



## **PUBLIC DISCLOSURE**

July 27, 2015

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

Associated Bank, N. A.  
Charter Number 23695

200 North Adams Street  
Green Bay, WI 54301

Office of the Comptroller of the Currency

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Chicago, IL 60606

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

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## General Information and Overall CRA Rating

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

This document is an evaluation of the CRA performance of Associated Bank, N.A. (Associated or the bank) issued by the OCC, the institution’s supervisory agency, for the evaluation period ending July 27, 2015. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A to 12 CFR Part 25.

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

The following table indicates the performance level of Associated Bank, N. A. with respect to the Lending, Investment, and Service Tests:

Performance Levels	Associated Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	
Low Satisfactory	X		X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- The bank’s lending activity is good;
- The bank’s overall borrower income distribution of loans is good, as evidenced by overall good distribution of home mortgage loans by income level of borrower and good distribution of loans to businesses with different revenue sizes;
- An overall good amount of investments in the bank’s Assessment Areas (AA);
- An adequate distribution of retail services in the majority of the bank’s AAs, branches are reasonably accessible to essentially all portions of the AAs, and a good level of CD services in the AAs.

## Definitions and Common Abbreviations

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

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

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

**Census Tract (CT) – 2000 Census:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Census Tract (CT) – 2010 Census:** Small, relatively permanent statistical subdivisions of a county delineated by local participants as part of the U.S. Census Bureau's Participant Statistical Areas Program. The primary purpose of CTs is to provide a stable set of geographic units for the presentation of decennial census data. CTs generally have between 1,500 and 8,000 people, with an optimum size of 4,000 people.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan.

This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

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

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

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

**Median Family Income (MFI) – 2000 Census:** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Median Family Income (MFI) – 2010 Census:** The median income derived from the United States Census Bureau’s American Community Survey data every 5 years and used to determine the income level category of geographies. Also, it is the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level of individuals within a geography. For any given geography, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

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

**Small Loan(s) to Business (es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

## Description of Institution

Associated is a midsize, interstate bank headquartered in Green Bay, WI and a subsidiary of Associated Banc-Corp. Associated conducts its overall business in the states of Wisconsin, Illinois, and Minnesota with commercial financial services in Indiana, Michigan, Missouri, Ohio, and Texas. As of June 30, 2015, Associated had total assets of \$27.04 billion, total loans of \$18.45 billion, and Tier One Capital of \$2.32 billion.

Associated primarily engages in generating deposits and originating loans. According to the FDIC Deposit Market Share Report dated June 30, 2014, Associated had deposits of \$17.43 billion. Associated is the largest Wisconsin based commercial bank. As of June 30, 2015, the bank's net loans represented 68.22 percent of total assets. Approximately 63.80 percent of the bank's loan portfolio was comprised of real estate loans, of which commercial real estate and 1-4 family residential properties (33.70 percent and 58.50 percent, respectively) represented the predominant portion of the loan portfolio. Commercial and industrial loans made up 31.10 percent of the total loan portfolio and consumer loans accounted for 2.30 percent of the total loan portfolio.

Associated is a full-service bank with 226 full-service banking offices and 206 deposit-taking Automated Teller Machines (ATMs) across its footprint. Although the bank's business strategy is not limited to any one business line, its primary focus is retail banking in addition to providing banking services to small and middle market businesses, municipalities, and nonprofit organizations. Associated offers a full range of loan and deposit products to businesses and individuals, including alternative retail services, such as direct deposit and access to electronic banking services (bill payment, mobile banking, and electronic statements). The bank offers a standard product mix of loans including residential mortgages and commercial loans. The bank also offers treasury management, capital markets and insurance services, private banking, trust, retirement plan services, and asset management.

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its AAs.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

We analyzed home purchase, home improvement, and home refinance mortgage loans that the bank reported under the Home Mortgage Disclosure Act (HMDA) and small loans made to businesses the bank reported under the Community Reinvestment Act (CRA), for the period of January 1, 2011 through December 31, 2013. Primary loan products for this review are products in which the bank originated at least 20 loans within the AA during one or more of the analysis periods within the overall evaluation period. In our evaluation under the Lending Test geographic distribution and borrower income criteria, we performed separate analyses of 2011 data and 2012 through 2014 data. This was due to changes between the 2000 Census and 2010 Census. For some AAs, a separate analysis was also performed on 2014 data, due to changes instituted by the 2014 Office of Management and Budget (OMB) MA geographic boundary revisions. Refer to the “Description” section under each Rating Area section for details on those areas impacted by the 2014 OMB changes.

Performance Tables 1 through 12 in appendix D include only data covered by the analysis period receiving the greatest emphasis, namely 2012 through 2013 for those AAs not impacted by the OMB changes, and 2012 through 2014 for all other AAs. Data from 2011 and 2014 (for those AAs impacted by the 2014 OMB changes) is discussed in the applicable narrative sections of the evaluation. The evaluation period for CD loans and the Service Test was January 1, 2011 through July 27, 2015. The evaluation period for the Investment Test was July 1, 2011 through July 27, 2015.

### Data Integrity

As part of our ongoing supervision of the bank, we tested the accuracy of the bank’s HMDA and CRA lending data. We also reviewed the appropriateness of CD activities provided for consideration in our evaluation. This included testing of CD loans, investments, and services for accuracy and to determine if they qualify as CD as defined in the CRA regulation.

### Selection of Areas for Full-Scope Review

We selected at least one AA in each state where the bank has an office for a full-scope review. In addition, we reviewed the bank’s performance within a Multistate Metropolitan Statistical Area (MMSA) where the bank operated branches in at least two states within the MMSA using full-scope procedures. Full-scope reviews consider performance context, quantitative, and qualitative factors. In general, the AAs selected for the full-scope review were chosen because they represented a significant portion of the bank’s deposit base and lending business in that state or multistate area. The other AAs in each state were analyzed using limited-scope procedures. Limited-scope procedures consider quantitative factors only. Refer to the “Scope” section under each state and MMSA rating section for details regarding how we selected the areas for review.

### Ratings

The bank’s overall rating is derived from the MMSA and state ratings, based primarily on results in those areas that received full-scope reviews. The state of Wisconsin received the greatest emphasis in our conclusions because it represents the bank’s most significant market in terms of deposit concentrations, branch distribution, and CRA reportable loans. At June 30, 2014, the state of Wisconsin

represented 68.21 percent of total deposits, 68.81 percent of the branch network, and 73.54 percent of the CRA reportable loans during the evaluation period. Refer to the “Scope” section under each State and Multistate Metropolitan Statistical Area Rating section for details regarding how the areas were emphasized in arriving at the respective ratings.

In our analysis of the bank’s performance under the Lending Test geographic distribution and borrower income distribution criteria, we placed more emphasis on the bank’s performance in 2012 through 2013 (or through 2014 for those AAs not impacted by the 2014 OMB changes) than to its performance in 2011 or 2014 (for those AAs impacted by the 2014 OMB changes) to reach our conclusions. This was due to the 2012 through 2013 (or 2014) time period covering a majority of the bank’s performance along with being more reflective of its current performance.

