



Comptroller of the Currency
Administrator of National Banks

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PUBLIC DISCLOSURE

**COMMUNITY REINVESTMENT ACT PERFORMANCE
EVALUATION**

December 18, 1996

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

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

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (CRA) performance of Tri City National Bank prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agent.

The evaluation represents the OCC's current assessment and rating of the institution's CRA performance based on an examination conducted as of December 18, 1996. It does not reflect any CRA-related activities that may have been initiated or discontinued by the institution after the completion of the examination.

The purpose of the Community Reinvestment Act of 1977 (12 U.S.C. 2901), as amended, is to encourage each financial institution to help meet the credit needs of the communities in which it operates. The Act requires that in connection with its examination of a financial institution, each federal financial supervisory agency shall (1) assess the institution's record of helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operations of the institution, and (2) take that record of performance into account when deciding whether to approve an application of the institution for a deposit facility.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, amended the CRA to require the Agencies to make public certain portions of their CRA performance assessments of financial institutions.

Basis for the Rating

The assessment of the institution's record takes into account its financial capacity and size, legal impediments and local economic conditions and demographics, including the competitive environment in which it operates. Assessing the CRA performance is a process that does not rely on absolute standards. Institutions are not required to adopt specific activities, nor to offer specific types or amounts of credit. Each institution has considerable flexibility in determining how it can best help to meet the credit needs of its entire community. In that light, evaluations are based on a review of 12 assessment factors, which are grouped together under five performance categories, as detailed in the following section of this evaluation.

ASSIGNMENT OF RATING

Identification of Ratings

In connection with the assessment of each insured depository institution's CRA performance, a rating is assigned from the following groups:

Outstanding record of meeting community credit needs.

An institution in this group has an outstanding record of, and is a leader in, ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory record of meeting community credit needs.

An institution in this group has a satisfactory record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Needs to improve record of meeting community credit needs.

An institution in this group needs to improve its overall record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Substantial noncompliance in meeting community credit needs.

An institution in this group has a substantially deficient record of ascertaining and helping to meet the credit needs of its entire delineated community, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

DISCUSSION OF INSTITUTION'S PERFORMANCE

Institution's Rating:

Based on the findings presented below, this institution is rated: “**Satisfactory Record of Meeting Community Credit Needs.**”

Community Profile:

Tri City National Bank (TCNB) is headquartered in Oak Creek, Wisconsin and has designated its delineated community as the majority of the Milwaukee and Racine Metropolitan Statistical Areas (MSA). Counties included in this delineated community are Milwaukee, Ozaukee, Racine, Washington, and Waukesha.

TCNB's delineated community consists of 416 census tracts, which are broken down in the following income categories: 77 (19%) low-income census tracts, with income levels between 0% and 49% of the MSA median family income; 69 (17%) moderate-income census tracts, with income levels between 50% and 79% of the MSA median family income; 191 (46%) middle-income census tracts, with income levels between 80% and 119% of the MSA median family income, and 79 (19%) upper-income census tracts, with income levels above 120% of the MSA median family income. The 1990 Census median family income figures for the Milwaukee and Racine MSAs were \$39,005 and \$37,991, respectively. A total of 333,888 housing units are owner-occupied within the delineated community, with 16,368 (5%) and 33,707 (10%) of these units located in low- and moderate-income census tracts, respectively. The median housing values for Milwaukee and Racine MSAs are \$58,450 and \$64,850, respectively. The breakdown of the number of families residing in the bank's delineated community by income category are as follows: 81,600 (19%) low-income; 74,034 (18%) moderate-income; 108,779 (26%) middle-income; and 155,881 (37%) upper-income.

The employment base is diversified in the Milwaukee area, with many manufacturing, industrial, financial services, retail, and service-related companies, including several Fortune 500 companies. Unemployment is low in southeast Wisconsin at approximately 4%, compared to the national average of approximately 5.5% as of February 1996. Competition from local financial institutions is strong.

Bank Profile:

TCNB had total assets of \$417 million, as of September 30, 1996. TCNB's primary focus is commercial lending. Loans comprise \$245 million (59%) of the bank's assets. TCNB's loan portfolio is broken down as follows: \$108 million (44%) in commercial loans; \$89 million (36%) in 1-4 family residential mortgage loans; \$33 million (14%) in individual and other loans; and \$15 million (6%) in construction loans.

TCNB has 28 full-service branches and one stand-alone drive-up facility in its delineated community. TCNB also has one limited-service branch located in the San Camillo retirement community. This facility does not originate loans; it is a deposit-taking facility only. The bank owns and operates 23 Automated Teller Machines (ATM) located throughout its delineated community. Additional information regarding the distribution of branches and ATMs by census tract type can be found on pages 20 and 21 of this evaluation.

