at \$80,844. Community representatives indicated that there are several major employers who have been expanding operations in recent years. Due to the COVID-19 pandemic there was an increase in the number of individuals entering early retirement resulting in reduced labor supply in the local area. As a result, the ongoing labor shortage has caused local businesses to increase wages to attract new workers and to retain employees which the community representatives anticipate positively impacting local MFI in the coming years. The following table presents inflation-adjusted (in 2020 dollars) income characteristics between 2015 and 2020 in the assessment area, the Lake County-Kenosha County IL-WI MD, and the state of Wisconsin.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	74,071	82,340	11.2
Lake County-Kenosha County, IL-WI MD	95,204	105,876	11.2
State of Wisconsin	74,365	80,844	8.7

*Source: 2011 - 2015 and 2016 – 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 70,755 housing units. The majority of housing units are owner-occupied at 60.7 percent, whereas rental units account for 30.6 percent of total units. Within the assessment area, 8.7 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D– Glossary. A higher ratio generally suggests more affordable housing opportunities. Based on the 2016-2020 ACS data, the affordability ratio for the assessment area was 0.35, which is slightly higher than the state of Wisconsin at 0.33 percent. As such, the affordability ratio suggests that housing within the assessment area is slightly more affordable than housing throughout the state of Wisconsin.

The following table represents recent housing cost burden for individuals within the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As depicted within the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. Kenosha County and the larger Lake County-Kenosha County, IL-WI MD had a higher proportion of renters that met the cost burden criteria at 42.3 and 42.9 percent, respectively, when compared to the state of Wisconsin at 39.6 percent. This can be similarly observed when considering the proportion of homeowners experiencing cost burden as 19.7 percent of homeowners residing within the assessment area met the cost burden criteria, which is above the state of Wisconsin at 18.1 percent.

Community representatives indicated that there is a lack of affordable housing units within the assessment area, particularly in recent years. The recent influx of new permanent residents has increased demand for housing, particularly affordable housing. Additionally, a community representative stated that there has been an increase in the number of investors purchasing existing affordable housing properties, renovating them, and then offering the house/rental units for market-rate prices limiting the amount of existing affordable housing stock. Finally, community representatives indicated that the rental and housing stock are aged and in need of

significant maintenance and/or rehabilitation. Given the aged housing within the assessment area, most new homeowners need to perform a higher degree of home repairs and renovations, driving the cost of housing up and resulting in more homeowners experiencing housing cost burden. The COVID-19 pandemic has exacerbated the need for affordable housing as construction costs and general housing prices have increased dramatically in recent years, hindering the development of more affordable housing units within the area.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	81.8	28.8	42.3	71.6	34.2	19.7
Lake County-Kenosha County, IL-WI MD	77.2	35.6	42.9	73.7	41.2	22.9
State of Wisconsin	74.1	21.4	39.6	64.0	29.4	18.1
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table presents employment characteristics for the assessment area, Lake County-Kenosha County, IL-WI MD, and the state of Wisconsin. In 2021, the unemployment rates within the assessment area (4.3 percent) and the Lake County-Kenosha County, IL-WI MD (5.1 percent) were higher than the state of Wisconsin’s unemployment rate at 3.8 percent. COVID-19 pandemic-related unemployment rates have declined, but still remain above pre-pandemic rates.

A community representative stated that during the pandemic Kenosha County implemented tighter restrictions when compared to more rural parts of the state, which resulted in a higher spike of unemployment during the pandemic. The community representative stated that unemployment has continued to decline in recent years. Most industries experienced a full recovery from the pandemic with the exception of construction, food, and hospitality services, which are still lagging in their respective recoveries.

Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
Assessment Area	3.8	3.5	3.8	7.1	4.3
Lake County-Kenosha County, IL-WI MD	4.4	4.3	3.9	8.0	5.1
State of Wisconsin	3.3	3.0	3.2	6.3	3.8
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

According to location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, transportation and warehousing, and healthcare and social assistance. Community representatives indicated that there have been a notable number of large businesses which have entered and/or expanded operations within Kenosha County in recent years. This includes companies such as Amazon, Uline Shipping Supplies, Haribo, Nexus Pharmaceuticals, and more. The influx of new employers has added to the demand for labor in the assessment area resulting in many companies increasing wages and/or benefits to retain current, and attract prospective, employees.

Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area, as well as providing information on how the COVID-19 pandemic affected the local economy. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. Community representatives stated the largest need for the area is affordable housing. Further, a community representative noted a need for local financial institutions to find innovative and/or flexible ways to lend to local small businesses. Finally, a community representative specially highlighted Johnson Bank's efforts in the local area by providing pro bono loan servicing to the Habitat for Humanity of Kenosha County, positively impacting the county's ability to provide new affordable housing to local residents, particularly to low- and moderate-income families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LAKE COUNTY- KENOSHA COUNTY, IL-WI MD #29404

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, adequate penetration among individuals of different income levels and among businesses of different sizes. Johnson Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes an adequate level of community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts.

For the purposes of this review, loans originated in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans originated in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects adequate penetration throughout the assessment area. In 2021, Johnson Bank originated 3.9 percent of its total HMDA-reportable loans in low-income census tracts, which is below the aggregate and percentage of owner-occupied units located in low-income census tracts at 7.0 percent and 8.0 percent, respectively. The bank originated 27.8 percent of its HMDA-reportable loans in moderate-income census tracts, below aggregate at 34.8 percent and the percentage of owner-occupied units at 36.5 percent. The majority of the bank's HMDA-reportable loans were originated in middle-income census tracts at 68.3 percent. This is above the aggregate and percentage of owner-occupied units located in middle-income census tracts at 58.1 percent and 55.5 percent, respectively. Finally, there were no upper-income census tracts therefore the bank and aggregate did not originate any HMDA-reportable loans in upper-income census tracts. Due to low volume, home improvement and multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, Johnson Bank originated 3.1 percent of home purchase loans in low-income census tracts, which is below the aggregate and percentage of owner-occupied units located in low-income census tracts at 9.7 percent and 8.0 percent, respectively. The bank originated 28.5 percent of its home purchase loans in moderate-income census tracts, below aggregate at 38.5 percent and above the percentage of owner-occupied units at 36.5 percent. A majority of the bank's home purchase

loans were originated in middle-income census tracts at 68.5 percent. This is above the aggregate and percentage of owner-occupied units located in middle-income census tracts at 51.8 percent and 55.5 percent, respectively. Finally, there were no upper-income census tracts therefore the bank and aggregate did not originate any home purchase loans in upper-income census tracts.

Refinance Loans

In 2021, Johnson Bank originated 4.2 percent of refinance loans in low-income census tracts, which is comparable to the aggregate but below the percentage of owner-occupied units located in low-income census tracts at 5.7 percent and 8.0 percent, respectively. The bank originated 27.6 percent of its refinance loans in moderate-income census tracts, below aggregate at 32.8 percent and the percentage of owner-occupied units at 36.5 percent. A majority of the bank's refinance loans were originated in middle-income census tracts at 68.2 percent. This is above the aggregate and percentage of owner-occupied units located in middle-income census tracts at 61.5 percent and 55.5 percent, respectively. Finally, there were no upper-income census tracts therefore the bank and aggregate did not originate any refinance loans in upper-income census tracts.

The following table presents the bank's geographic distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for geographic distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography Assessment Area: Lake County-Kenosha County, IL-WI MD 29404							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	4	3.1	9.7	625	1.5	6.0	8.0
Moderate	37	28.5	38.5	8,345	20.5	31.3	36.5
Middle	89	68.5	51.8	31,798	78.0	62.7	55.5
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	130	100.0	100.0	40,768	100.0	100.0	100.0
Refinance Loans							
Low	16	4.2	5.7	1,831	2.2	3.4	8.0
Moderate	106	27.6	32.8	14,704	17.3	25.0	36.5
Middle	262	68.2	61.5	68,411	80.5	71.6	55.5
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	384	100.0	100.0	84,946	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	4.0	0	0.0	1.9	8.0
Moderate	0	0.0	30.2	0	0.0	24.8	36.5
Middle	0	0.0	65.8	0	0.0	73.3	55.5
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	24.3	0	0.0	4.5	9.8
Moderate	0	0.0	48.6	0	0.0	26.4	49.0
Middle	1	100.0	27.0	800	100.0	69.1	41.2
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	800	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	20	3.9	7.0	2,456	1.9	4.4	8.0
Moderate	143	27.8	34.8	23,049	18.2	27.4	36.5
Middle	352	68.3	58.1	101,009	79.8	68.2	55.5
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	515	100.0	100.0	126,514	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. In 2021, Johnson Bank originated 8.7 percent of its small business loans in low-income census tracts, comparable to the aggregate at 7.3 percent and the percentage of total businesses located in low-income census tracts at 9.3 percent. The bank originated 46.7 percent of its small business loans in moderate-income census tracts, above the aggregate at 33.6 percent and the percentage of total businesses located in moderate-income census tracts at 37.7 percent. Additionally, the bank originated 44.6 percent of its small business loans in middle-income census tracts, below the aggregate and the percentage of total businesses located in middle-income census tracts at 58.8 percent and 53.0 percent, respectively. Finally, there were no upper-income census tracts therefore the bank and aggregate did not originate any small business loans in upper-income census tracts.

The following table presents the bank’s geographic distribution of small business loans in 2021. Please refer to Appendix B for geographic distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	24	8.7	7.3	4,066	9.2	7.8	9.3
Moderate	129	46.7	33.6	20,978	47.6	33.7	37.7
Middle	123	44.6	58.8	19,008	43.1	58.4	53.0
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	276	100.0	100.0	44,052	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s lending activities reflect adequate penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were

analyzed based on income designations from the 2016-2020 ACS data. When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. Further, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2021, the bank originated 12.5 percent of its total HMDA-reportable loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 15.6 percent and 29.6 percent, respectively. The bank originated 18.7 percent of its HMDA-reportable loans to moderate-income borrowers. This performance is below both the aggregate at 24.9 percent and the percentage of moderate-income families within the assessment area at 21.6 percent. The bank originated 26.1 percent of its HMDA-reportable loans to middle-income borrowers, above the aggregate at 22.8 percent and the proportion of middle-income families within the assessment area at 22.3 percent. The bank originated a majority of its HMDA-reportable loans to upper-income borrowers at 42.4 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 23.9 percent and 26.4 percent, respectively. Finally, the bank originated 0.4 percent of its HMDA-reportable loans to individuals of unknown-income, below aggregate at 12.8 percent. Due to low volume, home improvement loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, the bank originated 14.6 percent of its home purchase loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 20.2 percent and 29.6 percent, respectively. The bank originated 13.1 percent of its home purchase loans to moderate-income borrowers. This performance is below both the aggregate at 28.1 percent and the percentage of moderate-income families within the assessment area at 21.6 percent. The bank originated 23.8 percent of its home purchase loans to middle-income borrowers, above the aggregate at 21.2 percent and comparable to the proportion of middle-income families within the assessment area at 22.3 percent. The bank originated the highest proportion of its home purchase loans to upper-income borrowers at 47.7 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 20.7 percent and 26.4 percent, respectively. Finally, the bank originated 0.8 percent of its home purchase loans to individuals of unknown-income, below aggregate at 9.8 percent.

Refinance Loans

In 2021, the bank originated 11.7 percent of its refinance loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 13.7 percent and 29.6 percent, respectively. The bank originated 20.6 percent of its refinance loans to moderate-income borrowers. This performance is below the aggregate at 23.3 percent and comparable to the percentage of moderate-income families within the assessment area at 21.6 percent. The bank originated 26.8 percent of its refinance loans to middle-income borrowers, above the aggregate at 23.7 percent and the proportion of middle-income families within the assessment area at 22.3 percent. The bank originated the highest proportion of its refinance loans to upper-income borrowers at 40.6 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 24.3 percent and 26.4 percent, respectively. Finally, the bank originated 0.3 percent of its refinance loans to individuals of unknown-income, below aggregate at 15.0 percent.

The following table presents the bank's borrower distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for borrower distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level Assessment Area: Lake County-Kenosha County, IL-WI MD 29404							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%		%
Home Purchase Loans							
Low	19	14.6	20.2	3,346	8.2	13.1	29.6
Moderate	17	13.1	28.1	3,327	8.2	24.1	21.6
Middle	31	23.8	21.2	7,210	17.7	22.5	22.3
Upper	62	47.7	20.7	26,812	65.8	30.5	26.4
Unknown	1	0.8	9.8	73	0.2	9.8	0.0
Total	130	100.0	100.0	40,768	100.0	100.0	100.0
Refinance Loans							
Low	45	11.7	13.7	5,112	6.0	8.3	29.6
Moderate	79	20.6	23.3	11,090	13.1	19.1	21.6
Middle	103	26.8	23.7	20,576	24.2	23.3	22.3
Upper	156	40.6	24.3	47,718	56.2	33.3	26.4
Unknown	1	0.3	15.0	450	0.5	16.0	0.0
Total	384	100.0	100.0	84,946	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	10.5	0	0.0	7.8	29.6
Moderate	0	0.0	23.7	0	0.0	16.2	21.6
Middle	0	0.0	25.4	0	0.0	24.0	22.3
Upper	0	0.0	37.9	0	0.0	46.8	26.4
Unknown	0	0.0	2.5	0	0.0	5.2	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	64	12.5	15.6	8,458	6.7	10.1	29.6
Moderate	96	18.7	24.9	14,417	11.5	20.9	21.6
Middle	134	26.1	22.8	27,786	22.1	22.9	22.3
Upper	218	42.4	23.9	74,530	59.3	32.5	26.4
Unknown	2	0.4	12.8	523	0.4	13.6	0.0
Total	514	100.0	100.0	125,714	100.0	100.0	100.0
<i>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</i>							

Small Business Lending

The distribution of small business loans reflects good penetration among businesses of different revenue sizes. In 2021, Johnson Bank origination 15.2 percent of its small business loans to businesses reporting annual revenues of \$1 million or less, which was below the aggregate at 47.1 percent and the percentage of businesses with gross revenues of \$1 million or less at 91.2 percent. Of loans to businesses with revenues of \$1 million or less, 52.4 percent were in amounts of \$100,000

or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses. A majority of the bank’s small business loans (60.5 percent) were originated to businesses with unknown-revenue.

The following table presents the bank’s borrower distribution of small business loans in 2021. Please refer to Appendix B for borrower distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	42	15.2	47.1	6,355	14.4	28.1	91.2
Over \$1 Million	67	24.3		19,657	44.6		7.9
Revenue Unknown	167	60.5		18,040	41.0		0.8
Total	276	100.0		44,052	100.0		100.0
By Loan Size							
\$100,000 or Less	154	55.8	88.4	6,647	15.1	28.5	
\$100,001 - \$250,000	66	23.9	6.1	11,038	25.1	19.3	
\$250,001 - \$1 Million	56	20.3	5.5	26,367	59.9	52.2	
Total	276	100.0	100.0	44,052	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	22	52.4		1,091	17.2		
\$100,001 - \$250,000	12	28.6		2,168	34.1		
\$250,001 - \$1 Million	8	19.0		3,096	48.7		
Total	42	100.0		6,355	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Lending

Johnson Bank makes an adequate level of community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the review period, the bank originated nine community development loans totaling approximately \$11.3 million. The substantial portion of community development loans were focused on community services primarily benefiting low- and moderate-income individuals. Further, the bank originated one loan to provide an affordable residential facility offering disability care located within a low-income census tract. During the previous evaluation the bank originated 15

community development loans totaling \$12.7 million. When adjusting for variance in review period length, the bank’s current performance in community development lending decreased 23.8 percent by number but increased 13.1 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development loans throughout its assessment area during the review period.

Community Development Loans May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Lake County-Kenosha County, IL-WI MD	1	1,680	8	9,609	0	0	0	0	9	11,289

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community initiatives and demonstrates adequate responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 19 community development investments totaling approximately \$9.9 million within the assessment area. Of the qualified community development investments, two investments totaling \$3.8 million were made within the current review period whereas the remaining investments were made prior to the current evaluation period, yet still maintained by the bank. The qualified investments were largely comprised of less innovative school bonds and mortgage-backed securities, including the two investments made during the current review period. During the previous evaluation, the bank made and maintained 17 community development investments totaling \$8.3 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments increased 41.9 percent by number and 51.3 percent by dollar volume when compared to the previous evaluation.

Community Development Investments May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Lake County-Kenosha County, IL-WI MD	10	6,248	8	2,934	1	720	0	0	19	9,901

Additionally, Johnson Bank distributed 18 donations totaling approximately \$118,000 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, towards revitalization and stabilization efforts impacting low- and moderate-income geographies (46.5 percent) and community service efforts targeting low- and moderate-income individuals and communities (39.1 percent). During the previous evaluation, the bank distributed 18 community development donations totaling approximately \$82,032. When adjusting for variance in review period length, the bank's current performance in community development donations increased notably by 26.9 percent by number and 83.0 percent by dollar volume.

SERVICE TEST

Johnson Bank's delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides an adequate level of community development services in the assessment area.

Retail Services

Johnson Bank's retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates four offices and four cash-only ATMs within the assessment area. There are two offices located in moderate-income census tracts, and two are located in middle-income census tracts. Alternative delivery systems include phone, internet banking, and mobile banking. Additionally, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. No branches were opened or closed in the assessment area during the evaluation period.

The bank's services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area generally have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, and 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank's website.

Community Development Services

Johnson Bank provides an adequate level of community development services. During the review period, the bank provided 484 community development services. As illustrated in the following

table, community development services were accomplished in partnership with a variety of organizations, however the majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies. During the previous evaluation the bank conducted 783 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours decreased by 21.6 percent when compared to the previous evaluation.

Community Development Services May 4, 2021 through June 12, 2023					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Lake County-Kenosha County, IL-WI MD	110	249	125	0	484

RACINE, WI MSA #39540 - Full Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RACINE, WI MSA #39540

Johnson Bank's Racine, WI MSA #39540 assessment area remains unchanged from the previous evaluation and consists of Racine County in its entirety. Located within the assessment area are six branch locations (including the main office) and six cash-only ATMs representing no change in branch operations within the assessment area since the previous evaluation. The main office and a cash-only ATM are located within a low-income census tract, two branches and ATMs are located in middle-income census tracts, and the remaining three branches and ATMs are located in upper-income census tracts. In 2021, the assessment area was comprised of 45 census tracts: three low-income, nine moderate-income, 21 middle-income, nine upper-income, and three unknown-income census tracts. Two of the unknown-income census tracts include a portion of Lake Michigan and the third unknown-income census tract is comprised largely by the Southern Wisconsin Center operated by the Wisconsin Department of Health Services.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes			
American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	3	4	1
Moderate	9	9	0
Middle	21	16	-5
Upper	9	16	7
Unknown	3	2	-1
Total	45	47	2

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 1st of 14 FDIC-insured financial institutions operating within the assessment area. The bank held \$1.6 billion in deposits, representing 36.1 percent of the total deposit market share. In comparison, the second ranked institution, Community State Bank, held \$480.4 million in deposits, representing 10.9 percent of the deposit market share. The third ranked institution, BMO Harris Bank, NA, held \$451.4 million in deposits, representing 10.2 percent of the deposit market share.

Johnson Bank ranks 3rd out of 332 aggregate lenders in 2021 HMDA-reportable transactions. A total of 763 originations and purchase transactions were reported by the bank compared to 1,730 reported by market leader Educators Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 5th out of 87 reporters with 239 CRA-reportable loans in 2021 compared to 628 loans reported by first-ranked U.S. Bank, NA. The 2022 demographic characteristics of the bank’s assessment area is shown in the following table.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Racine, WI MSA 39540 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	4	8.5	4,332	8.4	1,292	29.8	10,813	21.0
Moderate	9	19.1	8,430	16.4	1,094	13.0	9,431	18.3
Middle	16	34.0	18,758	36.4	1,364	7.3	10,372	20.1
Upper	16	34.0	19,952	38.8	657	3.3	20,862	40.5
Unknown	2	4.3	6	0.0	0	0.0	0	0.0
Total AA	47	100.0	51,478	100.0	4,407	8.6	51,478	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,485	2,228	4.2	26.3	5,122	60.4	1,135	13.4
Moderate	15,099	7,940	15.0	52.6	6,038	40.0	1,121	7.4
Middle	30,808	20,152	38.1	65.4	8,814	28.6	1,842	6.0
Upper	28,565	22,567	42.7	79.0	4,775	16.7	1,223	4.3
Unknown	20	9	0.0	45.0	3	15.0	8	40.0
Total AA	82,977	52,896	100.0	63.7	24,752	29.8	5,329	6.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	758	10.7	679	10.5	65	11.6	14	18.4
Moderate	1,039	14.7	979	15.2	55	9.8	5	6.6
Middle	2,600	36.7	2,304	35.7	266	47.6	30	39.5
Upper	2,689	37.9	2,490	38.6	172	30.8	27	35.5
Unknown	4	0.1	3	0.0	1	0.2	0	0.0
Total AA	7,090	100.0	6,455	100.0	559	100.0	76	100.0
Percentage of Total Businesses:				91.0		7.9		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	1	0.6	1	0.6	0	0.0	0	0.0
Moderate	4	2.4	4	2.5	0	0.0	0	0.0
Middle	34	20.7	32	20.4	2	33.3	0	0.0
Upper	125	76.2	120	76.4	4	66.7	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	164	100.0	157	100.0	6	100.0	1	100.0
Percentage of Total Farms:				95.7		3.7		0.6
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 197,727. The assessment area experienced a slight increase in population by 1.5 percent between 2015 and 2020, which is slightly below the state of Wisconsin’s population growth of 2.6 percent during the same period. A community representative stated that the largest barrier to population growth in the local area is the lack of affordable housing stock. The community representative expanded upon this by stating the lack of affordable housing is impacting certain communities more than others, such as first-time homebuyers and retired individuals looking to transition to affordable nursing facilities. This has been an issue for quite some time as the county has experienced minimal affordable housing construction up until recent years. The community representative expects population growth to likely mirror the state of Wisconsin. There has been an increase in housing construction in recent years and an influx of individuals moving into the area due to remote work capabilities as a result of the COVID-19 pandemic.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	194,895	197,727	1.5
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 51,478 families, of which 21.0 percent are designated as low-income, 18.3 percent are moderate-income, 20.2 percent are middle-income, and 40.5 percent are upper-income. However, 8.6 percent of families residing within the assessment area live below the poverty line, which is above the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$77,503, which is slightly below the MFI for the state of Wisconsin at \$80,844. A community representative stated that Racine County has seen rather steady growth in median family income in recent years. The representative claimed that the statewide MFI increase is likely driven by a few counties which experienced significant growth and that Racine County’s MFI increase is likely more in alignment with a majority of counties throughout the state. Further, they indicated that a few local industrial companies are poised to expand operations, however the significant lack of skilled labor supply is stifling their desired operational growth.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	75,091	77,503	3.2
State of Wisconsin	74,365	80,844	8.7

*Source: 2011 - 2015 and 2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 82,977 housing units. The majority of housing units are owner-occupied at 63.8 percent, whereas rental units account for 29.8 percent of total units. Within the assessment area, 6.4 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D – Glossary. A higher ratio generally suggests more affordable housing opportunities. Based on the 2016-2020 ACS data, the affordability ratio for the assessment area was 0.33 percent, which is in alignment with the state of Wisconsin at 0.33 percent. As such, the affordability ratio suggests that housing within the assessment area is generally as affordable as housing throughout the state of Wisconsin.

The following table represents recent housing cost burden for individuals within the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As depicted within the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. The assessment area had a higher proportion of renters that met the cost burden criteria at 45.7 percent when compared to the state of Wisconsin at 39.6 percent. However, homeowners residing within the assessment area are similarly situated with homeowners within the state of Wisconsin with a housing cost burden of 18.6 percent and 18.1 percent, respectively.