Additionally, when evaluating the bank’s performance under the Lending Test, we placed a greater emphasis on the bank’s distribution of home mortgage loans than the distribution of small business loans. Within the home mortgage category, greater emphasis was placed on home refinance loans, secondary emphasis placed on home purchase loans, and home improvement loans receiving substantially less emphasis. We placed emphasis on home loans as the bank’s primary loan product and considering the affordable housing credit needs in all AAs. Secondary emphasis was placed on small business loan performance due to the identified community credit need in all AAs. Some AAs were also evaluated on the bank’s performance in providing small loans to farms when the number of loans met the minimum threshold of 20, as was applied to all loans types in each AA.

### **Inside/Outside Ratio**

This ratio is a bank-wide calculation and not calculated by individual rating area or AA. Analysis is limited to bank originations and purchases and does not include any affiliate data. For the combined three-year evaluation period, Associated originated a substantial majority of all loan products inside the bank’s AAs (90.02 percent). The percentage by number of loans made inside the AAs by loan type are as follows, 89.73 percent of home refinance loans, 88.52 percent of home purchase loans, 90.18 percent of home improvement loans, and 94.49 percent of small loans to businesses/farms.

### **Other Performance Data – Investment Test**

In addition to qualified investments made within the bank’s AAs and broader statewide areas including the bank’s AAs, Associated made investments in the broader regional area that includes the bank’s AAs and nationwide. These investments were considered in the analysis of the overall bank’s Investment Test performance. The investments include the following:

- One current period regional investment of \$360 thousand that supported a Small Business Investment Company (SBIC) fund.
- Two prior period regional investments in a SBIC funds with remaining balances of \$93 thousand and \$261 thousand.
- Five current period investments totaling \$7.12 million in five nationwide SBIC funds, and two prior period investments in funds with remaining balances of \$897 thousand and \$1.36 million in two nationwide SBIC funds.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or Federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC did not identify evidence of discriminatory or other illegal credit practices with respect to this institution.

The OCC does not have public information regarding non-compliance with statutes and regulations prohibiting discriminatory or other illegal credit practices with respect to this institution. In determining this institution's overall CRA rating, the OCC has considered information that was made available to the OCC on a confidential basis during its consultations.

The OCC will consider any evidence of discriminatory or other illegal credit practices relative to this institution that other regulators may provide to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information provided concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Multistate Metropolitan Area Rating

### Chicago-Naperville-Elgin, IL-IN-WI MMSA

#### CRA Rating for Chicago-Naperville-Elgin, IL-IN-WI MMSA<sup>1</sup>: Needs to Improve

The Lending Test is rated: **Needs to Improve**

The Investment Test is rated: **High Satisfactory**

The Service Test is rated: **Needs to Improve**

The major factors that support this rating include:

- An overall good level of lending activity, supported by an excellent level of lending for home mortgage loans and a poor level of small business loans;;
- A very poor geographic distribution of home mortgage loans and small loans to businesses, as evidenced by very poor home purchase, home improvement and home refinance distribution, and poor small loans to businesses;
- A poor borrower income distribution in home mortgage loans and small loans to businesses, as evidenced by very poor home purchase distribution, adequate home improvement distribution, poor home refinance distribution and poor small loans to businesses;
- A high level of CD loans that demonstrated good responsive to community needs and had a significantly positive impact on the Lending Test;
- A good level of qualified investments that provided good responsive to community needs in the AA;
- A branch distribution that was accessible to limited portions of LMI individuals and geographies; and
- An adequate level of CD services that was responsive to community needs.

### Description of Institution's Operations in the Chicago-Naperville-Elgin, IL-IN-WI MMSA

Associated has three AAs within the Chicago-Naperville-Elgin, IL-IN-WI MMSA (Chicago MMSA). These AAs include the Chicago-Naperville-Arlington Heights, IL MD (Chicago AA), comprised of Cook, DuPage, Kendall, and McHenry Counties; the Elgin MD (Elgin AA), comprised of Dekalb and Kane Counties; and the Lake County-Kenosha County MD (Lake-Kenosha AA), comprised of Lake and Kenosha Counties.

Associated provides a full range of loan and deposit products to all AAs. Associated has 26 branches within the MMSA, representing 11.56 percent of the bank's total branch network. There were two branch openings and three branch closings in the AA during the evaluation period. Associated has 29

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<sup>1</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

deposit-taking ATMs in the Chicago MMSA, 17 of these are within the Chicago AA. As of June 30, 2014, the bank ranked 15th in the Chicago MMSA with deposits totaling \$2.69 billion, representing a 0.78 percent market share in the MMSA. The Chicago AA is the bank's most significant AA in the MMSA, accounting for 81.95 percent of total bank deposits in the MMSA.

#### Chicago-Naperville-Arlington Heights MD (Chicago AA)

The banking industry is highly competitive in the AA and includes branches of large interstate banks, regional banks, mortgage companies, credit unions, and community banks. As of June 30, 2014, Associated ranked 17th in Chicago AA deposits, representing a 0.74 percent market share. The five largest competitors in the AA are JPMorgan Chase, BMO Harris Bank, Bank of America, Northern Trust Company, and Fifth Third Bank.

Refer to the market profile for the Chicago MMSA in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

### **Scope of Evaluation in Chicago-Naperville-Arlington Heights MD**

We completed a full-scope review of the Chicago AA, and limited-scope reviews of the Elgin AA and the Lake-Kenosha AA. The Chicago AA received a full-scope review due to the higher percentage of deposits in this area (12.63 percent of the bank's total deposits), while the Elgin and Lake-Kenosha AAs received limited-scope reviews due to their lower percentage of deposits (1.55 percent and 1.23 percent, respectively). The Chicago AA also had the largest volume of total reportable loans in the MMSA with 78.92 percent of reportable loans in the MMSA (or 7.39 percent of reportable loans for the bank). Branch distribution within the MMSA shows the Chicago AA with 46.15 percent of branches, Lake-Kenosha AA 30.77 percent, and Elgin AA with 23.08 percent. Ratings are based primarily on results of the full-scope area. The Chicago AA received the most emphasis on final ratings because this AA had the largest percent of the bank's deposits, loans, and branches in the MMSA. The volume of small farm loans was not significant enough to provide a quantitative analysis. Refer to the tables in appendix A for more information on the Chicago AA.

## **LENDING TEST**

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

The bank's performance under the Lending Test in Chicago AA is rated "Needs to Improve." Based on the full-scope review, the bank's performance in AA is poor.

#### **Lending Activity**

Refer to Table 1 Lending Volume in the Chicago AA section of appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, lending activity in the Chicago AA was good. Home mortgage lending activity was excellent and small business lending activity was poor.

Based upon FDIC Deposit Market Share data as of June 30, 2014, Associated achieved a 0.57 percent market share of deposits, ranking 22<sup>nd</sup> among 191 financial institutions in the AA, ranking them in the top 11.52 percent of total depository banks. Based upon 2013 Peer Mortgage Data, Associated achieved a 0.78 percent market share of home purchase loans, ranking 22<sup>nd</sup> among 758 reporting lenders and is equivalent to being in the top 2.90 percent of lenders. The bank achieved a 2.31 percent market share of home improvement loans, ranking 10<sup>th</sup> among 102 reporting lenders and is equivalent to being in the top 9.80 percent of lenders. The bank also achieved a 0.39 percent market share of home refinance loans, ranking 32<sup>nd</sup> among 648 reporting lenders and is equivalent to being in the top 4.94 percent of lenders. The bank also achieved a 1.09 percent market share of multifamily loans, ranking 15<sup>th</sup> among 23 reporting lenders. Given the competition from the other reporting lenders in the AA was very strong, the bank's mortgage lending activity is excellent.