TCNB management considers the bank's primary competitors to be all of the larger financial institutions in the Milwaukee area, primarily those with total assets over \$1 billion. TCNB represents approximately 1% of the total financial assets in the bank's delineated community. There are very few institutions in the bank's delineated community that are similarly-situated, as the majority of the local financial institutions in the area have total assets over \$1 billion. TCNB has no legal impediments that would hinder its ability to help meet the needs of its assessment area; however, the strong competition in the area, TCNB's size compared to its competitors, and the large size of TCNB's community delineation make it difficult to service the entire area.

Community Delineation:

TCNB has designated the majority of the Milwaukee and Racine MSAs as its delineated community. This includes Milwaukee county in its entirety. TCNB's community delineation is based on the bank's effective lending territory and complies with the requirements of the CRA. Census tracts omitted from this delineation lie on the outer perimeters of Ozaukee, Racine, Washington, and Waukesha counties and are furthest away from TCNB branches.

I. ASCERTAINMENT OF COMMUNITY CREDIT NEEDS

Assessment Factor A - Activities conducted by the institution to ascertain the credit needs of its community, including the extent of the institution's efforts to communicate with members of its community regarding the credit services being provided by the institution.

o Management maintains regular contact with community members to assess the community's credit needs.

TCNB management contacts various local community group leaders, civic leaders, realtors, attorneys, insurance agents, etc. on a monthly basis to determine the needs of the community. Identified needs are discussed during quarterly CRA committee meetings and recommendations for products to fulfill the community's needs are made with the assistance of the marketing department. TCNB employees are actively involved in numerous community groups.

Assessment Factor C - The extent of participation by the institution's Board of Directors in formulating the institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

o TCNB's Board is actively involved in the oversight of the bank's CRA program.

TCNB's Board annually approves its CRA statement and CRA public notice. TCNB has an expanded CRA statement that details the bank's strategic plan, ascertainment process, and general lending practices. TCNB has established a CRA committee that meets quarterly and reviews ascertainment, loan activity, marketing, community involvement, and consumer complaints. Two of the bank's outside directors sit on the CRA committee. The CRA committee minutes are reviewed during Board meetings.

II. MARKETING AND TYPES OF CREDIT OFFERED AND EXTENDED

Assessment Factor B - The extent of the institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the institution.

o TCNB's marketing program is designed to reach all areas of its delineated community.

TCNB uses the following marketing media to advertise deposit and credit products: newspapers, statement stuffers, point-of-sale brochures, radio, and television. The bank advertises in two newspapers that are circulated in Milwaukee's low-income areas, the Milwaukee Community Journal and the Milwaukee Times. The Milwaukee Times is a free publication and the Milwaukee Community Journal is distributed as a free publication to 92% of its subscribers. These two publications reach almost 50,000 readers weekly. TCNB advertises general banking products, as well as small business and Wisconsin Housing and Economic Development Authority (WHEDA) loans. The bank also sponsors various community events in the area.

Assessment Factor I - The institution's origination of residential mortgage loans, housing rehabilitation loans, home improvement loans, and small business or small farm loans within its community, or the purchase of such loans originated in its community.

o TCNB meets the community's credit needs through traditional credit products, as well as through government lending programs.

As of September 30, 1996, TCNB's loan-to-deposit ratio was 66.63%. This is slightly below the national peer average of 74.71%; however, TCNB sold almost \$6 million in loans to the secondary market in 1995 and over \$4 million as of September 30, 1996. This would have increased their loan-to-deposit ratio had those loans remained in the bank's loan portfolio. The national peer group is

comprised of national banks of similar asset size and complexity as TCNB. There are very few banks in the local area that are similarly-situated compared to TCNB.

Mortgage Loan Activity:

Table 1 demonstrates the breakdown of TCNB's Home Mortgage Disclosure Act (HMDA) loan originations within the bank's delineated community by loan type.

Table 1

HMDA LOANS ORIGINATED BY TCNB WITHIN ITS DELINEATED COMMUNITY*						
	1994		1995		9/30/96	
Loan Type	#	\$	#	\$	#	\$
Home Purchase	173	12,278	92	5,790	137	11,047
Home Improvement	177	2,098	111	1,300	288	4,687
Refinance	256	16,898	112	8,673	161	11,579
Multi-family	5	2,469	1	1,160	8	824
Totals	611	33,743	316	16,923	594	28,137

* This table reflects the actual number of loans originated. Dollar amounts are in thousands.

The large decrease in mortgage loans between 1994 and 1995 can be attributed to two factors: mortgage loan renewals were not included as refinance loans in 1995, and there was a general decline in mortgage activity in 1995 due to higher interest rates.

Small Business Lending Activity:

Table 2 illustrates the bank's lending distribution of small business loans by tract type.

Table 2

TCNB SMALL BUSINESS LOAN DISTRIBUTION BY TRACT TYPE AS OF NOVEMBER 11, 1996*		
	# of Loans Originated	\$ of Loans Originated
Low-income	9	340,000
Moderate-income	28	1,772,000
Middle-income	128	7,061,000
Upper-income	92	4,002,000
NA**	13	2,114,000
Totals	270	15,289,000

* This table reflects the actual number of loans and actual dollar amounts originated.