A community representative expressed that affordable housing is in great demand for the local area and that population growth will continue to lag behind statewide trends until the construction of more affordable housing can satisfy sustained population growth. With that, current affordable housing stock is severely lacking and aged. The community representative indicated that the low affordable housing supply has caused increases in rental prices as more individuals and families have moved into the local area. Further, due to the aged housing within the assessment area most new homeowners need to complete a higher degree of home repairs and renovations, driving the cost of housing up and resulting in more homeowners experiencing housing cost burdens. Finally, the community representative corroborated what representatives in other parts of the state of Wisconsin have indicated. The increase in raw materials and shortage of

skilled labor has caused the cost of housing construction to increase, adding to the difficulty of the county’s efforts to improve the affordable housing stock within the local area.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	77.4	25.1	45.7	70.9	32.0	18.6
State of Wisconsin	74.1	21.4	39.6	64.0	29.4	18.1

Employment Conditions

The following table displays unemployment statistics for the assessment area and the state of Wisconsin. In 2021, the unemployment rate within the assessment area (4.7 percent) was higher than the state of Wisconsin’s unemployment rate at 3.8 percent. COVID-19 pandemic-related unemployment rates have declined, but still remain slightly above pre-pandemic rates. A community representative stated that the unemployment rate of Racine County has been historically higher than the state of Wisconsin as the city of Racine has traditionally struggled with higher unemployment rates. In addition, the representative indicated that ample job opportunities are available for individuals seeking employment. However, the representative said that there is a degree of mismatch between some portions of the unemployed population as current job availability does not match their employment experience.

Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
Assessment Area	4.0	3.6	3.9	7.3	4.7
State of Wisconsin	3.3	3.0	3.2	6.3	3.8

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

According to location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, and retail trade. A community representative stated that several local industrial manufacturers are in a position to expand operations. Further, major employers like Foxconn and Microsoft, have recently announced the addition of hundreds of job openings furthering the prospect of improved wages and job opportunities in the area.

Community Representatives

One community representative was contacted during the evaluation to provide information regarding local economic and demographic conditions. The representative provided information

on housing, employment, and economic development needs within the assessment area, as well as providing information about how the COVID-19 pandemic affected the economy in the area. The representative stated that there are challenges within their respective areas in which local financial institutions can assist. The community representative s one of the largest barriers to advancement in economic progress for the local area is the lack of affordable housing availability. The community representative noted a need for local financial institutions to be more innovative and/or flexible in sound lending practices to promote the construction of middle-sized affordable housing developments.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN RACINE, WI MSA #39540

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels and among businesses of different sizes. Johnson Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. The bank is a leader in making community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects good dispersion throughout the

assessment area. In 2021, Johnson Bank originated 1.2 percent of its total HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 1.4 percent and 2.7 percent, respectively. The bank originated 14.4 percent of its HMDA-reportable loans in moderate-income census tracts, comparable to the aggregate at 14.0 percent but below the percentage of owner-occupied units at 16.1 percent. The majority of the bank's HMDA-reportable loans were originated in middle-income census tracts at 59.1 percent. This is comparable to the aggregate and above the percentage of owner-occupied units located in middle-income census tracts at 59.4 percent and 57.4 percent, respectively. Further, the bank originated 24.7 percent of its HMDA-reportable loans in upper-income census tracts, which is comparable to the aggregate at 24.9 percent and the percentage of owner-occupied units located in upper-income census tracts at 23.6 percent. Finally, the bank originated 0.7 percent of HMDA-reportable loans in unknown-income census tracts, comparable to the aggregate at 0.3 percent. Due to low volume, home improvement and multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, Johnson Bank originated 1.0 percent of home purchase loans in low-income census tracts, which is comparable to the aggregate but below the percentage of owner-occupied units located in low-income census tracts at 2.3 percent and 2.7 percent, respectively. The bank originated 20.5 percent of its home purchase loans in moderate-income census tracts, above the aggregate at 18.3 percent and the percentage of owner-occupied units at 16.1 percent. A majority of the bank's home purchase loans were originated in middle-income census tracts at 56.6 percent. This is below the aggregate, but comparable to the percentage of owner-occupied units located in middle-income census tracts at 59.8 percent and 57.4 percent, respectively. Further, the bank originated 21.5 percent of its home purchase loans in upper-income census tracts, which is above the aggregate at 19.1 percent, but below the percentage of owner-occupied units located in upper-income census tracts at 23.6 percent. Finally, the bank originated 0.5 percent of home purchase loans in unknown-income census tracts, comparable to the aggregate at 0.5 percent.

Refinance Loans

In 2021, Johnson Bank originated 1.3 percent of refinance loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.8 percent and 2.7 percent, respectively. The bank originated 11.1 percent of its refinance loans in moderate-income census tracts, comparable to the aggregate at 11.8 percent but below the percentage of owner-occupied units at 16.1 percent. A majority of the bank's refinance loans were originated in middle-income census tracts at 60.4 percent. This is comparable to the aggregate and above the percentage of owner-occupied units located in middle-income census tracts at 59.5 percent and 57.4 percent, respectively. Further, the bank originated 26.4 percent of its refinance loans in upper-income census tracts, which is comparable to the aggregate at 27.8 percent and above the percentage of owner-occupied units located in upper-income census tracts at 23.6

percent. Finally, the bank originated 0.8 percent of refinance loans in unknown-income census tracts, comparable to the aggregate at 0.2 percent.

The following table presents the bank's geographic distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for geographic distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Racine, WI MSA 39540							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	2	1.0	2.3	135	0.2	1.0	2.7
Moderate	42	20.5	18.3	7,029	12.9	12.4	16.1
Middle	116	56.6	59.8	32,390	59.4	60.1	57.4
Upper	44	21.5	19.1	14,831	27.2	26.1	23.6
Unknown	1	0.5	0.5	100	0.2	0.4	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	205	100.0	100.0	54,485	100.0	100.0	100.0
Refinance Loans							
Low	5	1.3	0.8	394	0.5	0.3	2.7
Moderate	43	11.1	11.8	6,408	8.2	7.7	16.1
Middle	233	60.4	59.5	45,823	58.9	57.5	57.4
Upper	102	26.4	27.8	24,716	31.8	34.3	23.6
Unknown	3	0.8	0.2	427	0.5	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	386	100.0	100.0	77,768	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.3	0	0.0	0.6	2.7
Moderate	0	0.0	8.1	0	0.0	4.9	16.1
Middle	0	0.0	59.1	0	0.0	59.2	57.4
Upper	0	0.0	31.3	0	0.0	35.0	23.6
Unknown	0	0.0	0.2	0	0.0	0.4	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	7.0	0	0.0	2.4	4.9
Moderate	0	0.0	31.6	0	0.0	54.1	28.9
Middle	0	0.0	56.1	0	0.0	38.6	51.5
Upper	0	0.0	1.8	0	0.0	3.6	9.3
Unknown	0	0.0	3.5	0	0.0	1.3	5.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	7	1.2	1.4	529	0.4	0.7	2.7
Moderate	85	14.4	14.0	13,437	10.2	11.3	16.1
Middle	349	59.1	59.4	78,213	59.1	57.8	57.4
Upper	146	24.7	24.9	39,547	29.9	29.9	23.6
Unknown	4	0.7	0.3	527	0.4	0.3	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	591	100.0	100.0	132,253	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. In 2021, Johnson Bank originated 8.4 percent of its small business loans in low-income census tracts, above the aggregate at 5.5 percent and the percentage of total businesses located in low-income census tracts at 5.2 percent. The bank originated 20.9 percent of its small business loans in moderate-income census tracts, above the aggregate at 17.7 percent and the percentage of total businesses located in moderate-income census tracts at 17.9 percent. Additionally, the bank originated 47.3 percent of its small business loans in middle-income census tracts, below the aggregate and the percentage of total businesses located in middle-income census tracts at 52.1 percent and 54.5 percent, respectively. Further, the bank originated 14.6 percent of its small business loans in upper-income census tracts, below the aggregate at 21.1 percent and the percentage of total businesses located in upper-income census tracts at 19.5 percent. Finally, the bank originated 8.8 percent of small business loans in unknown-income census tracts, above the aggregate at 3.0 percent.

The following table presents the bank’s geographic distribution of small business loans in 2021. Please refer to Appendix B for geographic distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Racine, WI MSA 39540							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	20	8.4	5.5	3,038	7.0	5.0	5.2
Moderate	50	20.9	17.7	8,681	20.1	17.9	17.9
Middle	113	47.3	52.1	21,387	49.4	55.1	54.5
Upper	35	14.6	21.1	6,343	14.7	17.6	19.5
Unknown	21	8.8	3.0	3,817	8.8	4.3	2.9
Tract-Unk	0	0.0	0.5	0	0.0	0.2	
Total	239	100.0	100.0	43,266	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2021, the bank originated 9.5 percent of its total HMDA-reportable loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.7 percent and 20.0 percent, respectively. The bank originated 17.3 percent of its HMDA-reportable loans to moderate-income borrowers. This performance is below the aggregate at 19.3 percent and comparable to the percentage of moderate-income families within the assessment area at 17.8 percent. The bank originated 20.8 percent of its HMDA-reportable loans to middle-income borrowers, below the aggregate at 23.7 percent and comparable to the proportion of middle-income families within the assessment area at 21.9 percent. The bank originated the majority of its HMDA-reportable loans to upper-income borrowers at 52.3 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 37.1 percent and 40.3 percent, respectively. Finally, the bank originated 0.2 percent of its HMDA-reportable loans to individuals of unknown-income, below aggregate at 13.2 percent. Due to low volume, home improvement loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, the bank originated 13.7 percent of its home purchase loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 9.1 percent and 20.0 percent, respectively. The bank originated 18.5 percent of its home purchase loans to moderate-income borrowers. This performance is below the aggregate at 23.7 percent and comparable to the percentage of moderate-income families within the assessment area at 17.8 percent. The bank originated 19.5 percent of its home purchase loans to middle-income borrowers, below the aggregate at 22.6 percent and the proportion of middle-income families within the assessment area at 21.9 percent. The bank originated the majority of its home purchase loans to upper-income borrowers at 48.3 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 31.2 percent and 40.3 percent, respectively. Finally, the bank did not originate any home purchase loans to individuals of unknown-income, so below aggregate of 13.3 percent.

Refinance Loans

In 2021, the bank originated 7.3 percent of its refinance loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 5.7 percent and 20.0 percent, respectively. The bank originated 16.6 percent of its refinance loans to moderate-income borrowers. This performance is comparable to the aggregate at 17.5 percent and the percentage of moderate-income families within the assessment area at 17.8 percent. The bank originated 21.5 percent of its refinance loans to middle-income borrowers, below the aggregate at 24.5 percent and comparable to the proportion of middle-income families within the assessment area at 21.9 percent. The bank originated the majority of its refinance loans to upper-income borrowers at 54.4 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 38.5 percent and 40.3 percent, respectively. Finally, the bank originated 0.3 percent of its refinance loans to individuals of unknown-income, below aggregate at 13.8 percent.

The following table presents the bank's borrower distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for borrower distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Racine, WI MSA 39540							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Home Purchase Loans							
Low	28	13.7	9.1	3,507	6.4	5.2	20.0
Moderate	38	18.5	23.7	6,176	11.3	17.3	17.8
Middle	40	19.5	22.6	8,903	16.3	22.1	21.9
Upper	99	48.3	31.2	35,899	65.9	42.6	40.3
Unknown	0	0.0	13.3	0	0.0	12.8	0.0
Total	205	100.0	100.0	54,485	100.0	100.0	100.0
Refinance Loans							
Low	28	7.3	5.7	2,961	3.8	3.0	20.0
Moderate	64	16.6	17.5	7,921	10.2	12.2	17.8
Middle	83	21.5	24.5	12,779	16.4	21.9	21.9
Upper	210	54.4	38.5	53,813	69.2	47.1	40.3
Unknown	1	0.3	13.8	294	0.4	15.8	0.0
Total	386	100.0	100.0	77,768	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	4.2	0	0.0	1.9	20.0
Moderate	0	0.0	14.2	0	0.0	11.7	17.8
Middle	0	0.0	24.4	0	0.0	23.7	21.9
Upper	0	0.0	53.7	0	0.0	56.8	40.3
Unknown	0	0.0	3.5	0	0.0	5.9	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	56	9.5	6.7	6,468	4.9	3.8	20.0
Moderate	102	17.3	19.3	14,097	10.7	14.2	17.8
Middle	123	20.8	23.7	21,682	16.4	21.9	21.9
Upper	309	52.3	37.1	89,712	67.8	45.5	40.3
Unknown	1	0.2	13.2	294	0.2	14.6	0.0
Total	591	100.0	100.0	132,253	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The distribution of small business loans reflects adequate penetration among businesses of different revenue sizes. In 2021, Johnson Bank originated 10.0 percent of its small business loans to businesses reporting annual revenues of \$1 million or less, which was significantly below the aggregate at 48.6 percent and the percentage of businesses with gross revenues of \$1 million or less at 90.6 percent. Of loans to businesses with revenues of \$1 million or less, 45.8 percent were in

amounts of \$100,000 or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses. The bank originated 63.6 percent of small business loans to businesses with unknown-revenue.

The following table presents the bank’s borrower distribution of small business loans in 2021. Please refer to Appendix B for borrower distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Racine, WI MSA 39540							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	24	10.0	48.6	5,960	13.8	26.7	90.6
Over \$1 Million	63	26.4		22,654	52.4		8.5
Revenue Unknown	152	63.6		14,652	33.9		0.9
Total	239	100.0		43,266	100.0		100.0
By Loan Size							
\$100,000 or Less	127	53.1	89.2	5,647	13.1	30.0	
\$100,001 - \$250,000	61	25.5	6.0	10,331	23.9	20.8	
\$250,001 - \$1 Million	51	21.3	4.8	27,288	63.1	49.2	
Total	239	100.0	100.0	43,266	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	11	45.8		840	14.1		
\$100,001 - \$250,000	4	16.7		704	11.8		
\$250,001 - \$1 Million	9	37.5		4,416	74.1		
Total	24	100.0		5,960	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Lending

Johnson Bank is a leader in making community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the review period, the bank originated 21 community development loans totaling approximately \$69.1 million. The substantial portion of community development loans, by number, were focused on affordable housing and community services primarily benefiting low- and moderate-income individuals and geographies. Further, the bank originated two loans totaling approximately \$38.0 million to provide financing for the construction of a large apartment complex located within an

Empowerment Zone to help revitalize and stabilize a low-income community within the assessment area. During the previous evaluation the bank originated 26 community development loans totaling \$70.5 million. When adjusting for variance in review period length, the bank’s current performance in community development lending increased 2.5 percent by number and 24.3 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development loans throughout its assessment area during the review period.

Community Development Loans May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Racine, WI MSA	8	3,891	10	24,400	1	2,813	2	37,990	21	69,093

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community development initiatives and exhibits adequate responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 14 community development investments totaling approximately \$9.7 million within the assessment area. Of the qualified community development investments, three investments totaling \$3.7 million were made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The qualified investments were largely comprised of less innovative school bonds and mortgage-backed securities, including the three investments made during the current review period. During the previous evaluation the bank made and maintained, 12 community development investments totaling \$8.0 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments increased 48.1 percent by number and 54.1 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its assessment area during the review period.

Community Development Investments May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Racine, WI MSA	7	638	6	8,558	1	461	0	0	14	9,656

Additionally, the bank made 30 donations totaling approximately \$394,000 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, going towards community service efforts targeting low- and moderate-income individuals and communities (71.7 percent) and revitalization and stabilization efforts impacting low- and moderate-income geographies (19.3 percent). During the previous evaluation the bank made 29 community development donations totaling approximately \$279,369. When adjusting for variance in review period length, the bank’s current performance in community development donations increased notably by 31.3 percent by number and 78.8 percent by dollar volume.

SERVICE TEST

Johnson Bank’s delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank is a leader in providing community development services in the assessment area.

Retail Services

Johnson Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates six offices, including its main office, and six ATMs in the assessment area. The main office and an ATM are located within a low-income census tract, whereas the remaining branch offices and ATMs are located within middle- and upper-income census tracts. Alternative delivery systems include phone, internet banking, and mobile banking. Additionally, the bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. No branches were opened or closed in the assessment area during the evaluation period.

The bank’s services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area generally have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday,

and 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank’s website.

Community Development Services

Johnson Bank is a leader in providing community development services. During the review period, the bank provided 2,090 community development services. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations, however the majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies. During the previous evaluation the bank conducted 1,506 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours increased notably by 76.1 percent when compared to the previous evaluation.

Community Development Services May 4, 2021 through June 12, 2023					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Racine, WI MSA	633	1,161	192	104	2,090

MILWAUKEE-WAUKESHA, WI MSA #33340 - Full Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MILWAUKEE-WAUKESHA, WI MSA #33340

Johnson Bank's Milwaukee-Waukesha, WI MSA #33340 assessment area remains unchanged from the previous evaluation and consists of Milwaukee, Ozaukee, Washington, and Waukesha Counties in their entirety which comprise the entirety of the MSA. Located within the assessment area are seven branch locations, six cash-only ATMs, and one loan production office. Since the previous evaluation the bank closed two branch locations, including one cash-only ATM, and consolidated services at a new branch location (with a cash-only ATM) within 0.4 miles of the closed locations. All impacted locations are located within upper-income census tracts. With the respect to current operations, the LPO is located within a moderate-income census tract with all remaining operations residing within middle- and upper-income census tracts. In 2021, the assessment area was comprised of 431 census tracts: 99 low-income, 68 moderate-income, 139 middle-income, 122 upper-income, and three unknown-income census tracts. The unknown-income census tracts include portions of Lake Michigan and adjacent coastline.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes			
American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	99	81	-18
Moderate	68	79	11
Middle	139	152	13
Upper	122	130	8
Unknown	3	10	7
Total	431	452	21

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 14th of 46 FDIC-insured financial institutions operating within the assessment area. The bank held \$960.5 million in deposits, representing 1.1 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are U.S. Bank, NA (40.7 percent), BMO Harris Bank, NA (13.0 percent), and JP Morgan Chase Bank, NA (11.5 percent).

Johnson Bank ranks 14th out of 592 aggregate lenders in 2021 HMDA-reportable transactions. A total of 1,487 originations and purchase transactions were reported by the bank compared to 9,101 reported by market leader Landmark Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 23rd out of 169 reporters with 306 CRA-reportable loans in 2021 compared to 6,796 loans reported by first ranked U.S. Bank, NA.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Milwaukee-Waukesha, WI MSA 33340 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	81	17.9	42,576	11.1	14,113	33.1	86,341	22.4
Moderate	79	17.5	57,741	15.0	8,484	14.7	64,769	16.8
Middle	152	33.6	139,470	36.2	6,787	4.9	78,859	20.5
Upper	130	28.8	143,847	37.3	3,573	2.5	155,299	40.3
Unknown	10	2.2	1,634	0.4	670	41.0	0	0.0
Total AA	452	100.0	385,268	100.0	33,627	8.7	385,268	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	86,438	20,642	5.4	23.9	52,657	60.9	13,139	15.2
Moderate	109,834	45,551	12.0	41.5	56,061	51.0	8,222	7.5
Middle	256,018	150,930	39.8	59.0	92,251	36.0	12,837	5.0
Upper	222,180	161,855	42.6	72.8	49,362	22.2	10,963	4.9
Unknown	6,421	683	0.2	10.6	4,444	69.2	1,294	20.2
Total AA	680,891	379,661	100.0	55.8	254,775	37.4	46,455	6.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	6,362	9.8	5,882	10.2	449	6.6	31	5.4
Moderate	9,638	14.9	8,641	15.0	933	13.8	64	11.1
Middle	23,178	35.8	20,313	35.4	2,663	39.3	202	35.1
Upper	25,142	38.8	22,184	38.6	2,684	39.6	274	47.6
Unknown	472	0.7	417	0.7	50	0.7	5	0.9
Total AA	64,792	100.0	57,437	100.0	6,779	100.0	576	100.0
Percentage of Total Businesses:				88.6		10.5		0.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	13	2.4	13	2.4	0	0.0	0	0.0
Moderate	21	3.9	21	3.9	0	0.0	0	0.0
Middle	228	41.8	223	41.9	4	33.3	1	100.0
Upper	283	51.9	275	51.7	8	66.7	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	545	100.0	532	100.0	12	100.0	1	100.0
Percentage of Total Farms:				97.6		2.2		0.2

Source: 2022 FFIEC Census Data
 2022 Dun & Bradstreet Data
 2016-2020 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 1,574,731. The assessment area experienced a slight increase in population by 0.3 percent between 2015 and 2020, which is below the state of Wisconsin’s population growth of 2.6 percent during the same period. Of the counties comprising the assessment area, Milwaukee County was the only county to experience population decline at 1.7 percent. Ozaukee, Washington, and Waukesha Counties all experienced a population increase greater than the state of Wisconsin at 4.8 percent, 2.9 percent, and 3.3 percent, respectively. A community representative stated that the trends for each county have been the case for the past several decades. They elaborated stating that Milwaukee County, which contains the city of Milwaukee, has struggled to retain population as individuals are moving to the surrounding counties due to the lower cost of living, lesser incidence of crime, and better education system. The community representative stated that Ozaukee County has seen elevated growth due to existing manufacturing companies expanding operations attracting individuals to the area. In the coming years, the community representative mentioned that Milwaukee County will likely face ongoing challenges in retaining its population, while the surrounding counties may witness a slowdown in population growth and converge closer to the statewide average.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	1,570,006	1,574,731	0.3
Milwaukee County, WI	955,939	939,489	-1.7
Ozaukee County, WI	87,273	91,503	4.8
Washington County, WI	132,921	136,761	2.9
Waukesha County, WI	393,873	406,978	3.3
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 385,268 families, of which 22.4 percent are designated as low-income, 16.8 percent are moderate-income, 20.5 percent are middle-income, and 40.3 percent are upper-income. However, 8.7 percent of families residing within the assessment area live below the poverty line, but above the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$84,829, which is above the MFI for the state of Wisconsin at \$80,844. Milwaukee County experienced the largest increase in MFI at 10.2 percent, however the county’s MFI, at \$67,536, is the lowest of all counties within the assessment area. Further, despite having higher MFIs than the

state of Wisconsin, Ozaukee, Washington, and Waukesha Counties experienced slower growth in MFI than the state as a whole from 2016-2020. A community representative stated that in recent years the city of Milwaukee has revitalized the downtown commercial district, which has brought in a number of new companies, contributing to the higher MFI growth. The community representatives mentioned that since the COVID-19 pandemic there has been a tightened labor market putting pressure on local businesses to raise wages and/or increase benefits. A representative explained that due to the limited labor supply, businesses may try recruiting semi-retired/retired individuals to fill open positions.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	78,408	84,829	8.2
Milwaukee County, WI	61,271	67,536	10.2
Ozaukee County, WI	102,113	105,801	3.6
Washington County, WI	90,931	95,735	5.3
Waukesha County, WI	103,610	110,379	6.5
State of Wisconsin	74,365	80,844	8.7

*Source: 2011 - 2015 and 2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 680,891 housing units. The majority of housing units are owner-occupied at 55.8 percent, whereas rental units account for 37.4 percent of total units. Within the assessment area, 6.8 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D – Glossary. A higher ratio generally suggests more affordable housing opportunities. Based on the 2016-2020 ACS data, the affordability ratio for the assessment area was 0.28, which is below the state of Wisconsin at 0.33 percent. As such, the affordability ratio suggests that housing within the assessment area is generally less affordable when compared to housing throughout the state of Wisconsin.

The following table represents recent housing cost burden for individuals within the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As depicted within the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. Of the counties comprising the assessment area, Waukesha County had the highest proportion of low- and moderate-income renters that met the cost burden criteria at 82.5 percent and 39.9 percent, respectively. As it pertains to homeowners, Ozaukee County experienced the highest proportion of

low- and moderate-income homeowners that met the cost burden criteria at 76.3 percent and 41.9 percent, respectively.