Associated achieved a 0.20 percent market share of small loans to businesses, ranking 41<sup>st</sup> among 230 reporting lenders, or the top 17.83 percent of lenders. The top five lenders for small business lending control a majority of the market; collectively they have 63.11 percent of the market share. Individual market shares of these institutions ranged from 7.25 percent to 21.66 percent.

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

Overall, the geographic distribution of the bank's lending was very poor in the Chicago AA. Home mortgage performance was very poor and small loans to businesses performance was poor. In performing our analysis, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. Within home mortgage lending, more emphasis was given to refinance loans based on amount of originations during the evaluation period.

#### ***Home Mortgage Loans***

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

Overall, the geographic distribution of home mortgage loans is very poor. In evaluating the geographic distribution of home loans in the Chicago AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market.

The overall geographic distribution of home purchase loans was very poor. The bank's geographic distribution of home purchase loans during 2012 through 2013 was very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home purchase loans. The bank's market share in moderate-income census tracts was significantly below its overall market share for home purchase loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and was poor. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013, and was very poor. For the 2011 performance, the bank's percentage of loans in moderate-income geographies was below the percentage of owner-occupied units in those

geographies. The bank's market share in the moderate-income census tracts was somewhat below its overall market share for home purchase loans.

The overall geographic distribution of home improvement loans was very poor. The bank's geographic distribution of home improvement loans during 2012 through 2013 was very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans made in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home improvement loans. The bank's market share in moderate-income census tracts was significantly below its overall market share for home improvement loans.

The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and overall was poor. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013, and was very poor. For the 2011 performance, the bank's percentage of loans in low-income geographies was below the percentage of owner-occupied units in those geographies, and the bank's percentage of loans in moderate-income geographies was well below the percentage of owner-occupied units in those geographies. The bank's market share in the low-income census tracts was significantly below its overall market share for home improvement loans, and the bank's market share in the moderate-income census tracts was well below its overall market share for home improvement loans.

The overall geographic distribution of home refinance loans is very poor. The bank's geographic distribution of home refinance loans during 2012 through 2013 was very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans made in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was well below its overall market share for home refinance loans. The bank's market share in moderate-income census tracts was significantly below its overall market share for home refinance loans.

The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and was considered adequate. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013, and was very poor. For the 2011 performance, the bank's percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in those geographies, and the bank's percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in those geographies. The bank's market share in the low-income census tracts exceeded its overall market share for home refinance loans, and the bank's market share in the moderate-income census tracts was below its overall market share for home refinance loans.

The overall geographic distribution of multifamily loans is excellent. The geographic distribution of multifamily loans during 2012 through 2013 was excellent. The percentage of loans in low-income geographies exceeded the percentage owner-occupied units in these geographies. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share during this period was excellent. The bank's market share in low-income census tracts and moderate-income census tracts exceeded the overall market share for multifamily loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013, and was excellent. The bank did not originate or purchase a sufficient number of loans in 2014 for a quantitative analysis.

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

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

The overall geographic distribution of small loans to business is poor. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was poor. The percentage of small loans made in low-income geographies was well below the percentage of businesses in these geographies. The percentage of small loans made in moderate-income geographies was well below the percentage of businesses in those geographies. The bank's market share in low-income geographies was well below its overall market share for small loans to businesses. The bank's market share in moderate-income geographies was well below its overall market share for small loans to businesses.

The bank's performance in 2011 and 2014 was stronger than the performance noted in 2012 through 2013, and was adequate. For the 2011 performance, the bank's percentage of loans in low-income geographies was well below the percentage of businesses in those geographies, and the bank's percentage of loans in moderate-income geographies was below the percentage of businesses in those geographies. The bank's market share in the low-income census tracts exceeded its overall market share for small loans to businesses, and the bank's market share in the moderate-income census tracts exceeded its overall market share for small loans to businesses. For the 2014 performance, the bank's percentage of loans in low-income geographies was below the percentage of businesses in those geographies, and the bank's percentage of loans in moderate-income geographies was somewhat below the percentage of businesses in those geographies.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed the bank's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps.

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

Overall, the borrower distribution of the bank's lending was poor in the Chicago AA. Both home mortgage performance and small loans to businesses performance was poor. As noted previously, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. Within home mortgage lending, more emphasis was given to refinance loans based on amount of originations during the evaluation period. Additionally, we considered the level of families below the poverty level in our analysis as well as the general affordability of housing to LMI borrowers. The high median housing prices compared to median family incomes somewhat impacts these borrower's ability to purchase homes. In addition, we attributed more emphasis to the bank's performance in 2012 through 2013, than its performance in 2011 and 2014.

### ***Home Mortgage Loans***

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

Overall, the borrower distribution of home mortgage loans was poor. In evaluating the borrower distribution of home loans in the Chicago AA, we noted that 12.28 percent of the families in the AA (2010 U.S. Census) were below the poverty level, which disproportionately impacts LMI populations. The poverty level increased from the 2000 U.S. Census figure (10.38 percent). In addition, we considered the average age of the housing stock in the AA, which, according to the 2010 U.S. Census, was 64 years for low-income census tracts and 59 years for moderate-income census tracts. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs negatively affect the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans was very poor. The bank's borrower distribution of home purchase loans during 2012 through 2013 was very poor. The percentage of loans to low-income borrowers was significantly below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was significantly below its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers was significantly below the overall market share of home purchase loans. The bank's performance in 2011 and in 2014 was consistent with the performance noted in 2012 through 2013.

The overall borrower distribution of home improvement loans was poor. The bank's borrower distribution of home improvement loans during 2012 through 2013 was poor. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was significantly below the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was significantly below the overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers was significantly below the overall market share of home improvement loans.

The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and was excellent. The bank's performance in 2014 was weaker than the performance noted in 2012 through 2013, and was very poor. For the 2011 performance, the bank's percentage of loans to low-income borrowers approximated the percentage of low-income families, and the bank's percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share for home improvement loans, and the bank's market share of loans to moderate-income borrowers exceeded its overall market share for home improvement loans. For the 2014 performance, the bank's percentage of loans to low-income borrowers was significantly below the percentage of low-income families, and the bank's percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families.

The overall borrower distribution of home refinance loans is poor. The bank's borrower distribution of home refinance loans during 2012 through 2013 was poor. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was significantly below the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers was significantly below the overall market share of refinance loans.

The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013, and was poor. For the 2014 performance, the bank's percentage of loans to low-income borrowers was significantly below the percentage of low-income families, and the bank's percentage of loans to moderate-income borrowers was significantly below the percentage of moderate-income families.

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

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

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses. The bank's market share of loans to small businesses was below the overall market share of loans to small businesses.