** NA means that census tract data was not available.

The above information was derived from TCNB's 1996 Small Business Loan Register. Of the small business loans originated, 95% of the number of loans and 86% of the dollar amount of loans were originated within the bank's delineated community. The majority of the loans extended to businesses (236, or 87%) are small loans with original amounts under \$100,000. In addition, 20 loans (7%) were extended with original amounts between \$100,000 and \$250,000, eight loans (3%) were extended with original amounts between \$250,000 and \$500,000, and six loans (2%) were extended with original amounts between \$500,000 and \$1 million. This is a proxy analysis for small business and small farm lending.

Assessment Factor J - The institution's participation in governmentally-insured, guaranteed or subsidized loan programs for housing, small businesses, or small farms.

o TCNB participates in government-related loan programs.

Tables 3 and 4 detail TCNB's government lending activity in 1995 and 1996. It should be noted that the bank sells all WHEDA loans to the secondary market.

Table 3

1995 TCNB GOVERNMENT LOAN ORIGINATIONS AND OUTSTANDINGS*				
Loan Type	# Originated	\$ Originated	# Outstanding	\$ Outstanding
WHEDA Home Purchase	15	856,645	0	0
WHEDA Home Improvement	6	48,174	0	0
SBA 7a Program	4	152,600	4	132,884
SBA 504 Program	3	551,000	2	381,699
SBA LowDoc Program	3	247,000	3	222,498
Totals	31	1,855,419	9	737,081

Table 4

1996 TCNB GOVERNMENT LOAN ORIGINATIONS AND OUTSTANDINGS AS OF SEPTEMBER 30, 1996*				
Loan Type	# Originated	\$ Originated	# Outstanding	\$ Outstanding
WHEDA Home Purchase	21	1,184,424	0	0
WHEDA Home Improvement	1	11,822	0	0
SBA 7a Program	1	119,000	1	118,284

SBA 504 Program	1	1,600,000	1	1,064,572
SBA LowDoc Program	2	125,000	1	112,685
Totals	26	3,040,246	3	1,295,541

* These tables reflect the actual number of loans and actual dollar amounts originated.

The following loan categories from the above tables require additional explanation:

- **WHEDA Home Purchase Program:** This program provides first-time home buyers with long-term, fixed-rate mortgage loans to purchase residences in a targeted area at below-market interest rates. Borrowers are only required to have a 5% down payment.
- **WHEDA Home Improvement Program:** This program provides home improvement loans with subsidized interest rates for individuals within specified income brackets.
- **SBA 7a Program:** This program provides guaranteed term loans over \$100,000 for several purposes, including business expansion, financing real estate purchases, construction of new facilities, or working capital to expand business operations.
- **SBA 504 Program:** This program requires the lending bank to take a 50% first security position, the SBA to take a 40% second lien position, and the borrower to provide a 10% down payment for the purpose of purchasing real estate or fixed assets.

Although the number of government loan originations through the first nine months of 1996 is somewhat lower than in 1995, the dollar amount of originations has increased. TCNB originated 1% of both the number and dollar amount of SBA loans extended in Milwaukee, Ozaukee, Racine, Washington, and Waukesha counties between October 31, 1994 and September 30, 1996. TCNB originated 1% of both the number and dollar amount of WHEDA home purchase loans in the above five counties. The bank originated 13% of the number of WHEDA home improvement loans and 11% of the dollar amount extended in the five counties.

III. GEOGRAPHIC DISTRIBUTION AND RECORD OF OPENING AND CLOSING OFFICES

Reasonableness of Delineated Community

- o **TCNB's delineated community is reasonable and does not arbitrarily exclude any low- or moderate-income areas.**

Please refer to the Community Profile and Community Delineation sections on pages four and five of

this evaluation for a more detailed description of TCNB's delineated community. The bank's delineated community is reasonable and meets the definition of the CRA. TCNB designated its delineated community based on its effective lending territory.

Assessment Factor E - The geographic distribution of the institution's credit extensions, credit applications, and credit denials.

o TCNB's mortgage loan distribution throughout its delineated community is reasonable.

The majority of TCNB's mortgage lending is distributed within the bank's delineated community. In 1994, 98% of both the number and dollar amount of originated loans were extended within the delineated community. In 1995, 98% of the number of loans originated and 96% of the dollar amount of loans originated were extended within the delineated community. As of September 30, 1996, 93% of the number of loans originated and 90% of the dollar amount of loans originated were extended within the bank's delineated community.

The following tables reflect TCNB's mortgage loan activity by both census tract type and by borrower income level. In 1994 and 1995, TCNB originated mortgage loans only in the Milwaukee MSA. Mortgage loan data from 1996 includes originations in both the Milwaukee and Racine MSAs. These tables also compare TCNB's mortgage lending performance with that of other financial institutions that have originated loans in the same area.