A community representative stated that affordable housing is a significant need in all four counties within the assessment area. The representative said that Waukesha County has not seen affordable housing new construction in several years contributing to the limited supply of affordable rental units which has been particularly impacting low- and moderate-income individuals. Further, the community representative indicated that Ozaukee County is a very affluent area, with strict zoning regulations, which has resulted in the construction of primarily large and expensive homes. This has ultimately reduced the supply of affordable housing opportunities in the area. Since the COVID-19 pandemic the cost of raw materials and scarcity of skilled labor/contractors has resulted in challenges for the construction of affordable housing.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	76.4	26.3	43.4	70.9	35.4	19.9
Milwaukee County, WI	75.8	23.3	45.0	70.6	33.5	22.4
Ozaukee County, WI	72.9	31.7	36.7	76.3	41.9	18.5
Washington County, WI	75.5	24.3	36.6	63.7	31.1	16.4
Waukesha County, WI	82.5	39.9	38.9	73.1	40.4	17.5
State of Wisconsin	74.1	21.4	39.6	64.0	29.4	18.1
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table displays unemployment statistics for the assessment area, the counties comprising the assessment area, and the state of Wisconsin. In 2021, the unemployment rate within the assessment area (4.4 percent) was higher than the state of Wisconsin’s unemployment rate at 3.8 percent. COVID-19 pandemic-related unemployment rates have declined, but still remain slightly above pre-pandemic rates. Of the counties comprising the assessment area, Milwaukee County is the only one with an unemployment rate higher than the state of Wisconsin, which is a historical trend. A community representative indicated that Milwaukee County struggles with unemployment for a number of reasons, including lower percentage of high school graduates than surrounding counties, inadequate public transportation options, and a larger impoverished community. Further, they mentioned that the more affluent communities within the surrounding counties have the financial and infrastructural capabilities to commute into Milwaukee County and compete for jobs, whereas fewer individuals living within Milwaukee County have the capability to seek employment in adjacent counties. The representative indicated that the area has not fully recovered from the COVID-19 pandemic and that the delayed recovery is impacting all

local industries with no industry lagging more than others.

Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
Assessment Area	3.5	3.2	3.4	7.1	4.4
Milwaukee County, WI	4.0	3.6	3.8	8.3	5.4
Ozaukee County, WI	2.7	2.5	2.7	5.4	3.1
Washington County, WI	2.8	2.5	2.7	5.7	3.1
Waukesha County, WI	2.9	2.6	2.8	5.6	3.1
State of Wisconsin	3.3	3.0	3.2	6.3	3.8

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

According to location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, and retail trade. A community representative stated that several local distribution and manufacturing companies have been expanding operations, including Milwaukee Tool, which has grown operations substantially in recent years. Further, a community representative indicated that the revitalization of the city of Milwaukee’s downtown commercial district will likely attract more businesses to expand, or enter, operations in the area.

Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area, as well as providing information about how the COVID-19 pandemic affected the economy in the area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. A community representative stated that there is a growing need for financial literacy education, especially in low- and moderate-income communities. They went on to mention that the improved financial literacy of those communities may allow them the ability to make sound financial decisions and avoid predatory lending practices. In addition, the community representative stated that there is a need for new business startup capital, particularly for businesses that are minority-owned. They noted a need for banks to find innovative and/or flexible ways to lend to these small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MILWAUKEE- WAUKESHA, WI MSA #33340

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, adequate penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses. The bank is a leader in making community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects good penetration throughout the assessment area. In 2021, Johnson Bank originated 4.9 percent of its total HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate but below the percentage of owner-occupied units located in low-income census tracts at 3.7 percent and 7.3 percent, respectively. The bank originated 9.2 percent of its HMDA-reportable loans in moderate-income census tracts, comparable to the aggregate at 10.1 percent but below the percentage of owner-occupied units at 11.9 percent. Further, the bank originated 23.3 percent of its HMDA-reportable loans in middle-income census tracts, which is below the aggregate at 35.6 percent and the percentage of owner-occupied units located in middle-income census tracts at 36.2 percent. The

majority of the bank's HMDA-reportable loans were originated in upper-income census tracts at 62.6 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 50.6 percent and 44.5 percent, respectively. Due to low volume, home improvement and multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, Johnson Bank originated 10.3 percent of its total home purchase loans in low-income census tracts, which is above the aggregate and the percentage of owner-occupied units located in low-income census tracts at 6.3 percent and 7.3 percent, respectively. The bank originated 14.1 percent of its home purchase loans in moderate-income census tracts, comparable to the aggregate at 14.0 percent and above the percentage of owner-occupied units at 11.9 percent. Further, the bank originated 26.1 percent of its home purchase loans in middle-income census tracts, which is below the aggregate at 38.3 percent and the percentage of owner-occupied units located in middle-income census tracts at 36.2 percent. The largest proportion of the bank's home purchase loans were originated in upper-income census tracts at 49.6 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 41.4 percent and 44.5 percent, respectively.

Refinance Loans

In 2021, Johnson Bank originated 1.0 percent of its total refinance loans in low-income census tracts, which is comparable to the aggregate but below the percentage of owner-occupied units located in low-income census tracts at 2.3 percent and 7.3 percent, respectively. The bank originated 6.0 percent of its refinance loans in moderate-income census tracts, below the aggregate at 8.4 percent and the percentage of owner-occupied units at 11.9 percent. Further, the bank originated 21.4 percent of its refinance loans in middle-income census tracts, which is below the aggregate at 34.6 percent and the percentage of owner-occupied units located in middle-income census tracts at 36.2 percent. The majority of the bank's refinance loans were originated in upper-income census tracts at 71.5 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 54.7 percent and 44.5 percent, respectively.

The following table presents the bank's geographic distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for geographic distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Milwaukee-Waukesha, WI MSA 33340							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	46	10.3	6.3	5,067	3.4	2.9	7.3
Moderate	63	14.1	14.0	10,349	7.0	8.9	11.9
Middle	117	26.1	38.3	28,644	19.3	32.8	36.2
Upper	222	49.6	41.4	104,469	70.3	55.4	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	448	100.0	100.0	148,529	100.0	100.0	100.0
Refinance Loans							
Low	7	1.0	2.3	1,088	0.6	1.1	7.3
Moderate	41	6.0	8.4	4,922	2.5	4.8	11.9
Middle	145	21.4	34.6	26,066	13.5	28.2	36.2
Upper	485	71.5	54.7	161,421	83.4	66.0	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	678	100.0	100.0	193,497	100.0	100.0	100.0
Home Improvement Loans							
Low	1	100.0	2.8	55	100.0	1.6	7.3
Moderate	0	0.0	6.8	0	0.0	4.0	11.9
Middle	0	0.0	31.9	0	0.0	24.8	36.2
Upper	0	0.0	58.5	0	0.0	69.5	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	55	100.0	100.0	100.0
Multifamily Loans							
							Multi-family Units %
Low	1	20.0	21.4	500	2.6	15.6	17.8
Moderate	0	0.0	20.6	0	0.0	13.9	15.1
Middle	2	40.0	38.5	830	4.3	35.6	40.8
Upper	2	40.0	19.6	17,800	93.0	34.9	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	5	100.0	100.0	19,130	100.0	100.0	100.0
Total Home Mortgage Loans							
							Owner Occupied Units %
Low	55	4.9	3.7	6,710	1.9	2.8	7.3
Moderate	104	9.2	10.1	15,271	4.2	6.9	11.9
Middle	264	23.3	35.6	55,540	15.4	30.2	36.2
Upper	709	62.6	50.6	283,690	78.5	60.2	44.5
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1,132	100.0	100.0	361,211	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans reflects good penetration throughout the assessment area. In 2021, Johnson Bank originated 9.2 percent of its small business loans in low-income census tracts, comparable to the aggregate at 10.5 percent but below the percentage of total businesses located in low-income census tracts at 12.3 percent. The bank originated 9.2 percent of its small business loans in moderate-income census tracts, below the aggregate at 10.9 percent and the percentage of total businesses located in moderate-income census tracts at 12.3 percent. Additionally, the bank originated 30.7 percent of its small business loans in middle-income census tracts, below the aggregate and the percentage of total businesses located in middle-income census tracts at 33.2 percent and 34.3 percent, respectively. Finally, the bank originated the majority of its small business loans in upper-income census tracts at 51.0 percent, above the aggregate at 44.9 percent and the percentage of total businesses located in upper-income census tracts at 41.1 percent.

The following table presents the bank’s geographic distribution of small business loans in 2021. Please refer to Appendix B for geographic distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Milwaukee-Waukesha, WI MSA 33340							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	28	9.2	10.5	6,660	7.3	9.4	12.3
Moderate	28	9.2	10.9	11,093	12.1	8.6	12.3
Middle	94	30.7	33.2	29,804	32.6	33.7	34.3
Upper	156	51.0	44.9	43,877	48.0	47.9	41.1
Unknown	0	0.0	0.0	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.6	0	0.0	0.3	
Total	306	100.0	100.0	91,434	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2021, the bank originated 9.6 percent of its total HMDA-reportable loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.4 percent and 23.5 percent, respectively. The bank originated 17.2 percent of its HMDA-reportable loans to moderate-income borrowers. This performance is comparable to the aggregate at 18.1 percent and the percentage of moderate-income families within the assessment area at 16.2 percent. The bank originated 17.4 percent of its HMDA-reportable loans to middle-income borrowers, below the aggregate at 22.7 percent and the proportion of middle-income families within the assessment area at 19.4 percent. The bank originated the majority of its HMDA-reportable loans to upper-income borrowers at 54.6 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 40.0 percent and 40.9 percent, respectively. Finally, the bank originated 1.2 percent of its HMDA-reportable loans to individuals of unknown-income, below aggregate at 12.8 percent. Due to low volume, home improvement loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, the bank originated 15.2 percent of its home purchase loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 8.5 percent and 23.5 percent, respectively. The bank originated 23.4 percent of its home purchase loans to moderate-income borrowers. This performance is above the aggregate at 21.7 percent and the percentage of moderate-income families within the assessment area at 16.2 percent. The bank originated 14.1 percent of its home purchase loans to middle-income borrowers, below the aggregate at 22.1 percent and the proportion of middle-income families within the assessment area at 19.4 percent. The bank originated the largest proportion of its home purchase loans to upper-income borrowers at 46.7 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 34.3 percent and 40.9 percent, respectively. Finally, the bank originated 0.7 percent of its home purchase loans to individuals of unknown-income, below aggregate at 13.5 percent.

Refinance Loans

In 2021, the bank originated 5.9 percent of its refinance loans to low-income borrowers, which is comparable to the aggregate but below the percentage of low-income families in the assessment area at 5.7 percent and 23.5 percent, respectively. The bank originated 13.1 percent of its refinance loans to moderate-income borrowers. This performance is below the aggregate at 17.0 percent and the percentage of moderate-income families within the assessment area at 16.2 percent. The bank originated 19.6 percent of its refinance loans to middle-income borrowers, below the aggregate at 23.2 percent and comparable to the proportion of middle-income families within the assessment area at 19.4 percent. The bank originated the majority of its refinance loans to upper-income borrowers at 59.9 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 40.7 percent and 40.9 percent, respectively. Finally, the bank originated 1.5 percent of its refinance loans to individuals of unknown-income, below aggregate at 13.5 percent.

The following table presents the bank's borrower distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for borrower distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Milwaukee-Waukesha, WI MSA 33340							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%		%
Home Purchase Loans							
Low	68	15.2	8.5	8,714	5.9	4.5	23.5
Moderate	105	23.4	21.7	19,473	13.1	15.4	16.2
Middle	63	14.1	22.1	17,916	12.1	20.1	19.4
Upper	209	46.7	34.3	101,856	68.6	47.1	40.9
Unknown	3	0.7	13.5	570	0.4	12.9	0.0
Total	448	100.0	100.0	148,529	100.0	100.0	100.0
Refinance Loans							
Low	40	5.9	5.7	4,369	2.3	3.0	23.5
Moderate	89	13.1	17.0	13,817	7.1	11.6	16.2
Middle	133	19.6	23.2	26,195	13.5	19.7	19.4
Upper	406	59.9	40.7	146,121	75.5	51.1	40.9
Unknown	10	1.5	13.5	2,995	1.5	14.6	0.0
Total	678	100.0	100.0	193,497	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	4.3	0	0.0	2.3	23.5
Moderate	0	0.0	13.5	0	0.0	10.9	16.2
Middle	0	0.0	22.1	0	0.0	18.0	19.4
Upper	0	0.0	57.3	0	0.0	63.6	40.9
Unknown	1	100.0	2.9	55	100.0	5.2	0.0
Total	1	100.0	100.0	55	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	108	9.6	6.4	13,083	3.8	3.5	23.5
Moderate	194	17.2	18.1	33,290	9.7	12.9	16.2
Middle	196	17.4	22.7	44,111	12.9	19.7	19.4
Upper	615	54.6	40.0	247,977	72.5	50.0	40.9
Unknown	14	1.2	12.8	3,620	1.1	13.8	0.0
Total	1,127	100.0	100.0	342,081	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The distribution of small business loans reflects poor penetration among businesses of different sizes. In 2021, Johnson Bank originated 8.2 percent of its small business loans to businesses reporting annual revenues of \$1 million or less, which was significantly below the aggregate at 52.0 percent and the percentage of businesses with gross revenues of \$1 million or less at 88.3 percent. Of loans to businesses with revenues of \$1 million or less, 40.0 percent were in amounts of \$100,000

or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses. The bank originated 53.6 percent of small business loans to businesses with unknown-revenue.

The following table presents the bank’s borrower distribution of small business loans in 2021. Please refer to Appendix B for borrower distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Milwaukee-Waukesha, WI MSA 33340							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	25	8.2	52.0	7,169	7.8	29.5	88.3
Over \$1 Million	117	38.2		59,575	65.2		10.9
Revenue Unknown	164	53.6		24,690	27.0		0.8
Total	306	100.0		91,434	100.0		100.0
By Loan Size							
\$100,000 or Less	115	37.6	88.9	4,935	5.4	26.9	
\$100,001 - \$250,000	64	20.9	5.5	11,878	13.0	17.1	
\$250,001 - \$1 Million	127	41.5	5.6	74,621	81.6	56.0	
Total	306	100.0	100.0	91,434	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	10	40.0		685	9.6		
\$100,001 - \$250,000	2	8.0		375	5.2		
\$250,001 - \$1 Million	13	52.0		6,109	85.2		
Total	25	100.0		7,169	100.0		
<i>Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

Community Development Lending

Johnson Bank is a leader in making community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the review period, the bank originated 16 community development loans totaling approximately \$50.2 million. The substantial portion of community development loans, by number and dollar volume, were focused on affordable housing and community services primarily benefiting low- and moderate-income individuals and geographies. During the previous evaluation the bank originated 75 community development loans totaling \$26.7 million. When adjusting for variance in review period length, the bank’s current performance in community development lending

decreased 72.9 percent by number, however increased 139.1 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development loans throughout its assessment area during the review period.

Community Development Loans May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Milwaukee-Waukesha, WI MSA	12	35,583	3	14,400	1	250	0	0	16	50,233

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes significant use of innovative and/or complex investments to support community development initiatives and demonstrates good responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained eight community development investments totaling approximately \$7.0 million within the assessment area. Of the qualified community development investments, two investments totaling \$3.9 million were made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The qualified investments were largely comprised of less innovative mortgage-backed securities; however, the bank did make more complex and innovative investments involving New Market Tax Credits, including one within the current review period for \$3.8 million. During the previous evaluation the bank made and maintained eight community development investments totaling \$6.3 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments increased 26.9 percent by number and 39.1 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its assessment area during the review period.

Community Development Investments May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Milwaukee-Waukesha, WI MSA	4	311	0	0	2	471	2	6,176	8	6,958

Additionally, the bank made 88 donations totaling approximately \$1.2 million to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, going towards community service efforts targeting low- and moderate-income individuals and communities (71.4 percent) and revitalization and stabilization efforts impacting low- and moderate-income geographies (23.6 percent). During the previous evaluation the bank made 112 community development donations totaling approximately \$1.3 million. When adjusting for variance in review period length, the bank's current performance in community development donations remained relatively stable by number and increased 24.1 percent by dollar volume.

SERVICE TEST

Johnson Bank's delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank is a leader in providing community development services in the assessment area.

Retail Services

Johnson Bank's retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates seven offices, six cash-only ATMs, and a LPO in the assessment area. Of the seven existing office and ATM locations, three offices and cash-only ATMs are located within middle-income census tracts, whereas the other office locations and ATMs are located within upper-income census tracts. Further, the LPO is located within a moderate-income census tract. Alternative delivery systems include phone, internet banking, and mobile banking. Additionally, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Since the previous evaluation the bank closed two branch locations, including one cash-only ATM, and consolidated services at a new branch location (with a cash-only ATM) within 0.4 miles of the closed locations. All impacted offices are located within upper-income census tracts.

The bank's services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. There is minor variance between offices in regard to hours of operation, however deviations in accessibility do not disproportionately impact low- and moderate-income geographies or individuals. Generally, offices within the assessment area have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, with certain locations open from 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally,

mortgage applications are accepted online through the bank’s website.

Community Development Services

Johnson Bank is a leader in providing community development services. During the review period, the bank provided 2,444 community development services. Community development services were accomplished in partnership with a variety of organizations; however, the majority of community development services had a focus of affordable housing and community service efforts targeting low- and moderate-income individuals and geographies. During the previous evaluation the bank conducted 2,268 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours increased notably by 36.8 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services May 4, 2021 through June 12, 2023					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Milwaukee-Waukesha, WI MSA	1,364	1,052	28	0	2,444

GREEN BAY, WI MSA #24580 - Full Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GREEN BAY, WI MSA #24580

Johnson Bank’s Green Bay, WI MSA #24580 assessment area remains unchanged from the previous evaluation and consists of Brown, Kewaunee, and Oconto Counties in their entirety. Located within the assessment area are two branch locations and two cash-only ATMs representing no changes in branch operations within the assessment area since the previous evaluation. One branch and cash-only ATM is located in a middle-income census tract, whereas the other branch location and cash-only ATM reside within an upper-income census tract. In 2021, the assessment area was comprised of 70 census tracts: three low-income, 18 moderate-income, 35 middle-income, 11 upper-income, and three unknown-income census tracts. The unknown-income census tracts include portions of Lake Michigan and a correctional facility.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	3	1	-2
Moderate	18	20	2
Middle	35	39	4
Upper	11	13	2
Unknown	3	3	0
Total	70	76	6
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 8th of 21 FDIC-insured financial institutions operating within the assessment area. The bank held \$415.0 million in deposits, representing 3.8 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are Associated Bank, NA (34.0 percent), Nicolet National Bank (21.5 percent), and BMO Harris Bank, NA (10.9 percent).

Johnson Bank ranks 12th out of 355 aggregate lenders in 2021 HMDA-reportable transactions. A total of 514 originations and purchase transactions were reported by the bank compared to 1,486 reported by market leader Associated Bank, NA. Further, the CRA Market Peer Report ranks Johnson Bank 12th out of 98 reporters with 152 CRA-reportable loans in 2021 compared to 1,352 loans reported by first-ranked Nicolet National Bank.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Green Bay, WI MSA 24580 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	1.3	306	0.4	98	32.0	15,995	19.1
Moderate	20	26.3	17,264	20.6	2,819	16.3	15,887	19.0
Middle	39	51.3	46,878	56.0	2,202	4.7	19,589	23.4
Upper	13	17.1	19,242	23.0	398	2.1	32,219	38.5
Unknown	3	3.9	0	0.0	0	0.0	0	0.0
Total AA	76	100.0	83,690	100.0	5,517	6.6	83,690	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	724	161	0.2	22.2	421	58.1	142	19.6
Moderate	37,067	16,709	18.8	45.1	15,647	42.2	4,711	12.7
Middle	79,173	51,597	58.0	65.2	19,622	24.8	7,954	10.0
Upper	27,236	20,443	23.0	75.1	5,963	21.9	830	3.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	144,200	88,910	100.0	61.7	41,653	28.9	13,637	9.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	204	1.7	174	1.6	29	2.3	1	0.6
Moderate	2,841	23.5	2,487	23.3	324	25.5	30	18.0
Middle	6,324	52.3	5,606	52.6	618	48.6	100	59.9
Upper	2,724	22.5	2,387	22.4	301	23.7	36	21.6
Unknown	1	0.0	1	0.0	0	0.0	0	0.0
Total AA	12,094	100.0	10,655	100.0	1,272	100.0	167	100.0
Percentage of Total Businesses:				88.1		10.5		1.4
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	83	14.7	79	14.6	4	17.4	0	0.0
Middle	404	71.6	387	71.7	16	69.6	1	100.0
Upper	77	13.7	74	13.7	3	13.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	564	100.0	540	100.0	23	100.0	1	100.0
Percentage of Total Farms:				95.7		4.1		0.2
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 328,268. The assessment area experienced a moderate increase in population by 5.0 percent between 2015 and 2020, which outpaced the state of Wisconsin’s population growth of 2.6 percent during the same period. Brown County and Oconto County both observed population growth at a higher rate than the state of Wisconsin at 5.5 percent and 4.0 percent, respectively. In contrast, Kewaunee County experienced a nominal 0.4 percent population increase during the same period. A community representative stated that Brown County has undergone notable business growth in recent years contributing to the population growth. Oconto County borders Brown County, which the community representative stated was the main reason for Oconto County’s population growth, as individuals with employment in Brown County are residing within Oconto County due to the lower cost of living. The community representative noted that Kewaunee County is much more rural and primarily farmland, so it is difficult to attract individuals into the area. Finally, the representative indicated that due to the COVID-19 pandemic they had noticed a spike in the number of people moving to the area due to employers offering remote work capabilities. Many individuals had moved to the local area because of the low cost of living and close proximity to lakes.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	312,676	328,268	5.0
Brown County, WI	254,717	268,740	5.5
Kewaunee County, WI	20,483	20,563	0.4
Oconto County, WI	37,476	38,965	4.0
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 83,690 families, of which 19.1 percent are designated as low-income, 19.0 percent are moderate-income, 23.4 percent are middle-income, and 38.5 percent are upper-income. However, 6.6 percent of families residing within the assessment area live below the poverty line, slightly below the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$81,870, which is slightly above the MFI for the state of Wisconsin at \$80,844. Brown and Oconto Counties experienced a higher growth in MFI when compared to the state of Wisconsin at 10.7 and 12.1 percent, respectively. Kewaunee County experienced a decline in MFI

of 5.6 percent, below the other counties within the assessment area and the state of Wisconsin. A community representative stated the primary factor for the increase in MFI within the assessment area is due to the tight labor market causing local businesses to raise wages and/or increase benefits to retain and attract employees. A majority of the higher paying jobs are located in Brown County. Many individuals live in Oconto County but have employment in Brown County, which contributed to the elevated MFI increase during the time period. The community representative stated that they envision the MFI in Brown County will continue to increase for the foreseeable future and that Oconto County will benefit due to its close proximity. The representative also mentioned that Oconto County is heavily impacted by economic downturns due to having a high reliance on the tourism industry, which could stifle future growth in MFI.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	73,930	81,870	10.7
Brown County, WI	74,760	82,783	10.7
Kewaunee County, WI	76,533	80,808	5.6
Oconto County, WI	69,221	77,582	12.1
State of Wisconsin	74,365	80,844	8.7

*Source: 2011 - 2015 and 2016 – 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 144,200 housing units. The majority of housing units are owner-occupied at 61.7 percent, whereas rental units account for 28.9 percent of total units. Within the assessment area, 9.5 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D – Glossary. A higher ratio generally suggests more affordable housing opportunities. Based on the 2016-2020 American Community Survey data, the affordability ratio for the assessment area was 0.36, which is slightly higher than the state of Wisconsin at 0.33 percent. As such, the affordability ratio suggests that housing within the assessment area is generally more affordable than housing throughout the state of Wisconsin.

The following table represents recent housing cost burden for individuals within the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As depicted within the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. Kewaunee County had the lowest percentage of renters, including low- and moderate-income, that met the cost burden criteria with 26.0 percent of all renters experiencing the burden. Further, all

counties comprising the assessment area had a lower percentage of low- and moderate-income homeowners experiencing cost burden when compared to the state of Wisconsin.