The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013, and was adequate. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013, and was poor. For the 2011 performance, the percentage of small loans to small businesses was well below the percentage of small businesses. This performance was enhanced by excellent market share. The bank's market share of loans to small businesses exceeded the overall market share of loans to small businesses.

### **Community Development Lending**

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

Overall, CD lending had a significantly positive impact on the Lending Test for the Chicago AA. Associated originated 19 CD loans totaling \$67.43 million in the AA during the evaluation period. This excellent dollar volume represented 23.03 percent of Tier One Capital allocated to the Chicago AA. These loans exhibited good responsiveness to identified CD needs in the area. Additionally, the bank demonstrated limited use of innovative and complex loans, in a leadership role, to address community needs. The bank's CD loans supported affordable housing initiatives for LMI individuals and activities that promoted economic development in the AA.

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

- Six loans totaling \$33.90 million, created affordable housing for LMI individuals. These loans were to refinance or acquire multifamily apartment buildings and complexes in low-income or moderate-income census tracts. These six loans created 1,007 affordable rental units that were primarily below fair market rents.
- A \$19.18 million bridge loan was originated for the acquisition and development of a large anchor grocery store in the Ravenswood Corridor Tax Incremental Financing (TIF) District on the north side of Chicago, a designated industrial corridor targeted for redevelopment.

- A \$2.3 million term loan to refinance a multi-tenant office building, 80 percent of the space is leased to two not for profit tenants who provide permanent solutions to homelessness, through prevention strategies, affordable housing and support services; and support programs for children and adults with developmental disabilities. The property is located in a moderate-income census tract.
- Three loans totaling \$71.70 thousand to the Community Investment Corporation (CIC). CIC is a not for profit lender for the acquisition, rehabilitation, and preservation of affordable rental housing in AA. Associated Bank is an investor in CIC's Multifamily Loan Program, by purchasing Limited Recourse Collateral Trust Notes that are issued by CIC and secured by mortgages on the properties. The majority of the properties are located in low-income and moderate-income census tracts.

### **Product Innovation and Flexibility**

The bank's innovative and flexible products had a neutral impact on Lending Test performance in the Chicago MMSA. Associated Bank partnered with the United States Department of Agriculture (USDA) Rural Development and the Guaranteed Rural Housing (GRH) Program to provide home purchase loans to moderate-income borrowers. The GRH Program enables lenders to offer 100 percent financing, no maximum purchase price, 30-year loan terms, and competitive fixed interest rates. The credit guidelines under the program are flexible, increasing accessibility to moderate-income borrowers. In the limited scope Lake-Kenosha AA, the program facilitated the purchase of six homes, totaling \$710,000.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Elgin AA was consistent with and in the Lake-Kenosha AA stronger than the bank's "Needs to Improve" performance in the Chicago AA. The bank's performance in the Elgin AA, under the Lending Test was "Needs to Improve", and in the Lake-Kenosha AA, "Low Satisfactory". The level of lending activity was adequate in the Elgin AA, and excellent in the Lake-Kenosha AA, and as noted previously, the In/Out ratio was excellent. The geographic distribution in both AAs was very poor. The borrower distribution in the Elgin AA was adequate and borrower distribution in the Lake-Kenosha AA was good. CD lending had a neutral impact on the overall ratings in the limited scope AAs.

Refer to the Tables 1 through 12 in the Chicago MMSA section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Chicago AA is good.

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

During the evaluation period, the bank originated 90 investments, grants, and donations, totaling \$34.76 million. In addition, five prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$1.19 million. The total investments of \$35.91 million in the AA represent 12.27 percent of allocated capital, reflecting excellent performance.

The bank's responsiveness to the CD needs in the AA is good. The bank's investments, donations and grants were responsive to identified affordable housing and economic development needs in the AA. The following are examples of these investments:

- Associated invested \$16.42 million in government sponsored, mortgage-backed securities where the underlying mortgages were originated to LMI borrowers, and \$16.64 million in Tax Credits and Ownership Investments for Tax Credits and Ownership Investments for affordable housing for LMI individuals.
- Associated invested \$479.36 thousand in six Small Business Investment Company (SBIC) Investments, which promote economic development, and have assisted 51 businesses.
- The bank's five prior period investments, with a current book value of \$1.19 million, were primarily government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers, with the exception of one investment to an SBIC for \$28 thousand.
- Associated invested \$687.69 thousand in 76 grants and donations to organizations that supported affordable housing initiatives, economic development, and revitalization/stabilization and community services targeted towards LMI individuals and geographies over the evaluation period. The investments also included funding for programs that focus on financial counseling and financial literacy support.

The bank's responsiveness to the CD needs of its AA was good. While its investments were not innovative, the bank showed ongoing responsiveness to its AA needs. Current period investments support affordable housing (through a LIHTC and MBSs comprised of loans made to LMI borrowers) and support economic development (through SBICs and investments in minority owned banks). The bank's grants and donations primarily served purposes of CD services targeted to LMI individual, affordable housing and economic development, and revitalization and stabilization efforts.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Elgin AA was consistent with the "High Satisfactory" performance under the Investment Test in the Chicago AA. The bank's performance under the Investment Test in the Lake-Kenosha AA was weaker than the bank's Investment Test performance in the Chicago AA. The Investment Test for the Lake-Kenosha AA was considered "Low Satisfactory" due to a lower level of investments.

Refer to the Table 14 in the Chicago AA section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the Service Test in the Chicago AA is rated "Needs to Improve." Based on the full-scope review, the bank's performance in the Chicago AA is poor.

#### **Retail Banking Services**

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

Branch distribution in the Chicago AA at the end of the evaluation period was poor. There were no branches in low- and moderate-income geographies. However, there was one branch, located within one half of a mile of a moderate-income census tract, which improved branch distribution accessibility to limited portions of geographies and individuals of different income levels in the assessment area. As a result, branches were accessible to limited portions of geographies and individuals of different income levels in the assessment area.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. During the evaluation period, there were two branch openings within upper-income census tracts, as reflected in Table 15. Additionally, there were three branch closings in the Chicago AA, within two upper-income census tracts and one middle-income census tract. These branches were closed due to business decisions based on lower activity at the closed branches in comparison to activity at other close proximity branches, and expensive leases at those locations.

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

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

#### **Community Development Services**

The bank's performance in providing CD services in the Chicago AA was adequate. CD services focused on community services and affordable housing services targeted to LMI individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing. Associated Bank's employees also provided technical assistance on financial and banking related matters to community groups and to LMI individuals and families.

In the Chicago AA, 38 employees provided their expertise to 27 different CD organizations for a total of 495 hours throughout the evaluation period. This represents an adequate level of activities and

responsiveness to the needs of the community. Within these organizations, Associated held 20 financial literacy workshops and 5 homebuyer workshops throughout the evaluation period. Additionally, 18 Associated employees demonstrated leadership and served on the Boards of Directors or on committees.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the limited scope AAs was stronger than the performance in the Chicago AA, and was considered adequate. Performance differences in the limited scope AAs were based on stronger branch distribution, and were not significant enough to impact the bank's overall rating.

Refer to Table 15 in the Chicago AA section of appendix D for the facts and data that support these conclusions.