Table 5

1994 TCNB HMDA LOAN ORIGINATIONS BY CENSUS TRACT CHARACTERISTICS*															
Tract Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market* *	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	9	549	2%	1	607	0%	3	585	1%	0	38	0%	13	1,779	1%
Moderate	28	1,910	1%	15	1,137	1%	25	1,194	2%	2	77	3%	70	4,318	2%
Middle	81	9,883	1%	93	4,696	2%	121	6,623	2%	2	214	1%	297	21,416	1%
Upper	54	7,014	1%	70	2,815	2%	114	5,323	2%	1	59	2%	239	15,211	2%
NA***	1	36	3%	0	8	0%	1	20	5%	0	0	0%	2	64	3%
Total	173	19,392	1%	179	9,263	2%	264	13,745	2%	5	388	1%	621	42,788	1%

* The above table reflects percentages based on the actual number of loan originations.

** Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

*** NA means the census tract data was not available.

TCNB's mortgage loans were reasonably disbursed among borrowers living in low-, moderate-, middle-, and upper-income census tracts. TCNB showed consistent market penetration in all mortgage loan types and among all census tract types.

Table 6

NUMBER OF 1994 TCNB HMDA LOANS AS A PERCENT OF TOTAL LOANS BY TRACT TYPE										
Tract Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market *	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	5%	3%	1%	7%	1%	4%	0%	10%	2%	4%
Moderate	16%	10%	8%	12%	10%	9%	40%	20%	11%	10%
Middle	47%	51%	52%	51%	46%	48%	40%	55%	48%	50%
Upper	31%	36%	39%	30%	43%	39%	20%	15%	39%	36%
NA**	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

** NA means the census tract data was not available.

Table 6 demonstrates the percentage breakdown of lending within census tracts for the different income categories compared to the market's performance. The percentages are based on 1994 HMDA-reportable loans. A greater percentage of TCNB's home purchase lending in 1994 was to low- and moderate-income census tracts than the market's home purchase lending. TCNB also compared favorably to the market in refinance and multi-family lending to moderate-income census tracts. Overall, TCNB was slightly below the market percentages in lending to low-income census tracts and was slightly above the market in lending to moderate-income census tracts.

Table 7

1994 TCNB HMDA LOAN ORIGINATION DOLLARS BY CENSUS TRACT CHARACTERISTICS*															
Tract Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market**	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	250	18,151	1%	24	4,616	1%	112	15,889	1%	0	9,941	0%	386	48,597	1%
Moderate	1,235	93,101	1%	137	9,041	1%	1,278	49,334	3%	1,494	20,093	7%	4,144	171,569	2%
Middle	4,817	850,678	1%	1,012	51,581	2%	6,571	430,130	2%	549	106,887	1%	12,949	1,439,276	1%
Upper	5,686	927,443	1%	953	52,086	2%	9,519	538,025	2%	426	55,640	1%	16,584	1,573,194	1%
NA***	290	3,660	7%	0	161	0%	85	1,720	5%	0	0	0%	375	5,541	6%
Total	12,278	1,893,033	1%	2,126	117,485	2%	17,565	1,035,098	2%	2,469	192,561	1%	34,438	3,238,177	1%

* The above table reflects percentages based on the dollar amount of loan originations in thousands.

** Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

*** NA means the census tract data was not available.

As with Table 5 representing the number of loans extended by the bank and market, the Table 7 demonstrates that TCNB had consistent market penetration in all mortgage loan types and among all census tract types in terms of loan dollars extended.

Table 8

DOLLAR AMOUNT OF 1994 TCNB HMDA LOANS AS A PERCENT OF TOTAL DOLLARS BY TRACT TYPE										
Tract Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market*	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	2%	1%	1%	4%	1%	1%	0%	5%	1%	2%
Moderate	10%	5%	6%	8%	7%	5%	61%	10%	12%	5%
Middle	39%	45%	48%	44%	37%	42%	22%	56%	38%	44%
Upper	46%	49%	45%	44%	54%	52%	17%	29%	48%	49%
NA**	3%	0%	0%	0%	1%	0%	0%	0%	1%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

** NA means the census tract data was not available.

Overall, TCNB lent more loan dollars as a percent of total loan dollars extended to moderate-income census tracts than the market. TCNB lent slightly less to low-income census tracts as a percentage of total loan dollars than the market did in 1994.

Table 9

1995 TCNB HMDA LOAN ORIGINATIONS BY CENSUS TRACT CHARACTERISTICS*															
Tract Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market*	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	3	487	1%	4	485	1%	3	428	1%	0	34	0%	10	1,434	1%
Moderate	12	1,642	1%	12	887	1%	9	852	1%	0	69	0%	33	3,450	1%
Middle	52	8,528	1%	58	4,183	1%	40	4,866	1%	0	144	0%	150	17,721	1%
Upper	28	5,917	0%	38	2,570	1%	64	3,465	2%	1	49	2%	131	12,001	1%
NA***	0	156	0%	0	40	0%	0	51	0%	0	0	0%	0	247	0%
Total	95	16,730	1%	112	8,165	1%	116	9,662	1%	1	296	0%	324	34,853	1%

* The above table reflects percentages based on the actual number of loan originations.

** Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

*** NA means the census tract data was not available.

Table 9 shows that in 1995, TCNB mortgage loan originations significantly declined, as the number of loans originated decreased 48%. This can be attributed to two factors. In 1995, the interest rate environment was not as favorable for borrowers as it was in 1994. Also, TCNB had been reporting renewed loans as refinance loans in 1994, whereas they were not reported for HMDA purposes in 1995. The market's figures also declined between 1994 and 1995, and TCNB maintained its market share. TCNB's mortgage loan distribution among census tract types is reasonable. TCNB's market penetration was consistent among all mortgage products and census tract types.

Table 10

NUMBER OF 1995 TCNB HMDA LOANS AS A PERCENT OF TOTAL LOANS BY TRACT TYPE										
Tract Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market*	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	3%	3%	3%	6%	3%	4%	0%	11%	3%	4%
Moderate	13%	10%	11%	11%	8%	9%	0%	23%	10%	10%
Middle	55%	51%	52%	51%	34%	50%	0%	49%	46%	51%
Upper	29%	35%	34%	32%	55%	36%	100%	17%	41%	34%
NA**	0%	1%	0%	0%	0%	1%	0%	0%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

** NA means the census tract data was not available.

Table 10 shows that in 1995, TCNB's HMDA lending as a percent of total lending by tract type nearly approximated the percentage totals originated by the market in the low- and moderate-income categories.

Table 11

1995 TCNB HMDA LOAN ORIGINATION DOLLARS BY CENSUS TRACT CHARACTERISTICS*															
Tract Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market**	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	98	17,148	1%	90	4,574	2%	60	12,771	0%	0	3,245	0%	248	37,738	1%
Moderate	545	85,314	1%	124	7,528	2%	279	34,445	1%	0	16,034	0%	948	143,421	1%
Middle	2,731	756,916	0%	537	56,842	1%	2,675	345,191	1%	0	69,177	0%	5,943	1,228,126	0%
Upper	2,697	778,681	0%	561	53,928	1%	5,997	374,610	2%	1,160	47,623	2%	10,415	1,254,842	1%
NA***	0	18,511	0%	0	853	0%	0	5,868	0%	0	0	0%	0	25,232	0%
Total	6,071	1,656,570	0%	1,312	123,725	1%	9,011	772,885	1%	1,160	136,079	2%	17,554	2,689,359	1%

* The above table reflects percentages based on the dollar amount of loan originations in thousands.

** Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

*** NA means the census tract data was not available.

As with Table 9 that demonstrated the number of HMDA-reportable loans extended by census tract type, Table 11 shows that TCNB's distribution of loan dollars was reasonable in 1995. TCNB also had relatively consistent market penetration among mortgage products and census tract types. As with the number of loans extended in 1995, the dollar amount of loans declined in 1995 versus 1994 for both TCNB and the market due to the less favorable interest rate environment.

Table 12

DOLLAR AMOUNT OF 1995 TCNB HMDA LOANS AS A PERCENT OF TOTAL DOLLARS BY TRACT TYPE										
Tract Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market*	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	2%	1%	7%	4%	1%	2%	0%	2%	2%	1%
Moderate	9%	5%	9%	6%	3%	4%	0%	12%	5%	5%
Middle	45%	46%	41%	46%	30%	45%	0%	51%	34%	46%
Upper	44%	47%	43%	43%	66%	48%	100%	35%	59%	47%
NA**	0%	1%	0%	1%	0%	1%	0%	0%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

** NA means the census tract data was not available.

Overall, TCNB lent a higher percentage of its loan dollars extended in 1995 to low- and moderate-income census tracts than the market. The only HMDA-reportable loan category where TCNB lagged the market in terms of

percentage lent to low- and moderate-income tracts was in the refinance category.

Table 13

1996 TCNB HMDA LOAN ORIGINATIONS BY CENSUS TRACT CHARACTERISTIC (AS OF 9/30/96)*					
Tract Type	Purchase	Home Improvement	Refinance	Multi-family	Totals
	Bank	Bank	Bank	Bank	Bank
Low	8	4	4	1	17
Moderate	18	20	12	2	52
Middle	50	161	64	5	280
Upper	46	89	68	0	203
NA***	14	14	14	0	42
Totals	136	288	162	8	594

* The above table reflects percentages based on the actual number of loan originations.

** Market is the total for all institutions who originated mortgages in the Milwaukee MSA.

*** NA means that data was not available

Overall, mortgage loan volume increased during the first nine months of 1996 in comparison to 1995, especially in the home improvement category. An analysis was performed regarding the distribution of loans by individual census tracts based on 1996 HMDA data. This analysis revealed that HMDA-reportable loans were extended in 234, or 58%, of the census tracts in the bank's delineated community. Tracts without HMDA-reportable loan penetration were located on the edge of the bank's community delineation. In addition, where there were clusters of census tracts that were not penetrated, the nearest TCNB branches were convenience centers, which do not originate HMDA-reportable loans. Convenience centers are located inside Pick 'N Save grocery stores and feature extended hours. No market information was available for 1996.