A community representative expressed that the general cost of living is relatively low in the local area making housing more affordable than many other parts of the state of Wisconsin. The housing stock in the assessment area is aged and a large portion of homeowners stay in their homes for a significant number of years. The community representative anticipates housing costs to increase as those homes begin to require substantial repairs and renovations. The representative indicated that Kewaunee and Oconto Counties have a higher prevalence of generational housing, where multiple generations live within one household. It was mentioned that this is one of the main contributors to those two counties having a low incidence of housing cost burden for low- and moderate-income families. Finally, the community representative stated that affordable housing is becoming a major need for the local area to sustain the current and expected elevated population growth.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	73.4	13.9	36.2	58.1	24.3	15.0
Brown County, WI	74.7	14.3	37.0	58.8	24.6	14.5
Kewaunee County, WI	54.1	9.2	26.0	57.9	20.3	16.6
Oconto County, WI	67.8	10.4	31.4	55.0	24.8	16.7
State of Wisconsin	74.1	21.4	39.6	64.0	29.4	18.1
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table displays unemployment statistics for the assessment area, the counties comprising the assessment area, and the state of Wisconsin. In 2021, the unemployment rate within the assessment area (3.4 percent) was lower than the state of Wisconsin’s unemployment rate at 3.8 percent. COVID-19 pandemic-related unemployment rates have declined, but still remain slightly above pre-pandemic rates, with the exception of Kewaunee County. Historically, Oconto County has experienced elevated unemployment rates when compared to the other counties within the assessment area, as well as the state of Wisconsin. A community representative stated that Oconto County traditionally has higher unemployment rates because it has a large tourism industry, so employment is very seasonal. The community representative stated that the area has ample job opportunities at most skill levels.

Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
Assessment Area	3.0	2.8	3.0	6.0	3.4
Brown County, WI	2.9	2.7	3.0	6.1	3.4
Kewaunee County, WI	3.1	2.9	3.1	4.6	2.8
Oconto County, WI	3.5	3.3	3.4	6.3	3.7
State of Wisconsin	3.3	3.0	3.2	6.3	3.8

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

According to location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, and retail trade. A community representative stated that there has been an increase in new technology companies opening in the local area. These businesses do not offer large volumes of positions, however those that are offered are often very high wage positions. Further, the community representative stated that there has been noticeable expansion amongst a variety of industries in Oconto County including accounting, legal, and auto/boat repair businesses.

Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area, as well as providing information about how the COVID-19 pandemic affected the economy in the area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist, such as funding the construction of a speculative commercial building that prospective businesses could visit when considering expanding within the local area. Additionally, the community representative stated that there is a need for second-stage commercial investments for businesses that are currently operating in their own residential home or a small commercial space that want to expand operations but require initial capital to do so.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREEN BAY, WI MSA #24580

LENDING TEST

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, poor penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small

businesses. The bank makes an adequate level of community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects adequate penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects poor penetration throughout the assessment area. In 2021, Johnson Bank originated no HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 1.0 percent and 0.9 percent, respectively. The bank originated 7.5 percent of its HMDA-reportable loans in moderate-income census tracts, below the aggregate at 18.0 percent and the percentage of owner-occupied units at 19.8 percent. The bank originated 45.7 percent of its HMDA-reportable loans in middle-income census tracts. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 50.8 percent and 54.7 percent, respectively. Finally, the bank originated 46.8 percent of its HMDA-reportable loans in upper-income census tracts, which is above the aggregate at 30.1 percent and the percentage of owner-occupied units located in upper-income census tracts at 24.6 percent. Due to low volume, home improvement and multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, Johnson Bank did not originate home purchase loans in low-income census tracts, which is below the aggregate and comparable to the percentage of owner-occupied units located in low-

income census tracts at 1.9 percent and 0.9 percent, respectively. The bank originated 6.0 percent of its home purchase loans in moderate-income census tracts, below the aggregate at 22.3 percent and the percentage of owner-occupied units at 19.8 percent. The bank originated 49.6 percent of its home purchase loans in middle-income census. This is comparable to the aggregate but below the percentage of owner-occupied units located in middle-income census tracts at 49.4 percent and 54.7 percent, respectively. Finally, the bank originated 44.4 percent of its home purchase loans in upper-income census tracts, which is above the aggregate at 26.3 percent and the percentage of owner-occupied units located in upper-income census tracts at 24.6 percent.

Refinance Loans

In 2021, Johnson Bank did not originate refinance loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.6 percent and 0.9 percent, respectively. The bank originated 8.5 percent of its refinance loans in moderate-income census tracts, below the aggregate at 16.1 percent and the percentage of owner-occupied units at 19.8 percent. The bank originated 42.9 percent of its refinance loans in middle-income census. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 51.7 percent and 54.7 percent, respectively. Finally, the bank originated 48.6 percent of its refinance loans in upper-income census tracts, which is above the aggregate at 31.5 percent and the percentage of owner-occupied units located in upper-income census tracts at 24.6 percent.

The following table presents the bank's geographic distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for geographic distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Green Bay, WI MSA 24580							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	1.9	0	0.0	1.0	0.9
Moderate	8	6.0	22.3	1,852	3.8	15.3	19.8
Middle	66	49.6	49.4	22,342	46.0	48.7	54.7
Upper	59	44.4	26.3	24,336	50.1	34.9	24.6
Unknown	0	0.0	0.1	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	133	100.0	100.0	48,530	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.6	0	0.0	0.3	0.9
Moderate	18	8.5	16.1	3,413	6.7	11.6	19.8
Middle	91	42.9	51.7	19,568	38.6	49.7	54.7
Upper	103	48.6	31.5	27,766	54.7	38.3	24.6
Unknown	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	212	100.0	100.0	50,747	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	1.1	0	0.0	1.2	0.9
Moderate	0	0.0	12.3	0	0.0	9.6	19.8
Middle	0	0.0	51.6	0	0.0	49.4	54.7
Upper	0	0.0	35.0	0	0.0	39.9	24.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	3.8	0	0.0	1.3	1.6
Moderate	0	0.0	50.5	0	0.0	44.9	41.1
Middle	1	100.0	39.0	4,167	100.0	39.6	40.4
Upper	0	0.0	6.7	0	0.0	14.3	16.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	4,167	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	1.0	0	0.0	0.7	0.9
Moderate	26	7.5	18.0	5,265	5.1	15.1	19.8
Middle	158	45.7	50.8	46,077	44.5	48.7	54.7
Upper	162	46.8	30.1	52,102	50.4	35.5	24.6
Unknown	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	346	100.0	100.0	103,444	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The geographic distribution of small business loans reflects good penetration throughout the assessment area. In 2021, Johnson Bank originated 2.0 percent of its small business loans in low-income census tracts, comparable to the aggregate at 2.6 percent and the percentage of total businesses located in low-income census tracts at 2.9 percent. The bank originated 27.8 percent of its small business loans in moderate-income census tracts, above the aggregate at 25.0 percent and the percentage of total businesses located in moderate-income census tracts at 25.0 percent. Additionally, the bank originated 32.5 percent of its small business loans in middle-income census tracts, below the aggregate and the percentage of total businesses located in middle-income census tracts at 45.7 percent and 49.4 percent, respectively. Further, the bank originated 37.7 percent of its small business loans in upper-income census tracts, above the aggregate at 26.0 percent and the percentage of total businesses located in upper-income census tracts at 22.7 percent.

The following table presents the bank’s geographic distribution of small business loans in 2021. Please refer to Appendix B for geographic distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Green Bay, WI MSA 24580							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	3	2.0	2.6	1,186	3.5	3.6	2.9
Moderate	42	27.8	25.0	9,888	29.0	31.0	25.0
Middle	49	32.5	45.7	9,339	27.4	40.5	49.4
Upper	57	37.7	26.0	13,731	40.2	24.8	22.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.7	0	0.0	0.1	
Total	151	100.0	100.0	34,144	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were

analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2021, the bank originated 3.2 percent of its total HMDA-reportable loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 9.0 percent and 19.8 percent, respectively. The bank originated 12.2 percent of its HMDA-reportable loans to moderate-income borrowers. This performance is below the aggregate at 21.4 percent and the percentage of moderate-income families within the assessment area at 18.4 percent. The bank originated 22.9 percent of its HMDA-reportable loans to middle-income borrowers, comparable to the aggregate at 23.0 percent and the proportion of middle-income families within the assessment area at 22.0 percent. The bank originated the majority of its HMDA-reportable loans to upper-income borrowers at 60.0 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 34.8 percent and 39.8 percent, respectively. Finally, the bank originated 1.7 percent of its HMDA-reportable loans to individuals of unknown-income, below aggregate at 11.8 percent. Due to low volume, home improvement loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, the bank originated 1.5 percent of its home purchase loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 10.5 percent and 19.8 percent, respectively. The bank originated 10.5 percent of its home purchase loans to moderate-income borrowers. This performance is below the aggregate at 23.7 percent and the percentage of moderate-income families within the assessment area at 18.4 percent. The bank originated 25.6 percent of its home purchase loans to middle-income borrowers, above the aggregate at 22.5 percent and the proportion of middle-income families within the assessment area at 22.0 percent. The bank originated the majority of its home purchase loans to upper-income borrowers at 60.2 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 31.5 percent and 39.8 percent, respectively. Finally, the bank originated 2.3 percent of its home purchase loans to individuals of unknown-income, below aggregate at 11.8 percent.

Refinance Loans

In 2021, the bank originated 4.2 percent of its refinance loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 8.5 percent and 19.8 percent, respectively. The bank originated 13.2 percent of its refinance loans to moderate-income borrowers. This performance is below the aggregate at 20.8 percent and the percentage of moderate-income families within the assessment area at 18.4 percent. The bank originated 21.2 percent of its refinance loans to middle-income borrowers, below the aggregate at 23.5 percent and comparable to the proportion of middle-income families within the assessment area at 22.0 percent. The bank originated the majority of its refinance loans to upper-income borrowers at 59.9 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 35.0 percent and 39.8 percent, respectively. Finally, the bank originated 1.4 percent of its refinance loans to individuals of unknown-income, below aggregate at 12.2 percent.

The following table presents the bank's borrower distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for borrower distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Green Bay, WI MSA 24580							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Home Purchase Loans							
Low	2	1.5	10.5	338	0.7	6.0	19.8
Moderate	14	10.5	23.7	2,858	5.9	17.9	18.4
Middle	34	25.6	22.5	10,419	21.5	22.3	22.0
Upper	80	60.2	31.5	34,372	70.8	43.2	39.8
Unknown	3	2.3	11.8	543	1.1	10.7	0.0
Total	133	100.0	100.0	48,530	100.0	100.0	100.0
Refinance Loans							
Low	9	4.2	8.5	831	1.6	4.9	19.8
Moderate	28	13.2	20.8	4,110	8.1	15.6	18.4
Middle	45	21.2	23.5	8,321	16.4	21.7	22.0
Upper	127	59.9	35.0	36,884	72.7	44.6	39.8
Unknown	3	1.4	12.2	601	1.2	13.1	0.0
Total	212	100.0	100.0	50,747	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	8.0	0	0.0	4.2	19.8
Moderate	0	0.0	19.7	0	0.0	17.2	18.4
Middle	0	0.0	22.7	0	0.0	21.7	22.0
Upper	0	0.0	44.9	0	0.0	51.2	39.8
Unknown	0	0.0	4.7	0	0.0	5.6	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	11	3.2	9.0	1,169	1.2	5.3	19.8
Moderate	42	12.2	21.4	6,968	7.0	16.4	18.4
Middle	79	22.9	23.0	18,740	18.9	21.8	22.0
Upper	207	60.0	34.8	71,256	71.8	44.5	39.8
Unknown	6	1.7	11.8	1,144	1.2	12.1	0.0
Total	345	100.0	100.0	99,277	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The distribution of small business loans reflects adequate penetration among businesses of different revenue sizes. In 2021, Johnson Bank originated 13.9 percent of its small business loans to businesses reporting annual revenues of \$1 million or less, which was below the aggregate at 54.4 percent and the percentage of businesses with gross revenues of \$1 million or less at 88.0 percent. Of loans to businesses with revenues of \$1 million or less, 57.1 percent were in amounts of \$100,000

or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses. The bank originated 36.4 percent of its small business loans to businesses with unknown revenue.

The following table presents the bank’s borrower distribution of small business loans in 2021. Please refer to Appendix B for borrower distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Green Bay, WI MSA 24580							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	21	13.9	54.4	3,587	10.5	30.1	88.0
Over \$1 Million	75	49.7		23,447	68.7		10.7
Revenue Unknown	55	36.4		7,110	20.8		1.3
Total	151	100.0		34,144	100.0		100.0
By Loan Size							
\$100,000 or Less	67	44.4	85.2	3,482	10.2	23.2	
\$100,001 - \$250,000	45	29.8	7.5	7,616	22.3	19.0	
\$250,001 - \$1 Million	39	25.8	7.3	23,046	67.5	57.8	
Total	151	100.0	100.0	34,144	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	12	57.1		790	22.0		
\$100,001 - \$250,000	4	19.0		524	14.6		
\$250,001 - \$1 Million	5	23.8		2,273	63.4		
Total	21	100.0		3,587	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Lending

Johnson Bank makes an adequate level of community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the review period, the bank originated two community development loans totaling approximately \$1.7 million. Both qualified community development loans were focused on economic development efforts to provide permanent employment to low- and moderate-income individuals and geographies. During the previous evaluation the bank originated five community development loans totaling \$8.5 million. When adjusting for variance in review period length, the bank’s current performance in community development lending decreased 49.2 percent by number and 74.0

percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development loans throughout its assessment area during the review period.

Community Development Loans May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Green Bay, WI MSA	0	0	0	0	2	1,730	0	0	2	1,730

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community development initiatives and demonstrates adequate responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 13 community development investments totaling approximately \$5.9 million within the assessment area. Of the qualified community development investments, one investment totaling \$4.0 million was made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The community development investment made during the current review period was a less complex mortgage-backed security focused on providing affordable housing to low- and moderate-income individuals. During the previous evaluation the bank made, and maintained, 14 community development investments totaling approximately \$5.9 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments increased 17.9 percent by number and 29.9 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its assessment area during the review period.

Community Development Investments May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Green Bay, WI MSA	11	5,435	1	310	1	152	0	0	13	5,897

Additionally, the bank made 16 donations totaling approximately \$83,000 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, benefiting community service efforts targeting low- and moderate-income individuals and communities (49.2 percent) and revitalization and stabilization efforts impacting low- and moderate-income geographies (30.3 percent). During the previous evaluation the bank made 15 community development donations totaling approximately \$70,834. When adjusting for variance in review period length, the bank's current performance in community development donations increased notably by 35.4 percent by number and 48.0 percent by dollar volume.

SERVICE TEST

Johnson Bank's delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides an adequate level of community development services in the assessment area.

Retail Services

Johnson Bank's retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates two offices and two cash-only ATMs in the assessment area. One branch and ATM is located within a middle-income census tract, whereas the other branch and ATM is located within an upper-income census tract. Alternative delivery systems include phone, internet banking, and mobile banking. Additionally, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. No branches were opened or closed in the assessment area during the evaluation period.

The bank's services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday. In addition, the office and ATM located within the middle-income census tract have additional hours of operation from 9:00 a.m. to 12:00 p.m. on Saturdays, as well as drive-up hours during the same hours of operation as the office. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank's website.

Community Development Services

Johnson Bank provides an adequate level of community development services. During the review period, the bank provided 251 community development services. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations, however the majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies. During the previous evaluation the bank conducted 626 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours decreased notably by 49.1 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services May 4, 2021 through June 12, 2023					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Green Bay, WI MSA	30	221	0	0	251

NORTHWEST, WI NON-MSA - Full Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTHWEST, WI NON-MSA

Johnson Bank's Northwest, WI Non-MSA assessment area remains unchanged from the previous evaluation and consists of Barron, Sawyer, and Washburn Counties in their entirety. Located within the assessment area are three branch locations and three cash-only ATMs all located within middle-income census tracts. Since the previous examination the bank has closed one branch location and one cash-only ATM located within a middle-income census tract. In 2021, the assessment area was comprised of 21 census tracts: four moderate-income and 17 middle-income census tracts. The assessment area did not include any low- or upper-income census tracts. Further, in 2021, eight census tracts throughout Sawyer and Washburn Counties were designated as underserved middle-income geographies due to their rural location. In 2022, the list of underserved middle-income geographies was expanded to include an additional five census tracts, totaling 13 census tracts, all within Sawyer and Washburn Counties.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	4	2	-2
Middle	17	24	7
Upper	0	0	0
Unknown	0	0	0
Total	21	26	5

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 4th of 14 FDIC-insured financial institutions operating within the assessment area. The bank held \$235.4 million in deposits, representing 10.1 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are Dairy State Bank (19.8 percent), Sterling Bank (11.3 percent), and Shell Lake State Bank (10.7 percent).

Johnson Bank ranks 1st out of 310 aggregate lenders in 2021 HMDA-reportable transactions. A total of 423 originations and purchase transactions were reported by the bank compared to 315 reported by 2nd ranked WESTconsin Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 2nd out of 71 reporters with 169 CRA-reportable loans in 2021 compared to 346 loans reported by 1st ranked U.S. Bank, NA.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Northwest WI Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,809	21.8
Moderate	2	7.7	1,921	8.7	203	10.6	4,396	20.0
Middle	24	92.3	20,113	91.3	1,690	8.4	5,119	23.2
Upper	0	0.0	0	0.0	0	0.0	7,710	35.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	22,034	100.0	1,893	8.6	22,034	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,753	1,969	7.5	52.5	785	20.9	999	26.6
Middle	50,339	24,121	92.5	47.9	7,367	14.6	18,851	37.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	54,092	26,090	100.0	48.2	8,152	15.1	19,850	36.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	307	8.1	276	8.1	18	6.8	13	12.0
Middle	3,476	91.9	3,133	91.9	248	93.2	95	88.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,783	100.0	3,409	100.0	266	100.0	108	100.0
Percentage of Total Businesses:				90.1		7.0		2.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	41	11.8	38	11.3	3	27.3	0	0.0
Middle	306	88.2	298	88.7	8	72.7	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	347	100.0	336	100.0	11	100.0	0	0.0
Percentage of Total Farms:				96.8		3.2		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 81,408. The assessment area experienced an increase in population by 4.5 percent between 2015 and 2020, which is above the state of Wisconsin’s population growth of 2.6 percent during the same period. Of the counties comprising the assessment area, Barron County was the only county to experience a population increase below that of the state of Wisconsin at 2.2 percent. Sawyer and Washburn Counties experienced population increases greater than the state of Wisconsin of 9.7 percent and 5.9 percent, respectively. Community representatives stated that Sawyer and Washburn Counties have seen a notable increase in population due to their low cost of living and proximity to lakes. Further, they stated that population in the area is traditionally very seasonal, however there has been a growing number of local individuals retiring within the county and new residents moving to the area due to flexible work arrangements. The community representatives anticipate the local population will continue to increase in the coming years as more people chose to move to the area permanently, as opposed to seasonally.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	77,869	81,408	4.5
Barron County, WI	45,686	46,711	2.2
Sawyer County, WI	16,483	18,074	9.7
Washburn County, WI	15,700	16,623	5.9
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 22,034 families, of which 21.8 percent are designated as low-income, 20.0 percent are moderate-income, 23.2 percent are middle-income, and 35.0 percent are upper-income. However, 8.6 percent of families residing within the assessment area live below the poverty line, but above the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$65,598, which is below the MFI for the state of Wisconsin at \$80,844. Barron, Sawyer, and Washburn Counties all experienced increases in MFI that outpaced the state of Wisconsin at 9.1 percent, 23.0 percent, and 15.6 percent, respectively. Community representatives attributed the increases in MFI, particularly in Sawyer and Washburn Counties, to a few factors. Representatives stated that the counties experienced many individuals moving to the area permanently with fully

remote jobs based out of larger metropolitan cities where wages are historically higher. Further, community representatives indicated that the area experienced a tightened labor shortage, particularly for skilled labor positions, resulting in local companies increasing wages and/or benefits. They explained that Sawyer and Washburn Counties are more rural, and while local companies may not provide comparable benefit packages to those offered in larger, metropolitan cities, local companies can offer increases in wages to attract and retain employees. A community representative anticipates the MFI in Sawyer and Washburn Counties will decrease to align with the rates experienced by Barron County and the statewide average.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	59,235	65,598	10.7
Barron County, WI	60,722	66,243	9.1
Sawyer County, WI	54,504	67,065	23.0
Washburn County, WI	59,138	68,359	15.6
State of Wisconsin	74,365	80,844	8.7

*Source: 2011 - 2015 and 2016 – 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 54,092 housing units. The highest percentage of housing units are owner-occupied at 48.2 percent, whereas rental units account for 15.1 percent of total units. Within the assessment area, 36.7 percent of housing units are vacant, which is significantly higher than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D – Glossary. A higher ratio generally suggests more affordable housing opportunities. Based on the 2016-2020 ACS data, the affordability ratio for the assessment area was 0.32, which is below the state of Wisconsin at 0.33 percent. As such, the affordability ratio suggests that housing within the assessment area is slightly less affordable when compared to housing throughout the state of Wisconsin.

The following table represents recent housing cost burden for individuals within the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. Low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. All counties that comprise the assessment area had a lower percentage of renters, including low- and moderate-income, that met the cost burden criteria when compared to the state of Wisconsin. In contrast, a higher percentage

of homeowners, particularly low- and moderate-income homeowners, in the assessment area met the cost burden criteria when compared to the state of Wisconsin.

A community representative stated that the housing stock in the local area is very aged. As it pertains to rental units, the representative commented that landlords have historically kept rental prices low, making them more affordable, with the understanding that the property will be aged, not renovated and with minimal upkeep completed. Further, a community representative indicated that many older properties have lower housing prices, which is the market for low- and moderate-income individuals. These properties often require significant home repair/renovation. These costs are transitioned to the homebuyer contributing to a higher percentage of individuals experiencing cost burden, particularly low- and moderate-income homeowners. Finally, a community representative stated that the COVID-19 pandemic resulted in raw material supply chain issues and the current lack of skilled labor has contributed to rising housing prices making affordable housing less available in the local area.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	63.4	13.5	36.5	59.3	27.3	19.8
Barron County, WI	67.4	12.6	38.9	58.9	28.8	18.8
Sawyer County, WI	52.1	17.8	31.6	58.2	23.5	20.9
Washburn County, WI	66.4	11.4	35.7	61.1	27.5	21.0
State of Wisconsin	74.1	21.4	39.6	64.0	29.4	18.1
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table displays unemployment statistics for the assessment area, the counties comprising the assessment area, and the state of Wisconsin. In 2021, the unemployment rate within the assessment area (4.2 percent) was higher than the state of Wisconsin’s unemployment rate at 3.8 percent. COVID-19 pandemic-related unemployment rates have declined, but still remain slightly above pre-pandemic rates. In 2021, Barron, Sawyer, and Washburn Counties all experienced unemployment rates higher than the state of Wisconsin at 3.9 percent, 5.1 percent, and 4.5 percent, respectively. A community representative stated that one contributing factor to the unemployment rates in the local area, particularly in Sawyer and Washburn Counties, is attributed to the large tourism industry which results in seasonal variance of population. They added that there is typically a large influx of people during the warmer months, however during colder months a lot of individuals leave the area, and some businesses will close for the season. A representative commented that the local unemployment rate is anticipated to slightly decline to align more with statewide unemployment trends. Finally, a community representative stated that

another contributing factor to unemployment rates is the severe lack of affordable childcare facilities in the area, therefore, some families found it financially beneficial to be a stay-at-home parent due to costly childcare.

Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
Assessment Area	3.8	3.6	3.9	6.6	4.2
Barron County, WI	3.5	3.3	3.8	6.1	3.9
Sawyer County, WI	4.6	4.3	4.5	7.9	5.1
Washburn County, WI	3.9	3.9	3.9	6.9	4.5
State of Wisconsin	3.3	3.0	3.2	6.3	3.8

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

According to location quotients developed by the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, accommodation and food services, and retail trade. A community representative noted that a few local manufacturing firms have expanded operations in recent years. Additionally, a community representative stated that most industries have returned to pre-pandemic employment levels, however the tourism, hospitality, and food services industries are still struggling to fully recover. Further, the representative stated that the local economy is heavily impacted by tourism in the area, so when the tourism industry is struggling, as it is now, other industries are indirectly impacted as well.