## **Minneapolis-St. Paul-Bloomington MN-WI MMSA**

**CRA rating for the Minneapolis-St. Paul-Bloomington MN-WI MMSA<sup>2</sup>: Satisfactory**

**The Lending Test is rated: Low Satisfactory**

**The Investment Test is rated: Outstanding**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and small loans to businesses;
- A poor geographic distribution of loans, as evidenced by adequate home purchase distribution, poor home improvement and home refinance distribution, and excellent small loans to businesses distribution;
- A good distribution of loans by income level of borrower, as evidenced by adequate home purchase distribution, good home improvement distribution, good home refinance distribution, and poor distribution of small loans to businesses;
- A neutral impact of CD lending activity;
- An excellent level of qualified investments and donations that addressed the need for affordable housing targeted to LMI families and small business lending;
- A branch distribution that is readily accessible to LMI geographies and individuals; and
- An adequate level of CD services that was responsive to community needs.

## **Description of Institution's Operations in Minneapolis-St. Paul-Bloomington MN-WI MMSA**

The Minneapolis-St. Paul-Bloomington MN-WI MMSA (Minneapolis MMSA) is a multistate AA. The AA includes Anoka, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties in Minnesota and Pierce and St Croix counties in Wisconsin. Associated offers a full range of banking services in the AA through its 24 branches and 26 deposit-taking ATMs. These branches account for 10.62 percent of the bank's total branch network. The bank closed four branches during the evaluation period, none of which were located in LMI geographies. Banking in the AA is competitive with 132 deposit-taking institutions. Based on June 30, 2014 FDIC Deposit Market Share data, Associated ranks sixth, with a deposit market share of 0.70 percent. The top five depository institutions are Wells Fargo, U.S. Bank, TCF Bank, BMO Harris, and Bremer Bank. These five institutions account for 90.84 percent of total deposits in the AA. Associated's \$1.44 billion in deposits in this AA account for 9.03 percent of the bank's total deposits.

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<sup>2</sup> This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

Refer to the market profile for the Minneapolis MSA in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Minneapolis-St. Paul-Bloomington MN-WI MMSA**

Associated has one AA in the Minneapolis MMSA; we performed a full-scope review on this AA.

We did not analyze the geographic or income distribution of multifamily home mortgage loans or small loans to farms in the Minneapolis MMSA, as the bank did not make a sufficient amount of these loans to analyze.

## **LENDING TEST**

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

The bank's performance under the Lending Test in the Minneapolis MMSA AA is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the AA is adequate.

### **Lending Activity**

Refer to Table 1, Lending Volume, in the Minneapolis MMSA section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the Minneapolis MMSA is adequate. In the AA, the bank had a deposit market share of 0.88 percent as of June 30, 2013, and ranked sixth among 132 depository institutions. Competition for home purchase lending was strong, with 541 lenders in the AA. Associated ranked 15th in home purchase lending, with a 1.04 percent market share. For home improvement lending, the bank ranked ninth, out of 209 lenders in the AA, with a 1.99 percent market share. Home refinance lending is also highly competitive with 541 total lenders in the AA. Associated ranked 13th in home refinance lending with 1.01 percent market share.

For small business lending, Associated is ranked 13th out of 122 lenders in the AA. The bank has a market share of 0.47 percent. The top five small business lenders, primarily national credit card banks, control a majority of the market with a combined market share of 90.17 percent.

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

Overall, the bank's geographic distribution of loans in the Minneapolis MMSA AA is poor. In performing our analysis, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. More emphasis was given to the bank's performance in 2012 through 2014 than its performance in 2011.

### ***Home Mortgage Loans***

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

Overall, the geographic distribution of home mortgage loans is poor. In evaluating the geographic distribution of home loans in the Minneapolis MMSA AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market. Within home mortgage lending, more emphasis was given to refinance loans based on the amount of originations during the evaluation period.

The overall geographic distribution of home purchase loans is adequate. In 2012 through 2014, the geographic distribution of home purchase loans was adequate. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was also below the percentage of owner-occupied units in these geographies. The bank's market share during the period was poor. The bank's market share in low-income geographies was below the bank's overall market share. The bank's market share in moderate-income geographies was well below the bank's overall market share. However, overall distribution was considered adequate given the strong competition and the high percentage of rental units in LMI geographies. Performance in 2011 was consistent with the performance in 2012 through 2014.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution of home improvement loans in 2012 through 2014 was poor. The percentage of loans in both low- and moderate-income geographies was well below the percentage of owner-occupied units in these geographies. The bank's market share during this period was adequate. The bank's market share in low-income geographies was near to the overall market share. The bank's market share in moderate-income geographies was significantly below the overall market share. The bank's performance in 2011 was consistent with the performance in 2012 through 2014.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share during this period was adequate. The bank's market share in low-income geographies was well below the overall market share in these geographies. The bank's market share in moderate-income geographies was below the overall market share in these geographies. The bank's geographic distribution of home refinance loans during 2011 was consistent with the performance in 2012 through 2014.

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

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

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was excellent. The portion of loans in low-income geographies exceeded the percentage of businesses in those geographies. The portion of loans in moderate-income geographies also exceeded the percentage of small businesses in these geographies. The bank's market share in both low- and moderate-income geographies exceeded their overall market share. The bank's performance in 2011 was consistent with performance noted in 2012 through 2014.

### ***Lending Gap Analysis***

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

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

The overall distribution of lending by income level of borrower is good. As noted previously, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. Additionally, we considered the impact that higher poverty and unemployment rates would have on lending performance in the AA as part of our conclusions. More emphasis was given to the bank's performance in 2012 through 2014 than its performance in 2011.

### ***Home Mortgage Loans***

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

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans, we note that according to 2010 U.S. Census data, 9.27 percent of families in the AA are below the poverty level, which disproportionately impacts LMI populations. Per the 2000 U.S. Census, 6.44 percent of families in the AA were below the poverty level. Within home mortgage lending, more emphasis was given to refinance loans based on the amount of originations during the evaluation period.

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of home purchase loans to low-income borrowers was below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share during the period was poor. The bank's market share to both low- and moderate-income borrowers was well below the overall market share and contributed to the 2012 through 2014 adequate conclusion. The bank's distribution of home purchase loans during 2011 was stronger than the performance in 2012 through 2014, and was considered good. While the percentage of home purchase loans to low-income borrowers was below the percentage of low-income families in the AA, the percentage of loans to moderate-income borrowers was near to the percentage of moderate-income families in the AA. The bank's market share during the period was poor. The bank's market share to low-income borrowers was significantly below the overall market share and the market share to moderate-income borrowers was well below the overall market share.

The overall borrower distribution of home improvement loans is good. The bank's distribution of home improvement loans for 2012 through 2014 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income families exceeded the percentage of such families. The bank's market share during the period was good. The bank's market share of loans to low-income borrowers was below the overall market share. The bank's market share of loans to moderate-income borrowers was near to the overall market share. The bank's performance in 2011 was consistent with the performance during 2012 through 2014.