The following tables reflect mortgage loan distribution to borrowers of different income levels.

Table 14

1994 TCNB HMDA LOAN ORIGINATIONS BY APPLICANT CHARACTERISTICS*															
Applicant Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market*	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	12	1,431	1%	23	853	3%	28	859	3%	0	0	0%	63	3,143	2%
Moderate	43	3,945	1%	43	1,794	2%	48	2,360	2%	0	0	0%	134	8,099	2%
Middle	43	6,070	1%	56	2,903	2%	81	3,942	2%	0	0	0%	180	12,915	1%
Upper	71	7,562	1%	54	3,424	2%	100	5,546	2%	0	0	0%	225	16,532	1%
NA***	4	384	0%	3	289	1%	7	1,038	1%	5	388	1%	19	2,099	1%
Totals	173	19,392	1%	179	9,263	2%	264	13,745	2%	5	388	1%	621	42,788	1%

* The above table reflects percentages based on the actual number of loan originations.

** Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

*** NA means that data was not available.

As with the distribution of mortgage loans by census tract type, TCNB's loan distribution by borrower income is reasonable. Table 14 shows market penetration is consistent within each mortgage loan category and by applicant income level.

Table 15

1994 TCNB HMDA LENDING AS A PERCENT OF TOTAL LENDING BY APPLICANT TYPE*											
Applicant Type	Purchase		Home Improvement		Refinance		Multi-family		Totals		
	Bank	Market	Bank	Market	Bank	Market	Bank	Market	Bank	Market	
Low	7%	7%	13%	9%	11%	6%	0%	0%	10%	7%	
Moderate	25%	21%	24%	20%	18%	17%	0%	0%	22%	19%	
Middle	25%	31%	31%	31%	31%	29%	0%	0%	29%	30%	
Upper	41%	39%	30%	37%	38%	40%	0%	0%	36%	39%	
NA**	2%	2%	2%	3%	2%	8%	100%	100%	3%	5%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

* Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

** NA means the census tract data was not available.

Table 15 demonstrates that in 1995, a higher percentage of TCNB's loan originations were extended to low- and

moderate-income individuals than the market, both overall and in individual mortgage loan categories.

Table 16

1994 TCNB HMDA LOAN ORIGINATION DOLLARS BY APPLICANT CHARACTERISTICS*															
Applicant Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market**	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	353	65,435	1%	133	6,758	2%	1,117	36,020	3%	0	0	0%	1,603	108,213	1%
Moderate	2,000	246,120	1%	555	16,396	3%	2,341	119,854	2%	0	0	0%	4,896	382,370	1%
Middle	2,799	523,648	1%	640	29,916	2%	4,373	253,972	2%	0	0	0%	7,812	807,536	1%
Upper	6,489	1,022,665	1%	778	60,315	1%	8,856	563,902	2%	0	0	0%	16,123	1,646,882	1%
NA***	637	35,165	2%	20	4,100	0%	878	61,350	1%	2,469	192,561	1%	4,004	293,176	1%
Totals	12,278	1,893,033	1%	2,126	117,485	2%	17,565	1,035,098	2%	2,469	192,561	1%	34,438	3,238,177	1%

* The above table reflects percentages based on the dollar amount of loan originations in thousands.

** Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

*** NA means that data was not available.

TCNB maintained consistent market share in 1994, with slightly higher market penetration in home improvement and refinance dollars extended. The distribution of loan dollars is reasonable.

Table 17

DOLLAR AMOUNT OF 1994 TCNB HMDA LOANS AS A PERCENT OF TOTAL DOLLARS BY APPLICANT TYPE										
Applicant Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market*	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	3%	3%	6%	6%	6%	3%	0%	0%	5%	3%
Moderate	16%	13%	26%	14%	13%	12%	0%	0%	14%	12%
Middle	23%	28%	30%	25%	25%	25%	0%	0%	23%	25%
Upper	53%	54%	37%	51%	51%	54%	0%	0%	47%	51%
NA**	5%	2%	1%	4%	5%	6%	100%	100%	11%	9%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 294 institutions who originated mortgages in the Milwaukee MSA in 1994.

** NA means the census tract data was not available.

TCNB lent a higher percentage of loan dollars to low- and moderate-income borrowers than the market, both overall and in individual mortgage loan categories.

Table 18

1995 TCNB HMDA LOAN ORIGINATIONS BY APPLICANT CHARACTERISTICS*															
Applicant Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market*	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	11	1,010	1%	12	694	2%	12	541	2%	0	0	0%	35	2,245	2%
Moderate	23	3,073	1%	24	1,509	2%	23	1,574	1%	0	0	0%	70	6,156	1%
Middle	26	5,100	1%	31	2,461	1%	27	2,752	1%	0	0	0%	84	10,313	1%
Upper	24	6,992	0%	35	3,244	1%	46	4,250	1%	0	0	0%	105	14,486	1%
NA***	11	555	2%	10	257	4%	8	545	1%	1	296	0%	30	1,653	2%
Total	95	16,730	1%	112	8,165	1%	116	9,662	1%	1	296	0%	324	34,853	1%

* The above table reflects percentages based on the actual number of loan originations.

** Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

*** NA means that data was not available.

The distribution of TCNB's mortgage loans by applicant income level in 1995 is reasonable. TCNB also maintains a consistent level of market penetration in all applicant income levels and in all mortgage products. The decline in the mortgage loan totals in Table 18 versus Table 14 can be attributed to the higher interest rate environment in 1995 compared to 1994, and not including loan renewals as refinance loans in 1995.

Table 19

1995 TCNB HMDA LENDING AS A PERCENT OF TOTAL LENDING BY APPLICANT TYPE										
Applicant Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market*	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	12%	6%	11%	8%	10%	6%	0%	0%	11%	6%
Moderate	24%	18%	21%	19%	20%	16%	0%	0%	22%	18%
Middle	27%	31%	28%	30%	23%	28%	0%	0%	26%	30%
Upper	25%	42%	31%	40%	40%	44%	0%	0%	32%	41%
NA**	12%	3%	9%	3%	7%	6%	100%	100%	9%	5%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

** NA means the census tract data was not available.

Consistent with 1994, in 1995 TCNB originated a higher percentage of loans to low- and moderate-income individuals than the market, both overall and in each mortgage product category.

Table 20

DOLLAR AMOUNT OF 1995 TCNB HMDA LOAN ORIGINATIONS BY APPLICANT CHARACTERISTICS*															
Tract Type	Purchase			Home Improvement			Refinance			Multi-family			Totals		
	Bank	Market**	%	Bank	Market	%	Bank	Market	%	Bank	Market	%	Bank	Market	%
Low	409	41,414	1%	103	5,794	2%	497	18,502	3%	0	0	0%	1,009	65,710	2%
Moderate	1,328	188,865	1%	283	15,975	2%	1,327	78,805	2%	0	0	0%	2,938	283,645	1%
Middle	1,583	441,802	0%	309	31,265	1%	1,693	184,006	1%	0	0	0%	3,585	657,073	1%
Upper	1,937	924,538	0%	476	66,075	1%	4,951	445,407	1%	0	0	0%	7,364	1,436,020	1%
NA***	814	59,951	1%	141	4,716	3%	543	46,165	1%	1,160	136,079	1%	2,658	246,911	1%
Total	6,071	1,656,570	0%	1,312	123,825	1%	9,011	772,885	1%	1,160	136,079	1%	17,554	2,689,359	1%

* The above table reflects percentages based on the dollar amount of loan originations in thousands.

** Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

*** NA means that data was not available.

Overall, in 1995 TCNB showed consistent market penetration in terms of dollar amount extended. Dollar amounts lent in 1995 (Table 20) were lower than in 1994 (Table 16) for both TCNB and the market due to the less favorable interest rate environment in 1995.

Table 21

DOLLAR AMOUNT OF 1995 TCNB HMDA LOANS AS A PERCENT OF TOTAL DOLLARS BY TRACT TYPE										
Tract Type	Purchase		Home Improvement		Refinance		Multi-family		Totals	
	Bank	Market*	Bank	Market	Bank	Market	Bank	Market	Bank	Market
Low	7%	2%	8%	5%	5%	2%	0%	0%	6%	3%
Moderate	22%	11%	22%	13%	15%	10%	0%	0%	17%	11%
Middle	26%	27%	23%	25%	19%	24%	0%	0%	20%	24%
Upper	32%	56%	36%	53%	55%	58%	0%	0%	42%	53%
NA**	13%	4%	11%	4%	6%	6%	100%	100%	15%	9%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Market is the total for the 293 institutions who originated mortgages in the Milwaukee MSA in 1995.

** NA means the census tract data was not available.

In 1994, TCNB extended a higher percentage of loan dollars to low- and moderate-income census tracts

than the market overall, especially in the home purchase and home improvement mortgage loan categories. This compares favorably to Table 10 which showed that TCNB approximated the market percentages for the total number of loans originated within low- and moderate-income census tracts as a percentage of the total number of loans TCNB originated.

Table 22

1996 TCNB HMDA LOAN ORIGINATIONS BY APPLICANT INCOME (AS OF 9/30/96)*					
Tract Type	Purchase	Home Improvement	Refinance	Multi-family	Totals
	Bank	Bank	Bank	Bank	Bank
Low	18	27	10	0	55
Moderate	22	49	28	0	99
Middle	34	105	56	0	195
Upper	39	89	47	0	175
NA***	23	19	20	8	70
Total	136	289	161	8	594

* The above table reflects percentages based on the actual number of loan originations.

** Market is the total for all institutions who originated mortgages in the Milwaukee MSA.

*** NA means that data was not available.

TCNB's 1996 mortgage loan activity (Table 22) increased over 1995 (Table 18), especially in the home improvement category. Overall, the bank has made more loans to low- and moderate-income individuals in the first nine month of 1996 compared to 1995. TCNB's loan distribution by borrower income is reasonable. No market information was available for 1996.