Community Representatives

Two community representatives were contacted during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area, as well as providing information about how the COVID-19 pandemic affected the economy in the area. The representatives stated that local financial institutions are very active and engaged in the community, however there are challenges within their respective areas in which local financial institutions can assist. A community representative stated that financial education targeted to entrepreneurs may help encourage and spur small business growth and opportunity. Further, a representative stated that financial literacy education for low- and moderate-income individuals would be beneficial so that those communities were more aware of credit options available to them.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHWEST, WI NON-MSA

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes an adequate level of community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-reportable and CRA-reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including in moderate-income census tracts.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects good penetration throughout the assessment area. In 2021, Johnson Bank originated 15.5 percent of its total HMDA-reportable loans in moderate-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in moderate-income census tracts at 14.0 percent and 14.7 percent, respectively. Additionally, the bank originated the majority of its HMDA-reportable loans in middle-income census tracts at 84.5 percent, comparable to the aggregate at 86.0 percent and the percentage of owner-occupied units at 85.3 percent. Due to low volume, home improvement and multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, Johnson Bank originated 19.4 percent of its total home purchase loans in moderate-income census tracts, above the aggregate and the percentage of owner-occupied units located in moderate-income census tracts at 15.0 percent and 14.7 percent, respectively. Additionally, the bank originated the majority of its home purchase loans in middle-income census tracts at 80.6 percent, below the aggregate at 85.0 percent and the percentage of owner-occupied units at 85.3 percent.

Refinance Loans

In 2021, Johnson Bank originated 14.1 percent of its total refinance loans in moderate-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in moderate-income census tracts at 13.7 percent and 14.7 percent, respectively. Additionally, the bank originated the majority of its refinance loans in middle-income census tracts at 85.9 percent, comparable to the aggregate at 86.3 percent and the percentage of owner-occupied units at 85.3 percent.

The following table presents the bank's geographic distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for geographic distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Northwest WI Non MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	14	19.4	15.0	2,996	16.4	13.6	14.7
Middle	58	80.6	85.0	15,312	83.6	86.4	85.3
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	72	100.0	100.0	18,308	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	36	14.1	13.7	6,279	12.8	13.3	14.7
Middle	220	85.9	86.3	42,826	87.2	86.7	85.3
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	256	100.0	100.0	49,105	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	100.0	11.7	75	100.0	10.1	14.7
Middle	0	0.0	88.3	0	0.0	89.9	85.3
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	75	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	20.0	0	0.0	13.6	30.1
Middle	1	100.0	80.0	351	100.0	86.4	69.9
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	351	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	51	15.5	14.0	9,350	13.8	13.3	14.7
Middle	279	84.5	86.0	58,489	86.2	86.7	85.3
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	330	100.0	100.0	67,839	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans reflects good penetration throughout the assessment area. In 2021, Johnson Bank originated 13.8 percent of its small business loans in moderate-income census tracts, comparable to the aggregate at 13.1 percent but below the percentage of total businesses located in moderate-income census tracts at 16.9 percent. Further, the bank originated the majority of its small business loans, 86.2 percent, in middle-income census tracts, comparable to the aggregate at 85.6 percent and above the percentage of total businesses located in middle-income census tracts at 83.1 percent.

The following table presents the bank’s geographic distribution of small business loans in 2021. Please refer to Appendix B for geographic distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Northwest WI Non MSA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	23	13.8	13.1	3,129	14.5	14.1	16.9
Middle	144	86.2	85.6	18,502	85.5	85.7	83.1
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	1.4	0	0.0	0.2	
Total	167	100.0	100.0	21,631	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

For the purposes of this review, loans made in calendar year 2021 and prior were analyzed based on the 2011-2015 ACS income designations data. Loans made in calendar years 2022 and after were analyzed based on income designations from the 2016-2020 ACS data. Further, when determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, 2021 lending performance was weighted more heavily as peer data was not available for the 2022 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2021, the bank originated 7.6 percent of its total HMDA-reportable loans to low-income borrowers, which is comparable to the aggregate but below the percentage of low-income families in the assessment area at 6.1 percent and 21.4 percent, respectively. The bank originated 19.8 percent of its HMDA-reportable loans to moderate-income borrowers. This performance is above the aggregate at 17.8 percent but below the percentage of moderate-income families within the assessment area at 22.1 percent. The bank originated 21.3 percent of its HMDA-reportable loans to middle-income borrowers, above the aggregate at 18.6 percent but below the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated the largest proportion of its HMDA-reportable loans to upper-income borrowers at 46.8 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 44.8 percent and 33.1 percent, respectively. Finally, the bank originated 4.6 percent of its HMDA-reportable loans to individuals of unknown-income, below aggregate at 12.7 percent. Due to low volume, home improvement loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2021, the bank originated 8.3 percent of its home purchase loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.4 percent and 21.4 percent, respectively. The bank originated 15.3 percent of its home purchase loans to moderate-income borrowers. This performance is below the aggregate at 18.9 percent and the percentage of moderate-income families within the assessment area at 22.1 percent. The bank originated 20.8 percent of its home purchase loans to middle-income borrowers, above the aggregate at 17.2 percent but below the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated the largest proportion of its home purchase loans to upper-income borrowers at 44.4 percent, which is above the aggregate and the percentage of upper-income families in the assessment area at 41.3 percent and 33.1 percent, respectively. Finally, the bank originated 11.1 percent of its home purchase loans to individuals of unknown-income, below aggregate at 16.1 percent.

Refinance Loans

In 2021, the bank originated 7.4 percent of its refinance loans to low-income borrowers, which is comparable to the aggregate but below the percentage of low-income families in the assessment area at 5.9 percent and 21.4 percent, respectively. The bank originated 21.1 percent of its refinance loans to moderate-income borrowers. This performance is above the aggregate at 17.3 percent and

comparable to the percentage of moderate-income families within the assessment area at 22.1 percent. The bank originated 21.5 percent of its refinance loans to middle-income borrowers, above the aggregate at 19.5 percent but below the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated the largest proportion of its refinance loans to upper-income borrowers at 47.3 percent, which is comparable to the aggregate and above the percentage of upper-income families in the assessment area at 46.0 percent and 33.1 percent, respectively. Finally, the bank originated 2.7 percent of its refinance loans to individuals of unknown-income, below aggregate at 11.3 percent.

The following table presents the bank's borrower distribution of HMDA-reportable loans in 2021. Please refer to Appendix B for borrower distribution data for HMDA-reportable lending in 2022.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Northwest WI Non MSA							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	%	
Home Purchase Loans							
Low	6	8.3	6.4	585	3.2	3.3	21.4
Moderate	11	15.3	18.9	1,645	9.0	12.7	22.1
Middle	15	20.8	17.2	2,626	14.3	13.8	23.4
Upper	32	44.4	41.3	11,473	62.7	54.6	33.1
Unknown	8	11.1	16.1	1,979	10.8	15.6	0.0
Total	72	100.0	100.0	18,308	100.0	100.0	100.0
Refinance Loans							
Low	19	7.4	5.9	2,013	4.1	3.4	21.4
Moderate	54	21.1	17.3	7,069	14.4	11.0	22.1
Middle	55	21.5	19.5	9,740	19.8	15.6	23.4
Upper	121	47.3	46.0	28,835	58.7	58.6	33.1
Unknown	7	2.7	11.3	1,448	2.9	11.5	0.0
Total	256	100.0	100.0	49,105	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	6.1	0	0.0	3.4	21.4
Moderate	0	0.0	16.7	0	0.0	13.1	22.1
Middle	0	0.0	18.9	0	0.0	17.5	23.4
Upper	1	100.0	53.3	75	100.0	61.5	33.1
Unknown	0	0.0	5.0	0	0.0	4.6	0.0
Total	1	100.0	100.0	75	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	25	7.6	6.1	2,598	3.8	3.4	21.4
Moderate	65	19.8	17.8	8,714	12.9	11.8	22.1
Middle	70	21.3	18.6	12,366	18.3	14.8	23.4
Upper	154	46.8	44.8	40,383	59.8	56.9	33.1
Unknown	15	4.6	12.7	3,427	5.1	13.0	0.0
Total	329	100.0	100.0	67,488	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Small Business Lending

The distribution of small business loans reflects excellent penetration among businesses of different revenue sizes. In 2021, Johnson Bank originated 27.5 percent of its small business loans to businesses reporting annual revenues of \$1 million or less, which was below the aggregate at 47.1 percent and the percentage of businesses with gross revenues of \$1 million or less at 90.2 percent. Of loans to businesses with revenues of \$1 million or less, 50.0 percent were in amounts of \$100,000

or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses. The bank originated 50.9 percent of its small business loans to businesses with unknown-revenue.

The following table presents the bank’s borrower distribution of small business loans in 2021. Please refer to Appendix B for borrower distribution data for small business lending in 2022.

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Northwest WI Non MSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	46	27.5	47.1	7,467	34.5	30.4	90.2
Over \$1 Million	36	21.6		9,086	42.0		7.0
Revenue Unknown	85	50.9		5,078	23.5		2.8
Total	167	100.0		21,631	100.0		100.0
By Loan Size							
\$100,000 or Less	108	64.7	90.7	3,606	16.7	31.9	
\$100,001 - \$250,000	28	16.8	4.6	4,634	21.4	17.5	
\$250,001 - \$1 Million	31	18.6	4.7	13,391	61.9	50.6	
Total	167	100.0	100.0	21,631	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	23	50.0		988	13.2		
\$100,001 - \$250,000	11	23.9		1,671	22.4		
\$250,001 - \$1 Million	12	26.1		4,808	64.4		
Total	46	100.0		7,467	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Lending

Johnson Bank makes an adequate level of community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the review period, the bank originated four community development loans totaling approximately \$4.7 million. One of the qualified community development loans focused on providing financing for the construction of a healthcare facility located within an underserved middle-income census tract, while the remaining three community development loans focused on providing affordable housing to low- and moderate-income individuals. During the previous evaluation the bank originated eight community development loans totaling \$16.7 million. When adjusting for variance

in review period length, the bank’s current performance in community development lending decreased 36.5 percent by number and 64.3 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development loans throughout its assessment area during the review period.

Community Development Loans May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Northwest Non-MSA	3	845	0	0	0	0	1	3,842	4	4,687

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community development initiatives and demonstrates adequate responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained seven community development investments totaling approximately \$4.4 million within the assessment area. Of the qualified community development investments, two investments totaling \$1.6 million were made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The qualified investments were largely comprised of less innovative school bonds and mortgage-backed securities, including the two investments made during the current review period. During the previous evaluation the bank made and maintained six community development investments totaling \$3.2 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments increased 48.1 percent by number and 71.9 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its assessment area during the review period.

Community Development Investments May 4, 2021 through June 12, 2023										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Northwest Non-MSA	2	103	5	4,255	0	0	0	0	7	4,359

Additionally, the bank made 17 donations totaling approximately \$59,000 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, benefitting revitalization and stabilization efforts impacting low- and moderate-income geographies (74.9 percent) and community service efforts targeting low- and moderate-income individuals and communities (25.1 percent). During the previous evaluation the bank made 12 community development donations totaling approximately \$13,635. When adjusting for variance in review period length, the bank's current performance in community development donations increased significantly by 79.8 percent by number and 446.5 percent by dollar volume.

SERVICE TEST

Johnson Bank's delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides an adequate level of community development services in the assessment area.

Retail Services

Johnson Bank's retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates three offices and three cash-only ATMs in the assessment area. All three office locations, as well as the ATMs, are located within middle-income census tracts. Alternative delivery systems include phone, internet banking, and mobile banking. Additionally, the bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Since the previous evaluation the bank closed one branch location, including one cash-only ATM, located within a middle-income census tract.

The bank's services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, and drive-up services available during the same time period as well as from 9:00 a.m. to 12:00 p.m. on Saturdays. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank's website.

Community Development Services

Johnson Bank provides an adequate level of community development services. During the review period, the bank provided 88 community development services. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations, however the majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies. During the previous evaluation the bank conducted 191 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours decreased notably by 41.5 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services May 4, 2021 through June 12, 2023					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Northwest Non-MSA	15	73	0	0	88

APPLETON-OSHKOSH-NEENAH, WI CSA #118 – Limited Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN APPLETON-OSHKOSH-NEENAH, WI CSA #118

Johnson Bank’s Appleton-Oshkosh-Neenah, WI CSA #118 assessment area remains unchanged from the previous evaluation and consists of the entirety of the Appleton, WI MSA (Calumet and Outagamie Counties) and the Oshkosh-Neenah, WI MSA (Winnebago County). For the purposes of this evaluation both MSAs are being presented as a Combined Statistical Area (CSA). Located within the assessment area is one branch location and one cash-only ATM representing no change in branch operations within the assessment area since the previous evaluation. In 2021, the branch and cash-only ATM were located in a middle-income census tract, however due to the 2022 census tract designation the branch and ATM are now located within a low-income census tract. In 2021, the assessment area was comprised of 92 census tracts: 14 moderate-income, 67 middle-income, and 11 upper-income.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	2	2
Moderate	14	20	6
Middle	67	63	-4
Upper	11	16	5
Unknown	0	2	2
Total	92	103	11
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 28th of 29 FDIC-insured financial institutions operating within the assessment area. The bank held \$11.9 million in deposits, representing 0.2 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are Associated Bank, NA (16.6 percent), BMO Harris Bank, NA (12.9 percent), and JP Morgan Chase Bank, NA (12.3 percent).

Johnson Bank ranks 15th out of 372 aggregate lenders in 2021 HMDA-reportable transactions. A total of 420 originations and purchase transactions were reported by the bank compared to 2,944 reported by market leader Community First Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 18th out of 91 reporters with 66 CRA-reportable loans in 2021 compared to 1,080 loans reported by first-ranked Nicolet National Bank.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Appleton-Neenah-Oshkosh, WI CSA 118 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	1.9	876	0.8	176	20.1	18,995	18.1
Moderate	20	19.4	14,082	13.4	1,403	10.0	20,191	19.2
Middle	63	61.2	66,806	63.6	3,245	4.9	25,309	24.1
Upper	16	15.5	22,850	21.8	447	2.0	40,541	38.6
Unknown	2	1.9	422	0.4	138	32.7	0	0.0
Total AA	103	100.0	105,036	100.0	5,409	5.1	105,036	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,098	615	0.5	29.3	1,322	63.0	161	7.7
Moderate	27,376	15,291	13.2	55.9	10,672	39.0	1,413	5.2
Middle	112,311	74,750	64.4	66.6	31,769	28.3	5,792	5.2
Upper	30,398	25,305	21.8	83.2	4,060	13.4	1,033	3.4
Unknown	2,311	160	0.1	6.9	1,736	75.1	415	18.0
Total AA	174,494	116,121	100.0	66.5	49,559	28.4	8,814	5.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	446	3.2	403	3.2	40	2.7	3	1.8
Moderate	1,979	14.0	1,793	14.3	166	11.4	20	11.8
Middle	8,889	62.9	7,800	62.4	980	67.0	109	64.5
Upper	2,526	17.9	2,244	18.0	248	17.0	34	20.1
Unknown	289	2.0	258	2.1	28	1.9	3	1.8
Total AA	14,129	100.0	12,498	100.0	1,462	100.0	169	100.0
Percentage of Total Businesses:				88.5		10.3		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2	0.3	2	0.3	0	0.0	0	0.0
Moderate	35	5.8	33	5.6	2	16.7	0	0.0
Middle	456	75.1	448	75.4	8	66.7	0	0.0
Upper	111	18.3	108	18.2	2	16.7	1	100.0
Unknown	3	0.5	3	0.5	0	0.0	0	0.0
Total AA	607	100.0	594	100.0	12	100.0	1	100.0
Percentage of Total Farms:				97.9		2.0		0.2
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Appleton-Oshkosh- Neenah, WI CSA #118	Consistent	Consistent	Consistent

Johnson Bank's lending, investment, and service performance in the area is consistent with the institution's performance overall.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	4	3.9	10.4	917	2.6	7.7	9.4
Middle	67	65.0	72.7	20,461	58.4	70.2	73.7
Upper	32	31.1	16.9	13,671	39.0	22.1	16.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	103	100.0	100.0	35,049	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	15	6.1	7.9	2,525	4.0	6.1	9.4
Middle	150	61.2	73.0	39,116	62.2	70.6	73.7
Upper	80	32.7	19.1	21,246	33.8	23.4	16.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	245	100.0	100.0	62,887	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.5	0	0.0	5.3	9.4
Middle	0	0.0	73.6	0	0.0	70.9	73.7
Upper	0	0.0	19.8	0	0.0	23.8	16.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	41.5	0	0.0	41.5	29.0
Middle	0	0.0	56.2	0	0.0	57.5	61.7
Upper	0	0.0	2.3	0	0.0	1.0	9.4
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	19	5.5	8.8	3,442	3.5	8.5	9.4
Middle	217	62.4	72.9	59,577	60.8	69.8	73.7
Upper	112	32.2	18.3	34,917	35.7	21.7	16.8
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	348	100.0	100.0	97,936	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	12	18.2	12.4	4,569	20.9	10.1	13.4
Middle	48	72.7	70.1	15,456	70.8	70.0	71.5
Upper	6	9.1	17.1	1,793	8.2	19.9	15.1
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.5	0	0.0	0.1	
Total	66	100.0	100.0	21,818	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Home Purchase Loans							
Low	6	5.8	10.9	849	2.4	6.4	18.3
Moderate	13	12.6	24.0	2,356	6.7	18.6	18.5
Middle	27	26.2	23.9	7,283	20.8	23.9	24.5
Upper	57	55.3	28.1	24,561	70.1	38.9	38.6
Unknown	0	0.0	13.1	0	0.0	12.2	0.0
Total	103	100.0	100.0	35,049	100.0	100.0	100.0
Refinance Loans							
Low	10	4.1	7.9	992	1.6	4.6	18.3
Moderate	35	14.3	21.3	4,832	7.7	16.1	18.5
Middle	43	17.6	23.8	8,365	13.3	21.9	24.5
Upper	157	64.1	34.1	48,698	77.4	43.0	38.6
Unknown	0	0.0	12.9	0	0.0	14.3	0.0
Total	245	100.0	100.0	62,887	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	8.7	0	0.0	5.3	18.3
Moderate	0	0.0	19.2	0	0.0	16.2	18.5
Middle	0	0.0	23.9	0	0.0	21.4	24.5
Upper	0	0.0	42.4	0	0.0	50.7	38.6
Unknown	0	0.0	5.7	0	0.0	6.4	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	16	4.6	9.0	1,841	1.9	5.4	18.3
Moderate	48	13.8	22.0	7,188	7.3	17.1	18.5
Middle	70	20.1	23.8	15,648	16.0	22.7	24.5
Upper	214	61.5	32.7	73,259	74.8	41.6	38.6
Unknown	0	0.0	12.6	0	0.0	13.3	0.0
Total	348	100.0	100.0	97,936	100.0	100.0	100.0
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>							

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	5	7.6	53.5	1,142	5.2	31.7	88.2
Over \$1 Million	36	54.5		16,467	75.5		10.6
Revenue Unknown	25	37.9		4,209	19.3		1.2
Total	66	100.0		21,818	100.0		100.0
By Loan Size							
\$100,000 or Less	21	31.8	86.4	1,183	5.4	23.6	
\$100,001 - \$250,000	21	31.8	6.6	3,853	17.7	17.9	
\$250,001 - \$1 Million	24	36.4	7.0	16,782	76.9	58.5	
Total	66	100.0	100.0	21,818	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	2	40.0		75	6.6		
\$100,001 - \$250,000	1	20.0		200	17.5		
\$250,001 - \$1 Million	2	40.0		867	75.9		
Total	5	100.0		1,142	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Activities										
May 4, 2021 through June 12, 2023										
Appleton-Oshkosh-Neenah, WI CSA #118 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	0	0	0	0	1	1,531	0	0	1	1,531
Investments	5	590	0	0	0	0	1	4,000	6	4,590
Donations	0	0	1	1	0	0	1	25	2	26
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	10		25		0		0		35	

JANESVILLE-BELOIT, WI MSA #27500 – Limited Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN JANESVILLE-BELOIT, WI MSA #27500

Johnson Bank’s Janesville-Beloit, WI MSA #27500 assessment area remains unchanged from the previous evaluation and consists of Rock County which comprises the entirety of the MSA. Located within the assessment area are two branch locations and two cash-only ATMs representing no change in branch operations within the assessment area since the previous evaluation. One branch and cash-only ATM is located within a low-income census tract, whereas the other branch location and cash-only ATM is located within a middle-income census tract. In 2021, the assessment area was comprised of 38 census tracts: one low-income, 13 moderate-income, 15 middle-income, and nine upper-income.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	1	1	0
Moderate	13	11	-2
Middle	15	20	5
Upper	9	9	0
Unknown	0	0	0
Total	38	41	3
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 3rd of 17 FDIC-insured financial institutions operating within the assessment area. The bank held \$473.6 million in deposits, representing 15.0 percent of the total deposit market share. In comparison, the first ranked institution, BMO Harris Bank, NA, held \$540.0 million in deposits, representing 17.0 percent of the deposit market share. The second ranked institution, The First National Bank and Trust Company, held \$525.3 million in deposits, representing 16.6 percent of the deposit market share.