The overall borrower distribution of home refinance loans is good. The bank's distribution of home refinance loans for 2012 and 2014 was good. The percentage of refinance loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income families exceeded the percentage of such families. The bank's market share was excellent. The bank's market share to low-income borrowers exceeded the overall market share. The bank's market share to moderate-income borrowers was near to the overall market share. The bank's performance in 2011 was stronger than the performance noted during 2012 through 2014, and was considered excellent. The percentage of refinance loans to low-income borrowers was near to the percentage of low-income families and the percentage of loans to moderate-income families exceeded the percentage of such families. The bank's market share was excellent.

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

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

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses in 2012 and 2014 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1.00 million or less) was well below the percentage of small businesses. The bank's market share of loans to small businesses was also well below the overall market share. The bank's performance in 2011 was consistent with the performance during 2012 through 2014.

### **Community Development Lending**

The bank did not originate any CD loans in the AA during the evaluation period. The absence of CD lending had a neutral impact on our Lending Test assessment.

### **Product Innovation and Flexibility**

Associated Bank partnered with the United States Department of Agriculture (USDA) Rural Development and the Guaranteed Rural Housing (GRH) Program to provide home purchase loans to moderate-income borrowers in the Minneapolis MMSA. The GRH Program enables lenders to offer 100 percent financing, no maximum purchase price, 30-year loan terms, and competitive fixed interest rates. The credit guidelines under the program are flexible, increasing accessibility to moderate-income borrowers. In the AA, the program facilitated the purchase of 25 homes, totaling \$3.37 million.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test in Minneapolis MMSA is rated "Outstanding." Based on a full-scope review, the bank's performance in the Providence MMSA AA is excellent.

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

During the evaluation period, the bank originated 73 investments, grants, and donations, totaling \$18.65 million. In addition, six prior period investments remained outstanding at the end of the evaluation period, with a total book value of \$885 thousand. The total investments of \$19.52 million in the AA represent 10.17 percent of allocated capital, reflecting excellent performance.

The bank's responsiveness to the CD needs in the AA is good. Community contacts identified affordable housing and small business lending as significant credit needs in the AA; 58.26 percent of qualified investments, donations, and grants went towards affordable housing and 17.69 percent were directed towards small business lending. This included \$11.35 million invested in mortgage-backed securities, where the underlying mortgages were made to LMI borrowers in the AA. The bank also invested \$3.43 million in small business investment companies in the AA.

## **SERVICE TEST**

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

The bank's performance under the Service Test in the Minneapolis MMSA is rated "High Satisfactory." Based on full-scope review, the bank's performance in the Minneapolis MMSA is good.

### **Retail Banking Services**

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

The bank's branch distribution in the AA is excellent. Branches were readily accessible to geographies and individuals of different income levels. The percentage of branches in low-income geographies exceeded the percentage of population living in these geographies. The percentage of branches in moderate-income geographies was somewhat below the percentage of population living in these geographies. However, consideration was given to those branches located within one half mile of low- and moderate-income CT's. With the consideration of these branches, the percentage of branches in or near to moderate-income CT's exceeds the percentage of the population living in these geographies.

Branch openings and closings has not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. The bank opened three branches and closed four branches in the AA during the review period. All branches opened and closed branches were located in middle- and upper-income CT's.

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

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

## **Community Development Services**

The bank's performance in providing CD services in the Minneapolis MMSA AA is adequate. In the AA, 33 bank employees provided CD services to 35 different organizations, totaling 455 hours. Fourteen employees served as board members or committee representatives. The majority of the activities focused on affordable housing and community services. Services in this area included teaching financial literacy classes, providing employment services, homeownership counseling, and economic development grant counseling.

## State Rating

### State of Illinois

<b>CRA Rating for Illinois:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Outstanding</b>
<b>The Service Test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- An adequate level of lending for home mortgage loans and for small loans to businesses;
- Overall adequate geographic distribution. Adequate home mortgage loan performance and excellent small loans to businesses performance;
- An overall good borrower income distribution, as evidenced by good home mortgage and adequate small loans to businesses performance;
- An excellent level of qualified investments that were adequately responsive to community needs, as evidenced by excellent performance in the Rockford AA and adequate performance in the St. Louis AA, supplemented by investments made in the greater statewide area;
- A branch distribution that was accessible to essentially all portions of the bank's AAs; and
- A good level of CD services that were adequately responsive to community needs.

### Description of Institution's Operations in Illinois

Associated has three AAs within the state of Illinois rating area. These AAs include the Rockford MSA AA (Rockford AA), comprised of Winnebago County; the St. Louis MO-IL MSA AA (St. Louis AA), comprised of Madison, Monroe, and St. Clair Counties; and the Peoria MSA AA (Peoria AA), comprised of Peoria and Tazewell Counties. At the time of the prior CRA evaluation, the Illinois rating area also included bank branches in Pekin and Quincy Illinois, which were in non-MSA counties. However, all branches in these counties were sold to another financial institution in May 2012. Since the non-MSA AA was eliminated and was not part of the bank for a majority of the evaluation period, no analysis was performed on this area.

Associated provides a full range of loan and deposit products to all of these AAs. It has 20 branches within the state, representing 9 percent of the bank's total branch network. There were no branch openings and nine branch closings in the state during the evaluation period. Associated has 15 deposit-taking ATMs within Illinois, representing 7 percent of the bank's total ATM network. As of June 30, 2014, the bank ranked 14th in the state in deposits, with a 1.25 percent market share. Associated's statewide deposits totaled \$1.2 billion. The St. Louis AA had the largest percent of deposits in the Illinois rating area as of June 30, 2014, accounting for 44.25 percent of total bank deposits in Illinois, followed by the Rockford AA with 38.46 percent of state deposits. Refer to the tables in appendix A for more information on the Illinois AAs.

Rockford AA

The banking industry is competitive in the AA and includes branches of national and regional banks, local community banks, credit unions and other nonbank financial institutions. As of June 30, 2014, Associated ranked fourth in AA deposits, representing a 9.80 percent market share. The five largest competitors in the AA are Alpine Bank, JP Morgan Chase Bank, N.A., BMO Harris Bank, N.A., Riverside Community Bank, and PNC Bank, N.A.

St. Louis AA

The banking industry is competitive in the AA and includes branches of national and regional banks, local community banks, credit unions and other nonbank financial institutions. As of June 30, 2014, Associated ranked sixth in AA deposits, representing a 5.71 percent market share. The five largest competitors in the AA are the Bank of Edwardsville, Regions Bank, U.S. Bank, N.A., First Collinsville Bank, and First Clover Leaf Bank, F.S.B.

**Scope of Evaluation in Illinois**

For the state of Illinois, we completed full-scope reviews of the Rockford AA and the St. Louis AA. The Peoria AA received a limited-scope review. The St. Louis AA and Rockford AA received full-scope reviews due to the high percentage of deposits in these areas (44.25 percent and 38.46 percent respectively as of June 30, 2014). Branch distribution within the state shows St. Louis with 40 percent of the total branches, Rockford with 30 percent, and Peoria with 30 percent. Ratings are based primarily on results of the full-scope areas. The Rockford AA received the most emphasis on the Lending Test rating because this AA had the largest percent of the bank's lending activity in the full scope areas as well a majority of the bank's deposits in Illinois for a majority of the evaluation period. The volumes of multifamily and small farm loans were not significant enough to provide a quantitative analysis. Refer to Appendix C for detailed demographics and other performance context information related to the Rockford AA and the St. Louis AA.