Assessment Factor G - The institution's record of opening and closing offices and providing services at offices.

o TCNB's office locations provide reasonable access to all segments of its delineated community.

TCNB has 14 full-service, brick-and-mortar locations, 14 convenience centers, and one limited-service location within its delineated community. TCNB also operates one remote drive-up facility. The convenience centers offer consumer loans, but refer residential and commercial loans to brick-and-mortar branches. One limited service branch is located inside a senior citizen facility. This branch offers limited hours and is a deposit-taking facility only. No loans are extended from this office. TCNB has two brick-and-mortar locations and two convenience centers in moderate-income census tracts; seven brick-and-mortar locations, nine convenience centers, and one limited-service branch in middle-income census tracts; and five brick-and-mortar locations, three convenience centers, and one

drive-up facility in upper-income census tracts. TCNB has one convenience center under construction in a low-income census tract in the Milwaukee MSA that is scheduled to open in January 19, 1997. Unlike the other 14 convenience center locations, this convenience center will accept residential real estate loan applications.

TCNB owns and operates 23 ATMs in its delineated community. These are located in the following census tract types: three in moderate-income census tracts; 12 in middle-income census tracts; and eight in upper-income census tracts. The branch under construction will have an ATM when completed.

TCNB's office locations are reasonably accessible to all segments of its delineated community. TCNB's office hours are reasonable. Brick-and-mortar branches are open 9 a.m. to 6 p.m. Monday through Thursday and until 7 p.m. on Fridays. Convenience centers are open ten hours a day, seven days a week.

TCNB has opened four branches since our last CRA examination, all of which are convenience centers.

IV. DISCRIMINATION AND OTHER ILLEGAL CREDIT PRACTICES

Assessment Factor D - Any practices intended to discourage applications for types of credit set forth in the institution's CRA Statement(s).

- o There is no evidence of practices that would discourage credit applications.**

TCNB solicits credit applications from all segments of its delineated community. The bank's Board and management have adopted written policies and operating procedures to ensure that all loan applications are treated fairly and consistently.

Assessment Factor F - Evidence of prohibited discriminatory or other illegal credit practices.

- o TCNB is in compliance with the substantive provisions of the antidiscriminatory laws and regulations.**

Our examination did not identify any evidence of prohibited discriminatory or other credit practices.

V. COMMUNITY DEVELOPMENT

Assessment Factor H - The institution's participation, including investments, in local community development and redevelopment projects or programs.

o TCNB generally participates in local community development and redevelopment projects.

TCNB has committed to providing up to \$50,000, or 5%, in a loan pool managed by Neighborhood Housing Services of Milwaukee, Inc. These funds will provide low-interest, minimum equity loans to individuals residing in low-income neighborhoods.

TCNB extended \$5,900,000 to the Atlas Development Corp. for the rehabilitation of a housing development and three office buildings in a moderate-income census tract to revitalize the area.

TCNB extended \$750,000 to the Mitchell Street Office Project to rehabilitate a building in the City of Milwaukee's target area. The purpose of this project is to revitalize Milwaukee's target area, which is comprised of 72 of 75 (96%) of the Milwaukee MSA's low-income census tracts, 16 of 67 (24%) of the MSA's moderate-income census tracts, and one of 159 (1%) of the MSA's middle-income census tracts.

TCNB extended two loans totaling \$1,880,000 to 200 East and 200 West LLC to rehabilitate two industrial buildings to revitalize the city of Milwaukee's target area.

TCNB extended \$1,600,000 to Rivers Edge Plaza for the rehabilitation of a central city office building to help revitalize one of Milwaukee's low-income census tracts.

TCNB indirectly participates in local community development and redevelopment projects through one of its affiliates, NDC, Inc. NDC, Inc. is related to the bank through common ownership. NDC, Inc. invested \$9 million to build a Pick 'N Save Mega Food Mart in a low-income census tract in Milwaukee.

Assessment Factor K - The institution's ability to meet various community credit needs based on its financial condition and size, legal impediments, local economic conditions and other factors.

o TCNB satisfies the community's credit needs in accordance with its financial capacity.

Please refer to the Community Profile and Bank Profile sections on pages four and five of this evaluation for a detailed description of TCNB's financial capacity and the local economic conditions.

Assessment Factor L - Any other factors that, in the regulatory authority's judgment, reasonably bear upon the extent to which an institution is helping to meet the credit needs of its entire community.

o TCNB is also involved in other community activities.

The bank is actively involved in originating student loans through Great Lakes Higher Education

Authority. Total dollars outstanding as of September 30, 1996 were \$8,707,847. As of the previous two year-ends, the dollar amount of student loans outstanding were \$7,942,989 for 1995 and \$6,808,366 for 1994.

TCNB also provides both monetary and time donations to numerous community groups and charitable organizations in the bank's delineated community.