Johnson Bank ranks 3rd out of 293 aggregate lenders in 2021 HMDA-reportable transactions. A total of 654 originations and purchase transactions were reported by the bank compared to 970 reported by market leader Blackhawk Community Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 6th out of 78 reporters with 182 CRA-reportable loans in 2021 compared to 292 loans reported by first-ranked U.S. Bank, NA.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area, is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Janesville-Beloit, WI MSA 27500 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.4	132	0.3	43	32.6	8,164	19.7
Moderate	11	26.8	9,430	22.7	1,464	15.5	7,792	18.8
Middle	20	48.8	21,596	52.0	1,663	7.7	9,353	22.5
Upper	9	22.0	10,386	25.0	487	4.7	16,235	39.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	41	100.0	41,544	100.0	3,657	8.8	41,544	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	617	91	0.2	14.7	413	66.9	113	18.3
Moderate	17,242	8,749	19.6	50.7	7,328	42.5	1,165	6.8
Middle	35,630	24,082	54.0	67.6	9,276	26.0	2,272	6.4
Upper	15,789	11,703	26.2	74.1	3,595	22.8	491	3.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	69,278	44,625	100.0	64.4	20,612	29.8	4,041	5.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	196	3.7	173	3.6	19	4.2	4	6.5
Moderate	903	16.9	837	17.3	63	13.8	3	4.8
Middle	2,670	49.9	2,405	49.7	224	49.1	41	66.1
Upper	1,587	29.6	1,423	29.4	150	32.9	14	22.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5,356	100.0	4,838	100.0	456	100.0	62	100.0
Percentage of Total Businesses:				90.3		8.5		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	7	2.9	7	2.9	0	0.0	0	0.0
Middle	145	59.2	141	59.2	4	57.1	0	0.0
Upper	93	38.0	90	37.8	3	42.9	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	245	100.0	238	100.0	7	100.0	0	0.0
Percentage of Total Farms:				97.1		2.9		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Janesville-Beloit, WI MSA #27500	Exceeds	Consistent	Consistent

Johnson Bank's lending performance in the area exceeds the institution's overall lending performance, while the institution's investment and service performance in the area is consistent with its overall investment and service performance.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Janesville-Beloit, WI MSA 27500							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	1	0.6	1.5	76	0.2	0.8	0.8
Moderate	26	14.7	22.6	3,720	7.7	15.2	21.4
Middle	81	45.8	47.0	18,413	38.0	45.6	46.2
Upper	69	39.0	28.9	26,242	54.2	38.4	31.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	177	100.0	100.0	48,451	100.0	100.0	100.0
Refinance Loans							
Low	1	0.3	0.7	88	0.1	0.4	0.8
Moderate	30	8.7	13.9	3,144	5.0	9.5	21.4
Middle	170	49.4	46.1	27,671	43.8	42.8	46.2
Upper	143	41.6	39.3	32,280	51.1	47.4	31.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	344	100.0	100.0	63,183	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.6	0	0.0	0.3	0.8
Moderate	0	0.0	17.7	0	0.0	11.4	21.4
Middle	0	0.0	47.5	0	0.0	46.3	46.2
Upper	0	0.0	34.3	0	0.0	42.0	31.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	8.8	0	0.0	1.1	0.7
Moderate	0	0.0	56.3	0	0.0	73.6	36.6
Middle	0	0.0	25.0	0	0.0	16.8	46.1
Upper	0	0.0	10.0	0	0.0	8.5	16.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	2	0.4	1.0	164	0.1	0.6	0.8
Moderate	56	10.7	17.5	6,864	6.1	14.5	21.4
Middle	251	48.2	46.3	46,084	41.3	42.9	46.2
Upper	212	40.7	35.2	58,522	52.4	42.1	31.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	521	100.0	100.0	111,634	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Janesville-Beloit, WI MSA 27500							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	7	3.9	1.8	1,648	5.4	2.4	1.7
Moderate	64	35.4	22.6	9,523	31.4	22.8	27.1
Middle	54	29.8	37.8	7,273	23.9	32.5	37.3
Upper	56	30.9	37.5	11,927	39.3	42.2	33.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.2	0	0.0	0.1	
Total	181	100.0	100.0	30,371	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Janesville-Beloit, WI MSA 27500							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Home Purchase Loans							
Low	11	6.2	8.4	1,433	3.0	5.0	20.7
Moderate	41	23.2	25.5	6,958	14.4	19.8	18.2
Middle	34	19.2	24.9	7,560	15.6	24.7	21.6
Upper	90	50.8	28.0	32,305	66.7	37.3	39.5
Unknown	1	0.6	13.1	195	0.4	13.1	0.0
Total	177	100.0	100.0	48,451	100.0	100.0	100.0
Refinance Loans							
Low	16	4.7	7.0	1,929	3.1	4.1	20.7
Moderate	70	20.3	19.9	8,957	14.2	15.3	18.2
Middle	107	31.1	24.5	17,324	27.4	23.0	21.6
Upper	147	42.7	34.9	34,137	54.0	42.0	39.5
Unknown	4	1.2	13.7	836	1.3	15.5	0.0
Total	344	100.0	100.0	63,183	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	7.0	0	0.0	6.2	20.7
Moderate	0	0.0	20.5	0	0.0	18.3	18.2
Middle	0	0.0	25.6	0	0.0	20.6	21.6
Upper	0	0.0	45.2	0	0.0	53.7	39.5
Unknown	0	0.0	1.7	0	0.0	1.3	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	27	5.2	7.4	3,362	3.0	4.6	20.7
Moderate	111	21.3	21.7	15,915	14.3	17.2	18.2
Middle	141	27.1	24.5	24,884	22.3	23.5	21.6
Upper	237	45.5	33.5	66,442	59.5	40.3	39.5
Unknown	5	1.0	12.8	1,031	0.9	14.4	0.0
Total	521	100.0	100.0	111,634	100.0	100.0	100.0
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>							

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Janesville-Beloit, WI MSA 27500							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	31	17.1	48.7	4,956	16.3	24.4	90.3
Over \$1 Million	62	34.3		17,740	58.4		8.5
Revenue Unknown	88	48.6		7,675	25.3		1.1
Total	181	100.0		30,371	100.0		100.0
By Loan Size							
\$100,000 or Less	102	56.4	89.8	4,898	16.1	31.2	
\$100,001 - \$250,000	44	24.3	5.8	7,876	25.9	21.5	
\$250,001 - \$1 Million	35	19.3	4.4	17,597	57.9	47.4	
Total	181	100.0	100.0	30,371	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	17	54.8		897	18.1		
\$100,001 - \$250,000	10	32.3		1,802	36.4		
\$250,001 - \$1 Million	4	12.9		2,257	45.5		
Total	31	100.0		4,956	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Activities										
May 4, 2021 through June 12, 2023										
Janesville-Beloit, WI MSA #27500 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	4	2,348	8	7,955	0	0	3	1,450	15	11,753
Investments	6	932	2	460	1	308	0	0	9	1,701
Donations	2	3	12	74	5	10	4	25	23	112
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	435		420		2		0		857	

MADISON, WI MSA #31540 – Limited Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MADISON, WI MSA #31540

Johnson Bank’s Madison, WI MSA #31540 assessment area remains unchanged from the previous evaluation and consists of Dane County, however, excludes Columbia, IA and Green County, WI from the MSA. Located within the assessment area are three branch locations and two cash-only ATMs representing no change in branch operations within the assessment area since the previous evaluation. One branch and ATM are located within a middle-income census tract, one branch and ATM are located within an upper-income census tract, and the remaining branch is located within an unknown-income census tract. In 2021, the assessment area was comprised of 107 census tracts: four low-income, 17 moderate-income, 51 middle-income, 29 upper-income, and six unknown-income census tracts. The unknown-income census tracts include a portion of the University of Wisconsin, as well as the Lakes of Mendota and Monona and the adjacent coastlines.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes			
American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	4	5	1
Moderate	17	18	1
Middle	51	61	10
Upper	29	34	5
Unknown	6	7	1
Total	107	125	18

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 15 of 34 FDIC-insured financial institutions operating within the assessment area. The bank held \$629.7 million in deposits, representing 2.7 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are BMO Harris Bank, NA (15.0 percent), U.S. Bank, NA (11.0 percent), and Associated Bank, NA (8.4 percent).

Johnson Bank ranks 16th out of 436 aggregate lenders in 2021 HMDA-reportable transactions. A total of 535 originations and purchase transactions were reported by the bank compared to 8,278 reported by market leader Summit Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 16th out of 109 reporters with 136 CRA-reportable loans in 2021 compared to 1,620 loans reported by first-ranked JP Morgan Chase Bank, NA.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Madison, WI MSA 31540 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	5	4.0	1,977	1.6	329	16.6	21,536	17.1
Moderate	18	14.4	16,489	13.1	2,363	14.3	22,484	17.9
Middle	61	48.8	70,257	55.8	2,578	3.7	29,307	23.3
Upper	34	27.2	36,613	29.1	836	2.3	52,499	41.7
Unknown	7	5.6	490	0.4	128	26.1	0	0.0
Total AA	125	100.0	125,826	100.0	6,234	5.0	125,826	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,819	1,209	0.9	13.7	6,776	76.8	834	9.5
Moderate	34,355	13,613	10.2	39.6	19,249	56.0	1,493	4.3
Middle	122,946	77,213	57.8	62.8	41,172	33.5	4,561	3.7
Upper	63,178	41,398	31.0	65.5	19,596	31.0	2,184	3.5
Unknown	6,904	262	0.2	3.8	6,112	88.5	530	7.7
Total AA	236,202	133,695	100.0	56.6	92,905	39.3	9,602	4.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	1,449	5.4	1,253	5.1	190	8.4	6	2.0
Moderate	3,238	12.0	2,862	11.7	344	15.3	32	10.9
Middle	13,792	51.2	12,647	51.8	1,000	44.4	145	49.3
Upper	7,495	27.8	6,783	27.8	620	27.5	92	31.3
Unknown	966	3.6	850	3.5	97	4.3	19	6.5
Total AA	26,940	100.0	24,395	100.0	2,251	100.0	294	100.0
Percentage of Total Businesses:				90.6		8.4		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	4	0.5	4	0.5	0	0.0	0	0.0
Moderate	21	2.4	20	2.4	1	5.3	0	0.0
Middle	630	73.3	620	73.8	10	52.6	0	0.0
Upper	201	23.4	193	23.0	8	42.1	0	0.0
Unknown	3	0.3	3	0.4	0	0.0	0	0.0
Total AA	859	100.0	840	100.0	19	100.0	0	0.0
Percentage of Total Farms:				97.8		2.2		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Madison, WI MSA #31540	Consistent	Consistent	Below

Johnson Bank's lending and investment performance in the area is consistent with the institution's overall lending and investment performance, however the institution's service performance in the area is below its overall service performance.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Madison, WI MSA 31540							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.8	0	0.0	0.6	0.8
Moderate	15	11.8	9.0	4,945	9.4	7.0	8.8
Middle	60	47.2	55.8	22,086	41.8	52.5	57.5
Upper	52	40.9	34.4	25,764	48.8	39.9	32.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	127	100.0	100.0	52,795	100.0	100.0	100.0
Refinance Loans							
Low	1	0.3	0.7	190	0.2	0.5	0.8
Moderate	22	7.1	7.7	6,224	6.7	5.9	8.8
Middle	138	44.7	55.5	36,464	39.0	51.2	57.5
Upper	148	47.9	36.0	50,659	54.2	42.3	32.9
Unknown	0	0.0	0.1	0	0.0	0.2	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	309	100.0	100.0	93,537	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.7	0	0.0	0.4	0.8
Moderate	0	0.0	8.3	0	0.0	6.9	8.8
Middle	0	0.0	54.3	0	0.0	50.5	57.5
Upper	0	0.0	36.7	0	0.0	42.1	32.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	4.8	0	0.0	1.6	7.3
Moderate	1	100.0	18.9	9,263	100.0	30.9	19.9
Middle	0	0.0	43.0	0	0.0	29.4	42.6
Upper	0	0.0	26.8	0	0.0	35.0	23.9
Unknown	0	0.0	6.6	0	0.0	3.2	6.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	9,263	100.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	1	0.2	0.8	190	0.1	0.6	0.8
Moderate	38	8.7	8.2	20,432	13.1	8.5	8.8
Middle	198	45.3	55.5	58,550	37.6	49.8	57.5
Upper	200	45.8	35.4	76,423	49.1	40.8	32.9
Unknown	0	0.0	0.1	0	0.0	0.4	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	437	100.0	100.0	155,595	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Madison, WI MSA 31540							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	4	2.9	1.8	1,930	4.7	1.8	2.3
Moderate	24	17.6	12.6	8,595	21.0	14.4	13.1
Middle	57	41.9	49.4	15,373	37.5	46.6	49.5
Upper	51	37.5	34.3	15,077	36.8	35.4	33.2
Unknown	0	0.0	1.6	0	0.0	1.7	1.9
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	136	100.0	100.0	40,975	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Madison, WI MSA 31540							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	%	%	\$(000)	%		%
Home Purchase Loans							
Low	6	4.7	6.5	854	1.6	3.6	19.1
Moderate	13	10.2	21.2	2,946	5.6	16.3	16.6
Middle	23	18.1	24.8	6,150	11.6	23.2	22.6
Upper	81	63.8	37.1	41,945	79.4	46.5	41.7
Unknown	4	3.1	10.4	900	1.7	10.3	0.0
Total	127	100.0	100.0	52,795	100.0	100.0	100.0
Refinance Loans							
Low	11	3.6	7.0	1,545	1.7	4.0	19.1
Moderate	40	12.9	20.4	7,664	8.2	15.3	16.6
Middle	72	23.3	25.7	15,929	17.0	23.1	22.6
Upper	185	59.9	38.7	68,204	72.9	47.4	41.7
Unknown	1	0.3	8.2	195	0.2	10.2	0.0
Total	309	100.0	100.0	93,537	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	4.9	0	0.0	3.9	19.1
Moderate	0	0.0	15.0	0	0.0	13.9	16.6
Middle	0	0.0	23.4	0	0.0	19.3	22.6
Upper	0	0.0	54.2	0	0.0	60.7	41.7
Unknown	0	0.0	2.4	0	0.0	2.2	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	17	3.9	6.7	2,399	1.6	3.8	19.1
Moderate	53	12.2	20.1	10,610	7.3	15.6	16.6
Middle	95	21.8	25.2	22,079	15.1	23.0	22.6
Upper	266	61.0	39.8	110,149	75.3	47.6	41.7
Unknown	5	1.1	8.1	1,095	0.7	10.0	0.0
Total	436	100.0	100.0	146,332	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Madison, WI MSA 31540							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	11	8.1	50.9	3,417	8.3	31.4	90.4
Over \$1 Million	50	36.8		22,814	55.7		8.5
Revenue Unknown	75	55.1		14,744	36.0		1.0
Total	136	100.0		40,975	100.0		100.0
By Loan Size							
\$100,000 or Less	50	36.8	89.3	2,124	5.2	27.2	
\$100,001 - \$250,000	29	21.3	5.2	5,445	13.3	16.6	
\$250,001 - \$1 Million	57	41.9	5.5	33,406	81.5	56.2	
Total	136	100.0	100.0	40,975	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	2	18.2		130	3.8		
\$100,001 - \$250,000	4	36.4		807	23.6		
\$250,001 - \$1 Million	5	45.5		2,480	72.6		
Total	11	100.0		3,417	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Activities										
May 4, 2021 through June 12, 2023										
Madison, WI MSA #31540 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	6	12,950	14	27,541	2	600	0	0	22	41,091
Investments	8	4,609	0	0	1	1,175	1	1,075	10	6,859
Donations	7	16	11	133	1	1	1	50	20	199
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	63		89		0		0		152	

SHEBOYGAN, WI MSA #43100 – Limited Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SHEBOYGAN, WI MSA #43100

Johnson Bank’s Sheboygan, WI MSA #43100 assessment area remains unchanged from the previous evaluation and consists of Sheboygan County which comprises the entirety of the MSA. Located within the assessment area is one branch location and one cash-only ATM representing no change in branch operations within the assessment area since the previous evaluation. The branch and ATM is located within an upper-income census tract. In 2021, the assessment area was comprised of 27 census tracts: four moderate-income, 18 middle-income, four upper-income, and one unknown-income census tract. The unknown-income census tract includes a portion of Lake Michigan.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	4	2	-2
Middle	18	21	3
Upper	4	5	1
Unknown	1	1	0
Total	27	29	2
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 11th of 15 FDIC-insured financial institutions operating within the assessment area. The bank held \$66.1 million in deposits, representing 2.3 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are Bank First, NA (20.6 percent), Wisconsin Bank & Trust (10.8 percent), and Oostburg State Bank (10.4 percent).

Johnson Bank ranks 12th out of 250 aggregate lenders in 2021 HMDA-reportable transactions. A total of 154 originations and purchase transactions were reported by the bank compared to 643 reported by market leader Bank First, NA. Further, the CRA Market Peer Report ranks Johnson Bank 21st out of 59 reporters with 9 CRA-reportable loans in 2021 compared to 323 loans reported by first-ranked U.S. Bank, NA.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Sheboygan, WI MSA 43100 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,696	15.6
Moderate	2	6.9	1,837	6.1	182	9.9	6,211	20.6
Middle	21	72.4	21,927	72.8	854	3.9	7,447	24.7
Upper	5	17.2	6,370	21.1	96	1.5	11,780	39.1
Unknown	1	3.4	0	0.0	0	0.0	0	0.0
Total AA	29	100.0	30,134	100.0	1,132	3.8	30,134	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,055	1,322	3.9	32.6	2,200	54.3	533	13.1
Middle	37,979	24,807	73.9	65.3	10,719	28.2	2,453	6.5
Upper	9,215	7,427	22.1	80.6	1,279	13.9	509	5.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	51,249	33,556	100.0	65.5	14,198	27.7	3,495	6.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	286	7.3	257	7.5	27	6.4	2	2.9
Middle	2,876	73.8	2,514	73.9	313	73.8	49	70.0
Upper	736	18.9	633	18.6	84	19.8	19	27.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,898	100.0	3,404	100.0	424	100.0	70	100.0
Percentage of Total Businesses:				87.3		10.9		1.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	140	78.7	128	77.6	11	91.7	1	100.0
Upper	38	21.3	37	22.4	1	8.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	178	100.0	165	100.0	12	100.0	1	100.0
Percentage of Total Farms:				92.7		6.7		0.6
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Sheboygan, WI MSA #43100	Consistent	Consistent	Below

Johnson Bank's lending and investment performance in the area is consistent with the institution's overall lending and investment performance, however the institution's service performance in the area is below its overall service performance.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Sheboygan, WI MSA 43100							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	8.0	10.5	623	7.3	6.3	7.7
Middle	14	56.0	76.4	4,056	47.4	75.0	76.3
Upper	9	36.0	13.1	3,874	45.3	18.7	15.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	25	100.0	100.0	8,553	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	4	4.8	4.3	368	2.4	2.6	7.7
Middle	42	50.6	75.4	7,000	45.7	72.7	76.3
Upper	37	44.6	20.2	7,962	51.9	24.7	15.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	83	100.0	100.0	15,330	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	7.4	0	0.0	5.1	7.7
Middle	0	0.0	69.3	0	0.0	65.3	76.3
Upper	0	0.0	23.4	0	0.0	29.6	15.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	29.4	0	0.0	10.7	24.7
Middle	0	0.0	70.6	0	0.0	89.3	67.6
Upper	0	0.0	0.0	0	0.0	0.0	7.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	6	5.6	6.7	991	4.1	4.3	7.7
Middle	56	51.9	75.5	11,056	46.3	74.1	76.3
Upper	46	42.6	17.7	11,836	49.6	21.5	15.9
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	108	100.0	100.0	23,883	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Sheboygan, WI MSA 43100							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	22.2	15.8	98	16.5	14.6	16.3
Middle	3	33.3	66.5	61	10.3	72.6	69.0
Upper	4	44.4	16.8	435	73.2	12.7	14.7
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.9	0	0.0	0.1	
Total	9	100.0	100.0	594	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Sheboygan, WI MSA 43100							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Home Purchase Loans							
Low	3	12.0	8.9	389	4.5	5.2	17.7
Moderate	2	8.0	26.3	314	3.7	19.5	18.3
Middle	4	16.0	22.1	879	10.3	21.8	25.6
Upper	16	64.0	28.3	6,971	81.5	39.8	38.3
Unknown	0	0.0	14.5	0	0.0	13.6	0.0
Total	25	100.0	100.0	8,553	100.0	100.0	100.0
Refinance Loans							
Low	5	6.0	7.8	460	3.0	4.5	17.7
Moderate	16	19.3	20.1	1,815	11.8	15.2	18.3
Middle	17	20.5	24.4	2,915	19.0	22.4	25.6
Upper	45	54.2	35.5	10,140	66.1	45.4	38.3
Unknown	0	0.0	12.2	0	0.0	12.4	0.0
Total	83	100.0	100.0	15,330	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	7.0	0	0.0	3.8	17.7
Moderate	0	0.0	23.0	0	0.0	14.6	18.3
Middle	0	0.0	23.0	0	0.0	19.3	25.6
Upper	0	0.0	43.4	0	0.0	55.6	38.3
Unknown	0	0.0	3.7	0	0.0	6.7	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	8	7.4	8.1	849	3.6	4.8	17.7
Moderate	18	16.7	22.1	2,129	8.9	16.8	18.3
Middle	21	19.4	23.2	3,794	15.9	22.0	25.6
Upper	61	56.5	33.7	17,111	71.6	43.6	38.3
Unknown	0	0.0	12.9	0	0.0	12.9	0.0
Total	108	100.0	100.0	23,883	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Sheboygan, WI MSA 43100							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	0	0.0	57.0	0	0.0	32.2	87.4
Over \$1 Million	0	0.0		0	0.0		10.9
Revenue Unknown	9	100.0		594	100.0		1.7
Total	9	100.0		594	100.0		100.0
By Loan Size							
\$100,000 or Less	8	88.9	86.9	240	40.4	25.7	
\$100,001 - \$250,000	0	0.0	7.3	0	0.0	21.8	
\$250,001 - \$1 Million	1	11.1	5.8	354	59.6	52.5	
Total	9	100.0	100.0	594	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	0	0.0		0	0.0		
\$100,001 - \$250,000	0	0.0		0	0.0		
\$250,001 - \$1 Million	0	0.0		0	0.0		
Total	0	0.0		0	0.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Activities										
May 4, 2021 through June 12, 2023										
Sheboygan, WI MSA #43100 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	3	2,432	0	0	0	0	0	0	3	2,432
Investments	3	489	1	511	0	0	0	0	4	1,000
Donations	0	0	3	7	0	0	0	0	3	7
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	10		5		0		0		15	

SOUTHEAST, WI NON-MSA – Limited Review

SCOPE OF THE EXAMINATION

The scope for this assessment area is consistent with the scope presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SOUTHEAST, WI NON-MSA

Johnson Bank’s Southeast, WI Non-MSA assessment area remains unchanged from the previous evaluation and consists of Jefferson and Walworth Counties in their entirety. Located within the assessment area is one branch location and one cash-only ATM representing no change in branch operations within the assessment area since the previous evaluation. The branch and ATM is located within an upper-income census tract. In 2021, the assessment area was comprised of 42 census tracts: one moderate-income, 23 middle-income, 17 upper-income, and one unknown-income census tract. The unknown-income census tract includes a portion of the University of Wisconsin-Whitewater.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s ACS and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Refer to the census tract designation changes in the following table.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	1	1	0
Middle	23	25	2
Upper	17	24	7
Unknown	1	0	-1
Total	42	50	8
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

According to the June 30, 2022, FDIC Deposit Market Share Report, Johnson Bank ranks 16th of 20 FDIC-insured financial institutions operating within the assessment area. The bank held \$59.9 million in deposits, representing 1.5 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are Premierbank (10.3 percent), Associated Bank, NA (10.1 percent), and Ixonia Bank (9.2 percent).

Johnson Bank ranks 13th out of 409 aggregate lenders in 2021 HMDA-reportable transactions. A total of 263 originations and purchase transactions were reported by the bank compared to 841 reported by market leader Summit Credit Union. Further, the CRA Market Peer Report ranks Johnson Bank 14th out of 83 reporters with 56 CRA-reportable loans in 2021 compared to 711 loans reported by first-ranked U.S. Bank, NA.

The following presentation of key demographics used to help inform the evaluation of bank activity in its assessment area is based on a comparison of two sets of ACS data, 2011-2015 and 2016-2020.

2022 Southeast WI Non MSA AA Demographics+M4:U43								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,757	13.7
Moderate	1	2.0	504	1.0	59	11.7	7,705	15.6
Middle	25	50.0	25,539	51.8	1,762	6.9	11,388	23.1
Upper	24	48.0	23,254	47.2	706	3.0	23,447	47.6
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	50	100.0	49,297	100.0	2,527	5.1	49,297	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	946	290	0.6	30.7	656	69.3	0	0.0
Middle	43,811	25,268	48.4	57.7	15,073	34.4	3,470	7.9
Upper	43,848	26,647	51.0	60.8	6,829	15.6	10,372	23.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	88,605	52,205	100.0	58.9	22,558	25.5	13,842	15.6
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	117	1.6	98	1.5	18	2.7	1	0.9
Middle	3,886	53.3	3,438	52.8	388	58.7	60	52.2
Upper	3,288	45.1	2,979	45.7	255	38.6	54	47.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	7,291	100.0	6,515	100.0	661	100.0	115	100.0
Percentage of Total Businesses:				89.4		9.1		1.6
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	158	41.7	152	41.1	6	66.7	0	0.0
Upper	221	58.3	218	58.9	3	33.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	379	100.0	370	100.0	9	100.0	0	0.0
Percentage of Total Farms:				97.6		2.4		0.0
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Southeast, WI Non-MSA	Consistent	Consistent	Below

Johnson Bank's lending and investment performance in the area is consistent with the institution's overall lending and investment performance, however the institution's service performance in the area is below its overall service performance.