**LENDING TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in Illinois is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Rockford AA is good and performance in the St. Louis AA is adequate.

**Lending Activity**

Refer to Table 1 Lending Volume in the state of Illinois section of appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity in the state of Illinois is adequate, considering the strong competition for all types of loans in the bank's AAs.

Rockford AA

Associated's lending activity in the Rockford AA is adequate. Home mortgage lending activity and small business lending activity is adequate, considering the competition in the AA.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Associated achieved a 24.93 percent market share of deposits, ranking first among 23 financial institutions in the AA, ranking them in the top 4.3 percent of total depository banks. Based upon 2013 Peer Mortgage Data, Associated achieved a 2.75 percent market share of home purchase loans, ranking seventh among 140 reporting lenders and is equivalent to being in the top five percent of lenders. The bank achieved a 4.79 percent market share of home improvement loans, ranking fourth among 42 reporting lenders and is equivalent to being in the top 9.50 percent of lenders. The bank also achieved a 3.35 percent market share of home refinance loans, ranking tenth among 183 reporting lenders and is equivalent to being in the top 5.5 percent of lenders. Given the competition from the other reporting lenders in the AA mortgage lending activity is good, even though the lending market share for a substantial portion of these products was below the deposit market share. Associated achieved a 1.28 percent market share of small loans to businesses, ranking 14<sup>th</sup> among 53 reporting lenders, or the top 26.40 percent of lenders. The small business lending activity is excellent given the bank's market share and ranking when compared to small business lending competition within the AA. The top five lenders for small business lending consist of the nation's largest credit card lenders and they collectively have 61.47 percent of the market share.

St. Louis AA

Associated's lending activity in the St. Louis AA is adequate. Home mortgage lending activity and small business lending activity is adequate considering competition in the AA.

Based on FDIC Deposit Market Share data as of June 30, 2013, Associated ranked fourth among 45 institutions and achieved a 6.39 percent market share in the AA. Based on 2013 Peer Mortgage Data, Associated had market share of .45 percent and ranked 46<sup>th</sup> among 230 reporting lenders for home purchase lending, equivalent to being in the top 20.0 percent of lenders. For home improvement lending, market share was 1.69 percent and the bank ranked 12<sup>th</sup> among 93 reporting lenders, or the top 12.9 percent of lenders. Associated's market share for home refinance lending was 1.17 percent and the bank ranked eighteenth out of 296 lenders, or the top 6.10 percent of lenders. Given the competition from the number of reporting lenders in the AA and the bank's lender ranking for each product, mortgage lending activity is good. Associated's market share for small business lending was .31 percent. The bank ranked 28<sup>th</sup> among 65 lenders, equivalent to the top 43.10 percent of lenders. Four of the top five lenders for small business lending consist of the nation's largest banks and credit card lenders and, in total, achieved 47.19 percent of the market share. Accounting for the type of competition in the AA, small business lending activity is adequate.

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

Overall, the geographic distribution of the bank's lending is good. Adequate home mortgage performance and excellent small loans to businesses performance. In performing our analysis, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. We also placed greater emphasis on the bank's performance in 2012 through 2014 than its performance in 2011.

### *Home Mortgage Loans*

Overall, the geographic distribution of home mortgage loans is adequate.

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

#### Rockford AA

Overall, the geographic distribution of home mortgage loans is adequate. In evaluating the geographic distribution of home loans in the Rockford AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans from 2012 through 2014 was adequate. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was well below its overall market share for home purchase loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home purchase loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014. The bank's market share in low-income geographies exceeded its overall market share for home purchase loans and its market share in moderate-income geographies was near to its overall product market share.

The overall geographic distribution of home improvement loans is good. The bank's geographic distribution of home improvement loans from 2012 through 2014 was good. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home improvement loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home improvement loans.

The bank's performance in 2011 was weaker than the performance noted in 2012 through 2014, and overall was adequate. For the 2011 performance, the bank's percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in those geographies. The percentage of lending in moderate-income census tracts was below the percentage of owner-occupied units. The bank's market share in the low-income census tracts was significantly below its overall market share for home improvement loans, and its market share in moderate-income census tracts was near to its overall market share.

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans from 2012 through 2014 was adequate. The percentage of loans in low-income geographies was below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income census tracts was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home refinance loans. The bank's market share in moderate-income census tracts also exceeded its overall market share for home refinance loans. The bank's performance in 2011 was

weaker than the performance noted in 2012 through 2014. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied housing units and the percentage of lending in moderate-income geographies was well below the percentage of owner-occupied housing units. In addition, the bank's market share in low-income census tracts was below its overall market share for home refinances.

### St. Louis AA

Overall, the geographic distribution of home mortgage loans is poor. In evaluating the geographic distribution of home loans in the St. Louis AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans from 2012 through 2014 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below the overall market share for home purchase loans. The bank's market share in moderate-income census tracts exceeded its overall market share for home purchase loans. With an overall market share of less than one percent, the bank's market share analysis carried minimal emphasis in the geographic analysis. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2014 and was considered very poor. This was based on very poor performance in both low- and moderate-income geographies. The bank's market share in low-income geographies was significantly below its overall market share for home purchase loans and was below the bank's overall home purchase market share in moderate-income geographies. With an overall market share of less than one percent, the bank's market share analysis carried minimal emphasis in the geographic analysis.

The overall geographic distribution of home improvement loans is adequate. The bank's geographic distribution of home improvement loans during 2012 through 2014 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was near to the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home improvement loans. The bank's market share in moderate-income census tracts was well below its overall market share for home improvement loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2014. The percentage of lending in both low- and moderate-income census tracts was significantly lower than the percentage of owner-occupied housing units in the AA.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was well below the percentage of owner-occupied units in these geographies. The bank's market share in both low-income census tracts was below its overall market share for home refinance loans and the market share in moderate-income census tracts exceeded its overall market share. The bank's performance in 2011 was consistent with the overall poor performance noted in 2012 through 2014.

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

Overall, the geographic distribution of small loans to businesses is excellent.

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

#### **Rockford AA**

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was excellent. The percentage of small business loans made in low-income geographies exceeded the percentage of businesses in those geographies. The percentage of small business loans made in moderate-income geographies also exceeded the percentage of businesses in those geographies. The bank's market share in both low- and moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was consistent with its excellent performance in 2012 through 2014.

#### **St. Louis AA**

The overall geographic distribution of small loans to businesses is good. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was excellent. The percentage of loans made in low-income geographies exceeded the percentage of businesses in those geographies. The percentage of loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in both low- and moderate-income census tracts exceeded its overall market share for small loans to businesses, however with an overall market share of less than one percent, the bank's market share analysis carried minimal emphasis in the geographic analysis. The bank's performance in 2011 was weaker than the performance in 2012 through 2014. The bank's lending to small businesses within moderate-income census tracts was significantly below the percentage of businesses.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed Associated's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any conspicuous gaps.