Distribution of 2021 Home Mortgage Lending By Income Level of Geography							
Assessment Area: Southeast WI Non MSA							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	1.6	2.4	130	0.5	1.3	1.4
Middle	32	51.6	56.4	12,517	51.6	53.3	54.5
Upper	29	46.8	41.1	11,588	47.8	45.4	44.0
Unknown	0	0.0	0.1	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	62	100.0	100.0	24,235	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	1.2	0	0.0	0.6	1.4
Middle	82	53.2	52.6	16,129	49.1	51.4	54.5
Upper	72	46.8	46.1	16,691	50.9	47.9	44.0
Unknown	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	154	100.0	100.0	32,820	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.8	0	0.0	0.3	1.4
Middle	0	0.0	45.3	0	0.0	44.3	54.5
Upper	0	0.0	53.9	0	0.0	55.4	44.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	5.4	0	0.0	1.5	1.0
Middle	0	0.0	76.8	0	0.0	83.1	66.6
Upper	0	0.0	17.9	0	0.0	15.3	23.6
Unknown	0	0.0	0.0	0	0.0	0.0	8.7
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	0.5	1.6	130	0.2	0.9	1.4
Middle	114	52.8	53.6	28,646	50.2	53.1	54.5
Upper	101	46.8	44.7	28,279	49.6	45.9	44.0
Unknown	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	216	100.0	100.0	57,055	100.0	100.0	100.0
Source: 2021 FFIEC Census Data							
2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2021 Small Business Lending By Income Level of Geography							
Assessment Area: Southeast WI Non MSA							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	2.0	0	0.0	1.8	2.7
Middle	40	71.4	57.9	8,563	65.9	61.3	59.0
Upper	16	28.6	38.5	4,425	34.1	36.6	37.7
Unknown	0	0.0	0.2	0	0.0	0.0	0.6
Tract-Unk	0	0.0	1.4	0	0.0	0.3	
Total	56	100.0	100.0	12,988	100.0	100.0	100.0

Source: 2021 FFIEC Census Data
2021 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2021 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Southeast WI Non MSA							
Borrower Income Level	Bank And Aggregate Loans					Families by Family Income %	
	Bank		Agg	Bank			Agg
	#	#%	#%	\$(000)	%		%
Home Purchase Loans							
Low	0	0.0	2.9	0	0.0	1.3	14.8
Moderate	9	14.5	15.6	1,668	6.9	9.7	16.6
Middle	19	30.6	22.3	5,146	21.2	17.8	20.8
Upper	34	54.8	47.9	17,421	71.9	59.9	47.8
Unknown	0	0.0	11.3	0	0.0	11.4	0.0
Total	62	100.0	100.0	24,235	100.0	100.0	100.0
Refinance Loans							
Low	3	1.9	3.5	398	1.2	1.7	14.8
Moderate	22	14.3	13.6	2,692	8.2	8.9	16.6
Middle	32	20.8	21.6	6,050	18.4	16.7	20.8
Upper	97	63.0	48.1	23,680	72.2	58.6	47.8
Unknown	0	0.0	13.2	0	0.0	14.0	0.0
Total	154	100.0	100.0	32,820	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	3.6	0	0.0	2.0	14.8
Moderate	0	0.0	11.7	0	0.0	7.6	16.6
Middle	0	0.0	19.3	0	0.0	13.9	20.8
Upper	0	0.0	61.2	0	0.0	64.7	47.8
Unknown	0	0.0	4.2	0	0.0	11.8	0.0
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							
Low	3	1.4	3.3	398	0.7	1.5	14.8
Moderate	31	14.4	14.0	4,360	7.6	9.1	16.6
Middle	51	23.6	21.6	11,196	19.6	16.9	20.8
Upper	131	60.6	49.0	41,101	72.0	59.3	47.8
Unknown	0	0.0	12.2	0	0.0	13.2	0.0
Total	216	100.0	100.0	57,055	100.0	100.0	100.0
<p>Source: 2021 FFIEC Census Data 2011-2015 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.</p>							

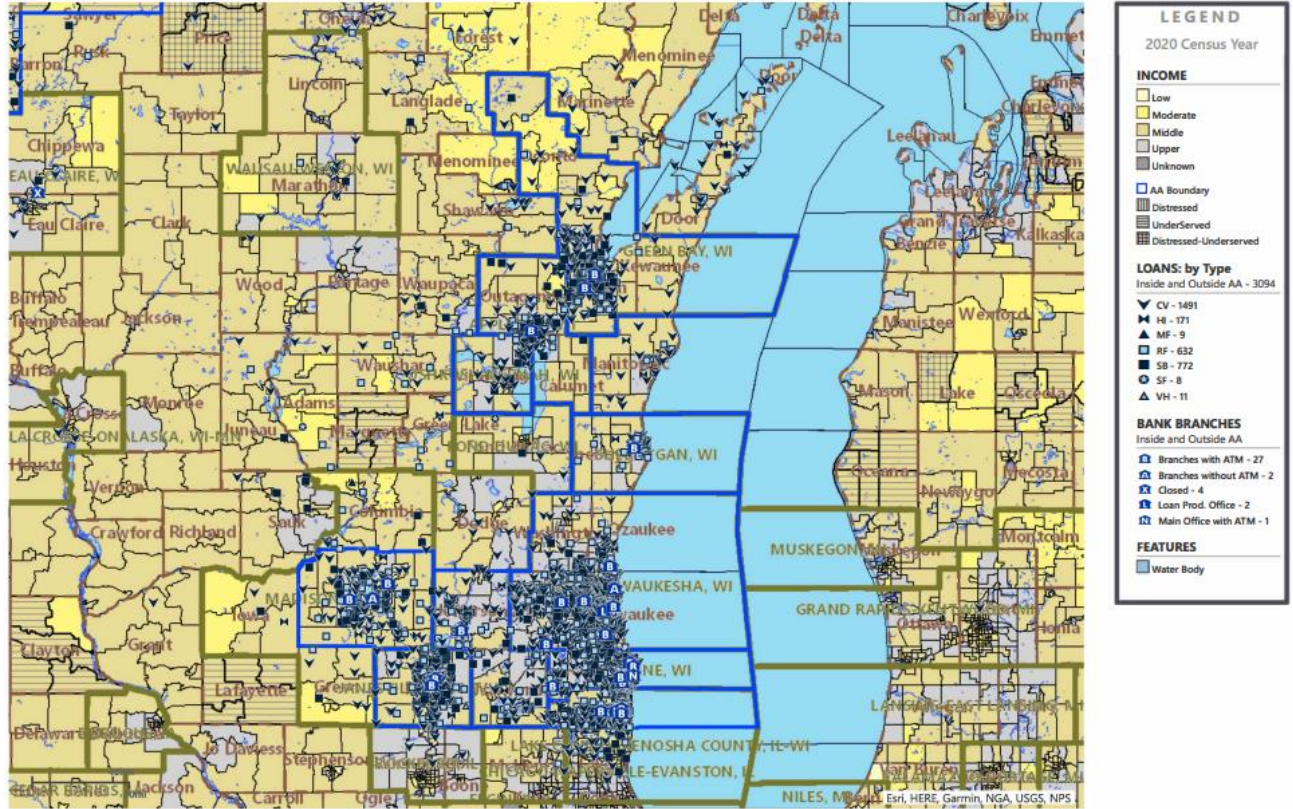
Distribution of 2021 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Southeast WI Non MSA							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
By Revenue							
\$1 Million or Less	8	14.3	54.8	1,947	15.0	29.8	89.2
Over \$1 Million	20	35.7		7,415	57.1		9.2
Revenue Unknown	28	50.0		3,626	27.9		1.5
Total	56	100.0		12,988	100.0		100.0
By Loan Size							
\$100,000 or Less	27	48.2	92.1	1,126	8.7	32.2	
\$100,001 - \$250,000	8	14.3	3.7	1,359	10.5	14.8	
\$250,001 - \$1 Million	21	37.5	4.2	10,503	80.9	53.0	
Total	56	100.0	100.0	12,988	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	1	12.5		24	1.2		
\$100,001 - \$250,000	3	37.5		561	28.8		
\$250,001 - \$1 Million	4	50.0		1,362	70.0		
Total	8	100.0		1,947	100.0		
Source: 2021 FFIEC Census Data 2021 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Community Development Activities										
May 4, 2021 through June 12, 2023										
Southeast, WI Non-MSA Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	9	3,360	0	0	0	0	0	0	9	3,360
Investments	3	518	0	0	1	1,003	0	0	4	1,521
Donations	0	0	1	2	0	0	2	10	3	12
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	10		9		0		0		19	

APPENDIX A – Maps of Assessment Areas

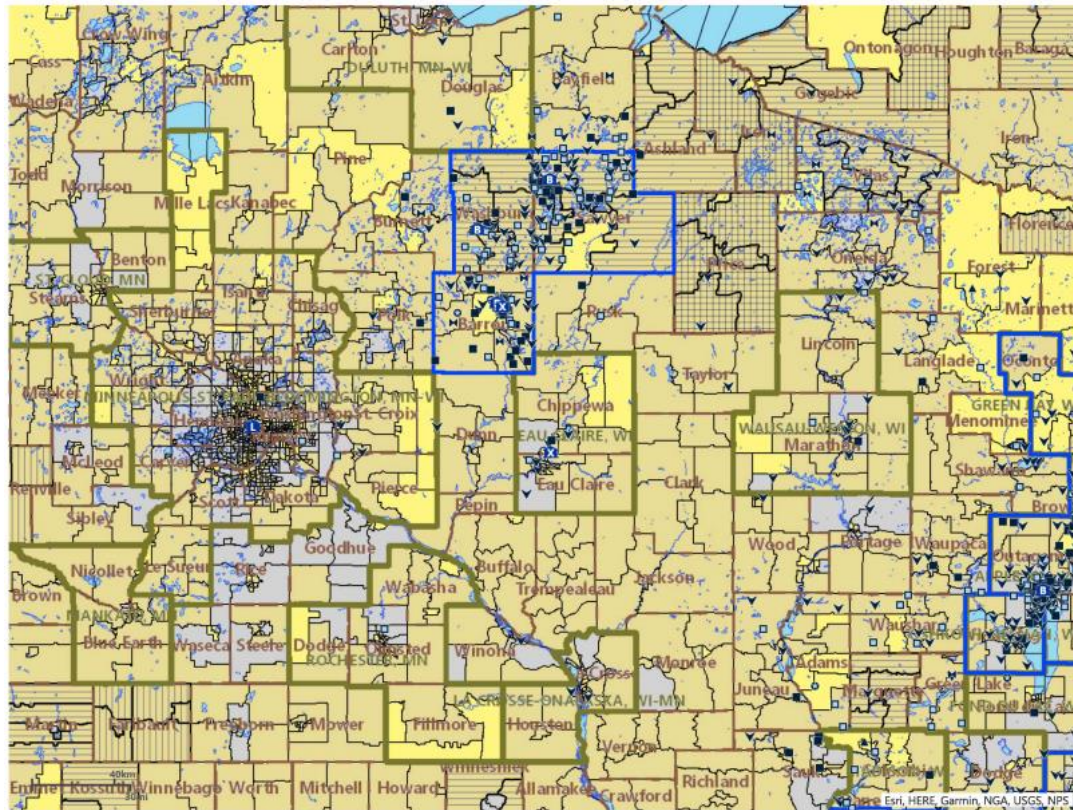
Johnson Bank 58243
2022 East Wisconsin

Restricted FR



Johnson Bank 58243
2022 North Wisconsin

Restricted FR



LEGEND

2020 Census Year

INCOME

- Low
- Moderate
- Middle
- Upper
- Unknown

AA Boundary

Distressed

UnderServed

Distressed-UnderServed

LOANS: by Type
Inside and Outside AA - 3094

- CV - 1491
- H - 171
- MF - 9
- RF - 632
- SB - 772
- SF - 8
- VH - 11

BANK BRANCHES
Inside and Outside AA

- Branches with ATM - 27
- Branches without ATM - 2
- Closed - 4
- Loan Prod. Office - 2
- Main Office with ATM - 1

FEATURES

- Water Body

APPENDIX B – 2022 GEOGRAPHIC AND BORROWER DISTRIBUTION

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	\$%	
Home Purchase Loans					
Low	12	9.3	1,753	4.0	9.9
Moderate	29	22.5	6,337	14.5	25.2
Middle	84	65.1	34,219	78.5	59.2
Upper	2	1.6	980	2.2	4.7
Unknown	2	1.6	292	0.7	1.0
Tract-Unk	0	0.0	0	0.0	
Total	129	100.0	43,581	100.0	100.0
Refinance Loans					
Low	2	2.9	218	1.4	9.9
Moderate	15	22.1	2,716	18.0	25.2
Middle	50	73.5	11,692	77.3	59.2
Upper	1	1.5	500	3.3	4.7
Unknown	0	0.0	0	0.0	1.0
Tract-Unk	0	0.0	0	0.0	
Total	68	100.0	15,126	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	9.9
Moderate	3	14.3	210	7.4	25.2
Middle	17	81.0	2,557	90.1	59.2
Upper	1	4.8	70	2.5	4.7
Unknown	0	0.0	0	0.0	1.0
Tract-Unk	0	0.0	0	0.0	
Total	21	100.0	2,837	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	1	100.0	1,680	100.0	9.9
Moderate	0	0.0	0	0.0	29.2
Middle	0	0.0	0	0.0	52.5
Upper	0	0.0	0	0.0	0.1
Unknown	0	0.0	0	0.0	8.3
Tract-Unk	0	0.0	0	0.0	
Total	1	100.0	1,680	100.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	15	6.8	3,651	5.8	9.9
Moderate	47	21.5	9,263	14.7	25.2
Middle	151	68.9	48,468	76.7	59.2
Upper	4	1.8	1,550	2.5	4.7
Unknown	2	0.9	292	0.5	1.0
Tract-Unk	0	0.0	0	0.0	
Total	219	100.0	63,224	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	9	8.2	2,040	8.6	12.7
Moderate	39	35.5	7,914	33.2	23.8
Middle	52	47.3	12,434	52.1	55.2
Upper	1	0.9	50	0.2	3.0
Unknown	9	8.2	1,416	5.9	5.3
Tract-Unk	0	0.0	0	0.0	0.0
Total	110	100.0	23,854	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	23	17.8	3,742	8.6	29.0
Moderate	25	19.4	5,596	12.8	22.3
Middle	32	24.8	9,589	22.0	22.5
Upper	47	36.4	24,368	55.9	26.2
Unknown	2	1.6	286	0.7	0.0
Total	129	100.0	43,581	100.0	100.0
Refinance Loans					
Low	13	19.1	1,522	10.1	29.0
Moderate	16	23.5	2,371	15.7	22.3
Middle	12	17.6	2,532	16.7	22.5
Upper	26	38.2	8,451	55.9	26.2
Unknown	1	1.5	250	1.7	0.0
Total	68	100.0	15,126	100.0	100.0
Home Improvement Loans					
Low	1	4.8	20	0.7	29.0
Moderate	3	14.3	195	6.9	22.3
Middle	3	14.3	245	8.6	22.5
Upper	13	61.9	2,315	81.6	26.2
Unknown	1	4.8	62	2.2	0.0
Total	21	100.0	2,837	100.0	100.0
Total Home Mortgage Loans					
Low	37	17.0	5,284	8.6	29.0
Moderate	44	20.2	8,162	13.3	22.3
Middle	47	21.6	12,366	20.1	22.5
Upper	86	39.4	35,134	57.1	26.2
Unknown	4	1.8	598	1.0	0.0
Total	218	100.0	61,544	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	37	33.6	4,862	20.4	91.1
Over \$1 Million	66	60.0	18,435	77.3	7.7
Revenue Unknown	7	6.4	557	2.3	1.2
Total	110	100.0	23,854	100.0	100.0
By Loan Size					
\$100,000 or Less	50	45.5	3,104	13.0	
\$100,001 - \$250,000	30	27.3	5,264	22.1	
\$250,001 - \$1 Million	30	27.3	15,486	64.9	
Total	110	100.0	23,854	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	19	51.4	915	18.8	
\$100,001 - \$250,000	13	35.1	2,145	44.1	
\$250,001 - \$1 Million	5	13.5	1,802	37.1	
Total	37	100.0	4,862	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Racine, WI MSA 39540					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	8	3.9	1,471	2.7	4.2
Moderate	39	19.2	6,046	11.2	15.0
Middle	78	38.4	18,174	33.8	38.1
Upper	78	38.4	28,053	52.2	42.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	203	100.0	53,744	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	4.2
Moderate	12	15.4	1,480	9.7	15.0
Middle	33	42.3	6,302	41.4	38.1
Upper	33	42.3	7,434	48.9	42.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	78	100.0	15,216	100.0	100.0
Home Improvement Loans					
Low	2	10.0	170	8.9	4.2
Moderate	3	15.0	180	9.5	15.0
Middle	5	25.0	567	29.8	38.1
Upper	10	50.0	987	51.8	42.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	20	100.0	1,904	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	14.2
Moderate	0	0.0	0	0.0	19.7
Middle	0	0.0	0	0.0	43.8
Upper	0	0.0	0	0.0	22.2
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	10	3.3	1,641	2.3	4.2
Moderate	54	17.9	7,706	10.9	15.0
Middle	116	38.5	25,043	35.3	38.1
Upper	121	40.2	36,474	51.5	42.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	301	100.0	70,864	100.0	100.0

Source: 2022 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Racine, WI MSA 39540					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	16	16.3	4,023	15.4	10.7
Moderate	21	21.4	6,718	25.8	14.7
Middle	35	35.7	9,103	34.9	36.7
Upper	26	26.5	6,232	23.9	37.9
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	0.0
Total	98	100.0	26,076	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Racine, WI MSA 39540					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	27	13.3	2,863	5.3	21.0
Moderate	62	30.5	10,935	20.3	18.3
Middle	37	18.2	9,101	16.9	20.1
Upper	77	37.9	30,845	57.4	40.5
Unknown	0	0.0	0	0.0	0.0
Total	203	100.0	53,744	100.0	100.0
Refinance Loans					
Low	11	14.1	952	6.3	21.0
Moderate	13	16.7	1,585	10.4	18.3
Middle	12	15.4	2,020	13.3	20.1
Upper	40	51.3	9,945	65.4	40.5
Unknown	2	2.6	714	4.7	0.0
Total	78	100.0	15,216	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	21.0
Moderate	5	25.0	200	10.5	18.3
Middle	2	10.0	232	12.2	20.1
Upper	13	65.0	1,472	77.3	40.5
Unknown	0	0.0	0	0.0	0.0
Total	20	100.0	1,904	100.0	100.0
Total Home Mortgage Loans					
Low	38	12.6	3,815	5.4	21.0
Moderate	80	26.6	12,720	17.9	18.3
Middle	51	16.9	11,353	16.0	20.1
Upper	130	43.2	42,262	59.6	40.5
Unknown	2	0.7	714	1.0	0.0
Total	301	100.0	70,864	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Racine, WI MSA 39540					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	21	21.4	4,209	16.1	91.0
Over \$1 Million	60	61.2	19,392	74.4	7.9
Revenue Unknown	17	17.3	2,475	9.5	1.1
Total	98	100.0	26,076	100.0	100.0
By Loan Size					
\$100,000 or Less	34	34.7	2,484	9.5	
\$100,001 - \$250,000	33	33.7	6,232	23.9	
\$250,001 - \$1 Million	31	31.6	17,360	66.6	
Total	98	100.0	26,076	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	12	57.1	875	20.8	
\$100,001 - \$250,000	3	14.3	501	11.9	
\$250,001 - \$1 Million	6	28.6	2,833	67.3	
Total	21	100.0	4,209	100.0	
<p>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</p>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Milwaukee-Waukesha, WI MSA 33340					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	35	9.1	4,455	3.0	5.4
Moderate	48	12.5	8,164	5.4	12.0
Middle	92	24.0	26,676	17.7	39.8
Upper	208	54.3	111,224	73.9	42.6
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	383	100.0	150,519	100.0	100.0
Refinance Loans					
Low	3	2.3	318	0.6	5.4
Moderate	7	5.4	1,041	2.0	12.0
Middle	24	18.5	4,915	9.6	39.8
Upper	96	73.8	44,688	87.7	42.6
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	130	100.0	50,962	100.0	100.0
Home Improvement Loans					
Low	1	2.1	40	0.7	5.4
Moderate	3	6.3	323	5.5	12.0
Middle	12	25.0	906	15.4	39.8
Upper	32	66.7	4,620	78.5	42.6
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	48	100.0	5,889	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	12.5
Moderate	0	0.0	0	0.0	17.6
Middle	2	66.7	1,126	4.4	40.5
Upper	1	33.3	24,500	95.6	26.7
Unknown	0	0.0	0	0.0	2.7
Tract-Unk	0	0.0	0	0.0	
Total	3	100.0	25,626	100.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	39	6.9	4,813	2.1	5.4
Moderate	58	10.3	9,528	4.1	12.0
Middle	130	23.0	33,623	14.4	39.8
Upper	337	59.8	185,032	79.4	42.6
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	564	100.0	232,996	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Milwaukee-Waukesha, WI MSA 33340					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	10	6.9	3,413	5.0	9.8
Moderate	19	13.2	10,765	15.9	14.9
Middle	53	36.8	27,949	41.2	35.8
Upper	61	42.4	24,797	36.6	38.8
Unknown	1	0.7	900	1.3	0.7
Tract-Unk	0	0.0	0	0.0	0.0
Total	144	100.0	67,824	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Milwaukee-Waukesha, WI MSA 33340					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	57	14.9	7,926	5.3	22.4
Moderate	78	20.4	15,484	10.3	16.8
Middle	38	9.9	10,343	6.9	20.5
Upper	205	53.5	115,042	76.4	40.3
Unknown	5	1.3	1,724	1.1	0.0
Total	383	100.0	150,519	100.0	100.0
Refinance Loans					
Low	7	5.4	830	1.6	22.4
Moderate	18	13.8	2,985	5.9	16.8
Middle	6	4.6	1,333	2.6	20.5
Upper	99	76.2	45,814	89.9	40.3
Unknown	0	0.0	0	0.0	0.0
Total	130	100.0	50,962	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	22.4
Moderate	4	8.3	239	4.1	16.8
Middle	7	14.6	498	8.5	20.5
Upper	35	72.9	5,037	85.5	40.3
Unknown	2	4.2	115	2.0	0.0
Total	48	100.0	5,889	100.0	100.0
Total Home Mortgage Loans					
Low	64	11.4	8,756	4.2	22.4
Moderate	100	17.8	18,708	9.0	16.8
Middle	51	9.1	12,174	5.9	20.5
Upper	339	60.4	165,893	80.0	40.3
Unknown	7	1.2	1,839	0.9	0.0
Total	561	100.0	207,370	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Milwaukee-Waukesha, WI MSA 33340					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	21	14.6	4,904	7.2	88.6
Over \$1 Million	113	78.5	59,548	87.8	10.5
Revenue Unknown	10	6.9	3,372	5.0	0.9
Total	144	100.0	67,824	100.0	100.0
By Loan Size					
\$100,000 or Less	18	12.5	1,354	2.0	
\$100,001 - \$250,000	30	20.8	5,908	8.7	
\$250,001 - \$1 Million	96	66.7	60,562	89.3	
Total	144	100.0	67,824	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	6	28.6	477	9.7	
\$100,001 - \$250,000	10	47.6	1,946	39.7	
\$250,001 - \$1 Million	5	23.8	2,481	50.6	
Total	21	100.0	4,904	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Green Bay, WI MSA 24580					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.2
Moderate	15	13.8	3,742	8.2	18.8
Middle	42	38.5	15,444	34.0	58.0
Upper	52	47.7	26,239	57.8	23.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	109	100.0	45,425	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.2
Moderate	9	22.5	1,336	13.6	18.8
Middle	16	40.0	4,335	44.0	58.0
Upper	15	37.5	4,174	42.4	23.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	40	100.0	9,845	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.2
Moderate	0	0.0	0	0.0	18.8
Middle	1	25.0	117	19.2	58.0
Upper	3	75.0	491	80.8	23.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	4	100.0	608	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	1.2
Moderate	2	100.0	776	100.0	32.3
Middle	0	0.0	0	0.0	49.0
Upper	0	0.0	0	0.0	17.6
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	2	100.0	776	100.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.2
Moderate	26	16.8	5,854	10.3	18.8
Middle	59	38.1	19,896	35.1	58.0
Upper	70	45.2	30,904	54.5	23.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	155	100.0	56,654	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Green Bay, WI MSA 24580					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	5	6.3	1,161	5.1	1.7
Moderate	10	12.5	2,676	11.7	23.5
Middle	41	51.3	12,449	54.3	52.3
Upper	24	30.0	6,622	28.9	22.5
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
Total	80	100.0	22,908	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Green Bay, WI MSA 24580					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	6	5.5	988	2.2	19.1
Moderate	17	15.6	3,543	7.8	19.0
Middle	18	16.5	6,617	14.6	23.4
Upper	67	61.5	33,984	74.8	38.5
Unknown	1	0.9	293	0.6	0.0
Total	109	100.0	45,425	100.0	100.0
Refinance Loans					
Low	6	15.0	568	5.8	19.1
Moderate	5	12.5	924	9.4	19.0
Middle	8	20.0	1,194	12.1	23.4
Upper	21	52.5	7,159	72.7	38.5
Unknown	0	0.0	0	0.0	0.0
Total	40	100.0	9,845	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	19.1
Moderate	0	0.0	0	0.0	19.0
Middle	1	25.0	117	19.2	23.4
Upper	3	75.0	491	80.8	38.5
Unknown	0	0.0	0	0.0	0.0
Total	4	100.0	608	100.0	100.0
Total Home Mortgage Loans					
Low	12	7.8	1,556	2.8	19.1
Moderate	22	14.4	4,467	8.0	19.0
Middle	27	17.6	7,928	14.2	23.4
Upper	91	59.5	41,634	74.5	38.5
Unknown	1	0.7	293	0.5	0.0
Total	153	100.0	55,878	100.0	100.0
<p><i>Source: 2022 FFIEC Census Data</i></p> <p><i>2016-2020 U.S. Census Bureau: American Community Survey</i></p> <p><i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i></p> <p><i>Multifamily loans are not included in the borrower distribution analysis.</i></p>					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Green Bay, WI MSA 24580					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	18	22.5	2,254	9.8	88.1
Over \$1 Million	62	77.5	20,654	90.2	10.5
Revenue Unknown	0	0.0	0	0.0	1.4
Total	80	100.0	22,908	100.0	100.0
By Loan Size					
\$100,000 or Less	28	35.0	2,064	9.0	
\$100,001 - \$250,000	24	30.0	4,521	19.7	
\$250,001 - \$1 Million	28	35.0	16,323	71.3	
Total	80	100.0	22,908	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	12	66.7	795	35.3	
\$100,001 - \$250,000	3	16.7	477	21.2	
\$250,001 - \$1 Million	3	16.7	982	43.6	
Total	18	100.0	2,254	100.0	
<p>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</p>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Northwest WI Non MSA					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	4	5.5	377	1.8	7.5
Middle	69	94.5	20,853	98.2	92.5
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	73	100.0	21,230	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	3	5.3	684	6.0	7.5
Middle	54	94.7	10,622	94.0	92.5
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	57	100.0	11,306	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	7.5
Middle	10	100.0	1,063	100.0	92.5
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	10	100.0	1,063	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	16.1
Middle	1	100.0	3,600	100.0	83.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	1	100.0	3,600	100.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.0
Moderate	7	5.0	1,061	2.9	7.5
Middle	134	95.0	36,138	97.1	92.5
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	141	100.0	37,199	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Northwest WI Non MSA					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	2	2.7	195	1.3	8.1
Middle	71	97.3	14,818	98.7	91.9
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
Total	73	100.0	15,013	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Northwest WI Non MSA					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	3	4.1	631	3.0	21.8
Moderate	13	17.8	1,780	8.4	20.0
Middle	14	19.2	3,114	14.7	23.2
Upper	38	52.1	14,570	68.6	35.0
Unknown	5	6.8	1,135	5.3	0.0
Total	73	100.0	21,230	100.0	100.0
Refinance Loans					
Low	5	8.8	537	4.7	21.8
Moderate	13	22.8	1,550	13.7	20.0
Middle	14	24.6	2,525	22.3	23.2
Upper	24	42.1	6,614	58.5	35.0
Unknown	1	1.8	80	0.7	0.0
Total	57	100.0	11,306	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	21.8
Moderate	1	10.0	100	9.4	20.0
Middle	0	0.0	0	0.0	23.2
Upper	6	60.0	830	78.1	35.0
Unknown	3	30.0	133	12.5	0.0
Total	10	100.0	1,063	100.0	100.0
Total Home Mortgage Loans					
Low	8	5.7	1,168	3.5	21.8
Moderate	27	19.3	3,430	10.2	20.0
Middle	28	20.0	5,639	16.8	23.2
Upper	68	48.6	22,014	65.5	35.0
Unknown	9	6.4	1,348	4.0	0.0
Total	140	100.0	33,599	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Northwest WI Non MSA					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	33	45.2	4,722	31.5	90.1
Over \$1 Million	34	46.6	9,786	65.2	7.0
Revenue Unknown	6	8.2	505	3.4	2.9
Total	73	100.0	15,013	100.0	100.0
By Loan Size					
\$100,000 or Less	28	38.4	1,449	9.7	
\$100,001 - \$250,000	23	31.5	4,125	27.5	
\$250,001 - \$1 Million	22	30.1	9,439	62.9	
Total	73	100.0	15,013	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	16	48.5	754	16.0	
\$100,001 - \$250,000	11	33.3	1,885	39.9	
\$250,001 - \$1 Million	6	18.2	2,083	44.1	
Total	33	100.0	4,722	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.5
Moderate	9	13.8	2,355	9.1	13.2
Middle	32	49.2	10,038	38.7	64.4
Upper	24	36.9	13,550	52.2	21.8
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	
Total	65	100.0	25,943	100.0	100.0
Refinance Loans					
Low	1	4.3	75	1.3	0.5
Moderate	3	13.0	407	6.9	13.2
Middle	7	30.4	1,106	18.9	64.4
Upper	12	52.2	4,276	72.9	21.8
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	
Total	23	100.0	5,864	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.5
Moderate	0	0.0	0	0.0	13.2
Middle	1	100.0	250	100.0	64.4
Upper	0	0.0	0	0.0	21.8
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	
Total	1	100.0	250	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	2.0
Moderate	0	0.0	0	0.0	19.6
Middle	0	0.0	0	0.0	65.2
Upper	0	0.0	0	0.0	9.2
Unknown	0	0.0	0	0.0	4.0
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	1	1.1	75	0.2	0.5
Moderate	12	13.5	2,762	8.6	13.2
Middle	40	44.9	11,394	35.5	64.4
Upper	36	40.4	17,826	55.6	21.8
Unknown	0	0.0	0	0.0	0.1
Tract-Unk	0	0.0	0	0.0	
Total	89	100.0	32,057	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	2	4.9	143	0.8	3.2
Moderate	11	26.8	3,572	20.8	14.0
Middle	26	63.4	12,394	72.2	62.9
Upper	2	4.9	1,050	6.1	17.9
Unknown	0	0.0	0	0.0	2.0
Tract-Unk	0	0.0	0	0.0	0.0
Total	41	100.0	17,159	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	4	6.2	562	2.2	18.1
Moderate	9	13.8	1,453	5.6	19.2
Middle	13	20.0	4,285	16.5	24.1
Upper	38	58.5	19,491	75.1	38.6
Unknown	1	1.5	152	0.6	0.0
Total	65	100.0	25,943	100.0	100.0
Refinance Loans					
Low	3	13.0	366	6.2	18.1
Moderate	5	21.7	802	13.7	19.2
Middle	4	17.4	1,235	21.1	24.1
Upper	11	47.8	3,461	59.0	38.6
Unknown	0	0.0	0	0.0	0.0
Total	23	100.0	5,864	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	18.1
Moderate	0	0.0	0	0.0	19.2
Middle	0	0.0	0	0.0	24.1
Upper	1	100.0	250	100.0	38.6
Unknown	0	0.0	0	0.0	0.0
Total	1	100.0	250	100.0	100.0
Total Home Mortgage Loans					
Low	7	7.9	928	2.9	18.1
Moderate	14	15.7	2,255	7.0	19.2
Middle	17	19.1	5,520	17.2	24.1
Upper	50	56.2	23,202	72.4	38.6
Unknown	1	1.1	152	0.5	0.0
Total	89	100.0	32,057	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	7	17.1	1,345	7.8	88.5
Over \$1 Million	33	80.5	15,729	91.7	10.3
Revenue Unknown	1	2.4	85	0.5	1.2
Total	41	100.0	17,159	100.0	100.0
By Loan Size					
\$100,000 or Less	10	24.4	740	4.3	
\$100,001 - \$250,000	8	19.5	1,529	8.9	
\$250,001 - \$1 Million	23	56.1	14,890	86.8	
Total	41	100.0	17,159	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	4	57.1	255	19.0	
\$100,001 - \$250,000	2	28.6	344	25.6	
\$250,001 - \$1 Million	1	14.3	746	55.5	
Total	7	100.0	1,345	100.0	
<p>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</p>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Janesville-Beloit, WI MSA 27500					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.2
Moderate	23	16.0	2,963	8.5	19.6
Middle	73	50.7	16,294	46.7	54.0
Upper	48	33.3	15,661	44.9	26.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	144	100.0	34,918	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.2
Moderate	3	6.0	397	4.0	19.6
Middle	20	40.0	2,822	28.5	54.0
Upper	27	54.0	6,694	67.5	26.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	50	100.0	9,913	100.0	100.0
Home Improvement Loans					
Low	1	5.0	25	2.0	0.2
Moderate	1	5.0	50	4.0	19.6
Middle	13	65.0	679	54.2	54.0
Upper	5	25.0	498	39.8	26.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	20	100.0	1,252	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	5.0
Moderate	0	0.0	0	0.0	26.7
Middle	0	0.0	0	0.0	45.6
Upper	0	0.0	0	0.0	22.7
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	1	0.5	25	0.1	0.2
Moderate	27	12.6	3,410	7.4	19.6
Middle	106	49.5	19,795	43.0	54.0
Upper	80	37.4	22,853	49.6	26.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	214	100.0	46,083	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Janesville-Beloit, WI MSA 27500					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	16	15.7	4,514	19.5	3.7
Moderate	14	13.7	2,873	12.4	16.9
Middle	47	46.1	8,039	34.7	49.9
Upper	25	24.5	7,755	33.5	29.6
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
Total	102	100.0	23,181	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Janesville-Beloit, WI MSA 27500					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	16	11.1	1,993	5.7	19.7
Moderate	33	22.9	4,702	13.5	18.8
Middle	39	27.1	9,051	25.9	22.5
Upper	56	38.9	19,172	54.9	39.1
Unknown	0	0.0	0	0.0	0.0
Total	144	100.0	34,918	100.0	100.0
Refinance Loans					
Low	2	4.0	182	1.8	19.7
Moderate	11	22.0	1,439	14.5	18.8
Middle	15	30.0	2,064	20.8	22.5
Upper	22	44.0	6,228	62.8	39.1
Unknown	0	0.0	0	0.0	0.0
Total	50	100.0	9,913	100.0	100.0
Home Improvement Loans					
Low	5	25.0	153	12.2	19.7
Moderate	3	15.0	101	8.1	18.8
Middle	5	25.0	365	29.2	22.5
Upper	6	30.0	583	46.6	39.1
Unknown	1	5.0	50	4.0	0.0
Total	20	100.0	1,252	100.0	100.0
Total Home Mortgage Loans					
Low	23	10.7	2,328	5.1	19.7
Moderate	47	22.0	6,242	13.5	18.8
Middle	59	27.6	11,480	24.9	22.5
Upper	84	39.3	25,983	56.4	39.1
Unknown	1	0.5	50	0.1	0.0
Total	214	100.0	46,083	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Janesville-Beloit, WI MSA 27500					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	28	27.5	3,735	16.1	90.3
Over \$1 Million	73	71.6	19,421	83.8	8.5
Revenue Unknown	1	1.0	25	0.1	1.2
Total	102	100.0	23,181	100.0	100.0
By Loan Size					
\$100,000 or Less	37	36.3	2,236	9.6	
\$100,001 - \$250,000	29	28.4	5,340	23.0	
\$250,001 - \$1 Million	36	35.3	15,605	67.3	
Total	102	100.0	23,181	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	17	60.7	872	23.3	
\$100,001 - \$250,000	4	14.3	675	18.1	
\$250,001 - \$1 Million	7	25.0	2,188	58.6	
Total	28	100.0	3,735	100.0	
<p>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</p>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Madison, WI MSA 31540					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.9
Moderate	7	7.1	1,925	4.0	10.2
Middle	47	48.0	22,220	46.1	57.8
Upper	44	44.9	24,043	49.9	31.0
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	98	100.0	48,188	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.9
Moderate	2	3.5	501	2.3	10.2
Middle	27	47.4	8,963	41.6	57.8
Upper	28	49.1	12,099	56.1	31.0
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	57	100.0	21,563	100.0	100.0
Home Improvement Loans					
Low	1	8.3	100	6.2	0.9
Moderate	1	8.3	250	15.5	10.2
Middle	7	58.3	823	50.9	57.8
Upper	3	25.0	443	27.4	31.0
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	12	100.0	1,616	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	8.6
Moderate	0	0.0	0	0.0	22.0
Middle	0	0.0	0	0.0	36.5
Upper	0	0.0	0	0.0	25.2
Unknown	0	0.0	0	0.0	7.6
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	1	0.6	100	0.1	0.9
Moderate	10	6.0	2,676	3.7	10.2
Middle	81	48.5	32,006	44.8	57.8
Upper	75	44.9	36,585	51.3	31.0
Unknown	0	0.0	0	0.0	0.2
Tract-Unk	0	0.0	0	0.0	
Total	167	100.0	71,367	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Madison, WI MSA 31540					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
Low	5	9.1	2,009	8.2	5.4
Moderate	4	7.3	1,650	6.7	12.0
Middle	26	47.3	13,285	54.2	51.2
Upper	16	29.1	4,784	19.5	27.8
Unknown	4	7.3	2,800	11.4	3.6
Tract-Unk	0	0.0	0	0.0	0.0
Total	55	100.0	24,528	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Madison, WI MSA 31540					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	3	3.1	482	1.0	17.1
Moderate	11	11.2	2,915	6.0	17.9
Middle	15	15.3	4,359	9.0	23.3
Upper	69	70.4	40,432	83.9	41.7
Unknown	0	0.0	0	0.0	0.0
Total	98	100.0	48,188	100.0	100.0
Refinance Loans					
Low	2	3.5	228	1.1	17.1
Moderate	7	12.3	1,184	5.5	17.9
Middle	6	10.5	1,743	8.1	23.3
Upper	42	73.7	18,408	85.4	41.7
Unknown	0	0.0	0	0.0	0.0
Total	57	100.0	21,563	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	17.1
Moderate	0	0.0	0	0.0	17.9
Middle	2	16.7	130	8.0	23.3
Upper	8	66.7	1,217	75.3	41.7
Unknown	2	16.7	269	16.6	0.0
Total	12	100.0	1,616	100.0	100.0
Total Home Mortgage Loans					
Low	5	3.0	710	1.0	17.1
Moderate	18	10.8	4,099	5.7	17.9
Middle	23	13.8	6,232	8.7	23.3
Upper	119	71.3	60,057	84.2	41.7
Unknown	2	1.2	269	0.4	0.0
Total	167	100.0	71,367	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					
Multifamily loans are not included in the borrower distribution analysis.					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Madison, WI MSA 31540					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	9	16.4	2,656	10.8	90.6
Over \$1 Million	42	76.4	20,843	85.0	8.4
Revenue Unknown	4	7.3	1,029	4.2	1.1
Total	55	100.0	24,528	100.0	100.0
By Loan Size					
\$100,000 or Less	8	14.5	575	2.3	
\$100,001 - \$250,000	12	21.8	2,345	9.6	
\$250,001 - \$1 Million	35	63.6	21,608	88.1	
Total	55	100.0	24,528	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	2	22.2	105	4.0	
\$100,001 - \$250,000	3	33.3	578	21.8	
\$250,001 - \$1 Million	4	44.4	1,973	74.3	
Total	9	100.0	2,656	100.0	
<p>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</p>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Sheboygan, WI MSA 43100					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	3.9
Middle	9	50.0	1,921	34.6	73.9
Upper	9	50.0	3,638	65.4	22.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	18	100.0	5,559	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	1	4.5	60	1.4	3.9
Middle	14	63.6	2,850	67.5	73.9
Upper	7	31.8	1,310	31.0	22.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	22	100.0	4,220	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	3.9
Middle	5	55.6	349	33.3	73.9
Upper	4	44.4	698	66.7	22.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	9	100.0	1,047	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	7.2
Middle	0	0.0	0	0.0	83.7
Upper	0	0.0	0	0.0	9.2
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.0
Moderate	1	2.0	60	0.6	3.9
Middle	28	57.1	5,120	47.3	73.9
Upper	20	40.8	5,646	52.2	22.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	49	100.0	10,826	100.0	100.0

Source: 2022 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Sheboygan, WI MSA 43100					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	7.3
Middle	0	0.0	0	0.0	73.8
Upper	0	0.0	0	0.0	18.9
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
Total	0	0.0	0	0.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Sheboygan, WI MSA 43100					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	1	5.6	70	1.3	15.6
Moderate	3	16.7	489	8.8	20.6
Middle	4	22.2	1,223	22.0	24.7
Upper	10	55.6	3,777	67.9	39.1
Unknown	0	0.0	0	0.0	0.0
Total	18	100.0	5,559	100.0	100.0
Refinance Loans					
Low	1	4.5	137	3.2	15.6
Moderate	5	22.7	468	11.1	20.6
Middle	7	31.8	1,447	34.3	24.7
Upper	9	40.9	2,168	51.4	39.1
Unknown	0	0.0	0	0.0	0.0
Total	22	100.0	4,220	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	15.6
Moderate	1	11.1	90	8.6	20.6
Middle	2	22.2	254	24.3	24.7
Upper	6	66.7	703	67.1	39.1
Unknown	0	0.0	0	0.0	0.0
Total	9	100.0	1,047	100.0	100.0
Total Home Mortgage Loans					
Low	2	4.1	207	1.9	15.6
Moderate	9	18.4	1,047	9.7	20.6
Middle	13	26.5	2,924	27.0	24.7
Upper	25	51.0	6,648	61.4	39.1
Unknown	0	0.0	0	0.0	0.0
Total	49	100.0	10,826	100.0	100.0
<p><i>Source: 2022 FFIEC Census Data</i></p> <p><i>2016-2020 U.S. Census Bureau: American Community Survey</i></p> <p><i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i></p> <p><i>Multifamily loans are not included in the borrower distribution analysis.</i></p>					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Sheboygan, WI MSA 43100					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	0	0.0	0	0.0	87.3
Over \$1 Million	0	0.0	0	0.0	10.9
Revenue Unknown	0	0.0	0	0.0	1.8
Total	0	0.0	0	0.0	100.0
By Loan Size					
\$100,000 or Less	0	0.0	0	0.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	0	0.0	0	0.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	0	0.0	0	0.0	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	0	0.0	0	0.0	
Total	0	0.0	0	0.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>					

Distribution of 2022 Home Mortgage Lending By Income Level of Geography					
Assessment Area: Southeast WI Non MSA					
Geographic Income Level	Bank Loans*				Owner Occupied Units %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	0	0.0	0	0.0	0.0
Moderate	1	1.8	197	0.9	0.6
Middle	19	34.5	7,074	31.8	48.4
Upper	35	63.6	14,993	67.3	51.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	55	100.0	22,264	100.0	100.0
Refinance Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0.6
Middle	13	48.1	2,958	50.3	48.4
Upper	14	51.9	2,925	49.7	51.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	27	100.0	5,883	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	0.6
Middle	4	33.3	340	37.6	48.4
Upper	8	66.7	564	62.4	51.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	12	100.0	904	100.0	100.0
Multifamily Loans					Multi-family Units %
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	2.4
Middle	0	0.0	0	0.0	64.6
Upper	0	0.0	0	0.0	33.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	0	0.0	0	0.0	100.0
Total Home Mortgage Loans					Owner Occupied Units %
Low	0	0.0	0	0.0	0.0
Moderate	1	1.1	197	0.7	0.6
Middle	36	38.3	10,372	35.7	48.4
Upper	57	60.6	18,482	63.6	51.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	94	100.0	29,051	100.0	100.0
Source: 2022 FFIEC Census Data					
2016-2020 U.S. Census Bureau: American Community Survey					
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.					

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Southeast WI Non MSA					
Geographic Income Level	Bank Loans*				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	0	0.0	0	0.0	1.6
Middle	11	52.4	2,204	33.9	53.3
Upper	10	47.6	4,305	66.1	45.1
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	0.0
Total	21	100.0	6,509	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2022 Home Mortgage Lending By Borrower Income Level					
Assessment Area: Southeast WI Non MSA					
Borrower Income Level	Bank Loans*				Families by Family Income %
	#	#%	\$(000)	%	
Home Purchase Loans					
Low	3	5.5	395	1.8	13.7
Moderate	9	16.4	1,769	7.9	15.6
Middle	11	20.0	3,172	14.2	23.1
Upper	32	58.2	16,928	76.0	47.6
Unknown	0	0.0	0	0.0	0.0
Total	55	100.0	22,264	100.0	100.0
Refinance Loans					
Low	1	3.7	89	1.5	13.7
Moderate	8	29.6	1,127	19.2	15.6
Middle	8	29.6	1,689	28.7	23.1
Upper	10	37.0	2,978	50.6	47.6
Unknown	0	0.0	0	0.0	0.0
Total	27	100.0	5,883	100.0	100.0
Home Improvement Loans					
Low	0	0.0	0	0.0	13.7
Moderate	0	0.0	0	0.0	15.6
Middle	6	50.0	310	34.3	23.1
Upper	6	50.0	594	65.7	47.6
Unknown	0	0.0	0	0.0	0.0
Total	12	100.0	904	100.0	100.0
Total Home Mortgage Loans					
Low	4	4.3	484	1.7	13.7
Moderate	17	18.1	2,896	10.0	15.6
Middle	25	26.6	5,171	17.8	23.1
Upper	48	51.1	20,500	70.6	47.6
Unknown	0	0.0	0	0.0	0.0
Total	94	100.0	29,051	100.0	100.0
<p>Source: 2022 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey</p> <p>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available. Multifamily loans are not included in the borrower distribution analysis.</p>					

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Southeast WI Non MSA					
	Bank Loans*				Total Businesses %
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	8	38.1	1,245	19.1	89.4
Over \$1 Million	13	61.9	5,264	80.9	9.1
Revenue Unknown	0	0.0	0	0.0	1.6
Total	21	100.0	6,509	100.0	100.0
By Loan Size					
\$100,000 or Less	5	23.8	274	4.2	
\$100,001 - \$250,000	7	33.3	1,454	22.3	
\$250,001 - \$1 Million	9	42.9	4,781	73.5	
Total	21	100.0	6,509	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	3	37.5	105	8.4	
\$100,001 - \$250,000	3	37.5	540	43.4	
\$250,001 - \$1 Million	2	25.0	600	48.2	
Total	8	100.0	1,245	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>					

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		HMDA-reportable lending: January 1, 2021 to December 31, 2022 CRA-reportable small business lending: January 1, 2021 to December 31, 2022 Community development activity: May 4, 2021 to June 12, 2023	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Johnson Bank			HMDA-reportable loans CRA-reportable small business loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
None	None	None	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
<ol style="list-style-type: none"> 1. Lake County-Kenosha County, IL-WI MD #29404 2. Racine, WI MSA #39540 3. Milwaukee-Waukesha, WI MSA #33340 4. Green Bay, WI MSA #24580 5. Northwest, WI Non-MSA 	Full scope Review	None	None
<ol style="list-style-type: none"> 6. Appleton-Oshkosh-Neenah, WI CSA #118 7. Janesville-Beloit, WI MSA #27500 8. Madison, WI MSA #31540 9. Sheboygan, WI MSA #43100 10. Southeast, WI Non-MSA 	Limited scope review	None	None

APPENDIX D – Glossary

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.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.¹

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

¹ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They 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.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide nonmetropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. 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
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

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.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 census tract;

- 3) Middle-income – an 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 census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 (HUD) 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: A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

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

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).