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

The overall distribution of lending by income level of borrower is good, with good home mortgage performance and adequate small loans to businesses performance. As noted previously, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's CRA reportable lending activity. Additionally, we considered the impact that higher poverty and unemployment rates would have on lending performance in the AA as part of our conclusions. More emphasis was given to the bank's performance in 2012 through 2014 than its performance in 2011.

### *Home Mortgage Loans*

The overall borrower distribution of home mortgage loans is good.

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

#### Rockford AA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the Rockford AA, we noted that according to 2010 U.S. Census data, 11.53 percent of families in the AA are below the poverty level, which disproportionately impacts LMI populations. The poverty level increased from the 2000 U.S. Census figure (9.28 percent). In addition, we considered the average age of the housing stock in the AA, which, according to the 2010 U.S. Census, was 65 years for low-income census tracts and 53 years for moderate-income census tracts. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring the dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. In addition, unemployment in the AA remains higher than the national average, 6.90 percent versus 6.20 percent, respectively at December 2014. These additional factors and costs negatively affect the ability of LMI individuals to qualify for mortgage loans

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2014 was good. The percentage of home purchase loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers approximated its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home purchase loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2014.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was near to the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was below its overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home improvement loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2014.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers approximated the overall market share of refinance loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2014, and was considered excellent.

### St. Louis AA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the St. Louis AA, we considered the impact of families below poverty in our analysis, recognizing that people living below poverty have a difficult time qualifying for traditional mortgages. Further, we considered that the average age of the housing stock, according to the 2010 U.S. Census, which was 53 years for low-income census tracts and 57 years for moderate-income census tracts. Older housing often costs more to maintain, frequently requires significant repairs to bring the dwellings up to code requirements and often are less energy efficient, resulting in higher heating and cooling costs. All of these factors add to the overall cost of homeownership, which negatively affects the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was below the percentage of low-income families in the AA. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low- and moderate-income borrowers was below the overall market share of home purchase loans. The bank's performance in 2011 was weaker than the overall performance noted in 2012 through 2014. The bank's percentage of lending to low-income borrowers was below the percentage of low-income families in the AA. Lending to moderate-income borrowers was near to the percentage of moderate-income families in the AA.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was near to the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was significantly below the overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of home improvement loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014. The bank's lending to both low- and moderate-income borrowers exceeded the percentage of low- and moderate-income families.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to both low- and moderate-income borrowers exceeded its overall market share of home refinance loans. The bank's performance in 2011 was consistent with the overall performance noted in 2012 through 2014.

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

The overall borrower distribution of small loans to businesses is adequate.

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

Rockford AA

The overall borrower distribution of small loans to businesses is adequate. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was adequate. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. This performance was enhanced by excellent market share. The bank's market share of loans to small businesses exceeded its overall market share of loans to small businesses. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was considered good. The bank's borrower distribution of small loans to businesses in 2011 was near to the percentage of small businesses.

St. Louis AA

The overall borrower distribution of small loans to businesses is adequate. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was adequate. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was below the percentage of small businesses. Although bank market share performance in lending originating small loans to small businesses was near to its overall business lending market share, the bank's total market share was less than percent and the bank's market share analysis carried minimal emphasis in the geographic analysis. The bank's performance in 2011 was stronger than the overall performance in 2012 through 2014. The bank's percentage of small business loans to small businesses was near to the percentage of small businesses.

**Community Development Lending**

The bank did not originate any CD loans in the AA during the evaluation period. The absence of CD lending had a neutral impact on our Lending Test assessment.

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

Based on a limited-scope review, the bank's performance under the Lending Test in the Illinois Peoria AA is consistent with the bank's overall "Low Satisfactory" performance under the Lending Test in Illinois regarding geographic and borrower distribution. Refer to the Tables 1 through 12 in the state of Illinois section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance in the state of Illinois under the Investments Test is rated "Outstanding." Based on full-scope reviews, the bank's performance in the Rockford AA is excellent and performance in the St. Louis AA is adequate. The Investment Test rating for the state is outstanding when the bank's performance in all assessment areas is considered as well as an investment made in the greater statewide area that has a purpose, mandate or function (P/M/F) to serve one or more AAs.

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

Rockford AA

During the evaluation period, Associated made an excellent level of investments within this AA, including 45 investments in the Rockford AA totaling \$5.30 million. In addition to current period investments, we considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on five prior period investments as of the date of our examination was \$584 thousand. When considering both current and prior period investments, the total of \$5.89 million represents 9.63 percent of allocated Tier One Capital for the AA.

The bank's responsiveness to the CD needs in the AA is adequate. In terms of total dollar volume, 94.50 percent of the bank's investments and grants included government sponsored mortgage-backed securities, all of which were responsive to identified affordable housing needs in the AA. Other investments or grants supported community services and economic development. The following are examples of these investments:

- Associated invested in \$5.20 million in government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers.
- Associated's prior period investments, with a current book value of \$584 thousand, included one investment in an SBIC and four investments in government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers.
- Associated invested \$70 thousand in 26 grants and donations to organizations that supported affordable housing initiatives and community services targeted towards LMI individuals and geographies over the evaluation period.

St. Louis AA

During the evaluation period, Associated demonstrated an adequate level of investments in the St. Louis AA. Thirteen investments were made totaling \$2.77 million. In addition to considering current period investments, we considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on four prior period investments as of the date of our examination was \$281 thousand. When considering both current and prior period investments, the total of \$3.05 million represents approximately 4.35 percent of allocated Tier One Capital for the AA.

The bank has adequate responsiveness to the CD needs in the AA. In terms of dollar volume, 98.72 percent of the bank's investments and grants included government sponsored mortgage-backed securities, which showed adequate responsiveness to identified affordable housing needs in the AA. Following is an example of these investments:

- Associated invested in \$2.7 million in government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers.
- Associated's prior period investments, with a current book value of \$281 thousand, were government sponsored mortgage-backed securities where the underlying mortgages were originated to LMI borrowers as well.

- Associated invested \$49 thousand in eight grants and donations to organizations that supported affordable housing initiatives, economic development, and revitalization/stabilization and community services targeted towards LMI individuals and geographies over the evaluation period. The investments also included funding for programs that focus on financial counseling and financial literacy support were some of the main identified CD needs in the St. Louis AA.

## **Investments – IL Statewide**

In addition to the qualified investments that benefit the bank's AAs, Associated made one qualifying CD investment that had a positive impact on the overall investment performance in the state. In addition to qualified investments in the full- and limited-scope AAs, the bank originated one investment totaling \$1.36 million in the broader statewide area that had a purpose, mandate or function to serve one or more of the bank's AAs in the state. When considering this investment, along with all other investments in the state of Illinois, the total dollar amount represented 6.95 percent of Tier 1 Capital allocated to the state. Also, the bank had five prior period investments totaling \$128 thousand in the broader statewide area that did not have a purpose, mandate or function to serve one or more of the bank's AA in the state. A majority (94.57 percent) of the investments in the greater statewide area address economic development needs.

## **Conclusions for Area Receiving a Limited-Scope Review**

Based on a limited-scope review the bank's performance under the Investment Test in the Peoria AA is weaker than the bank's overall "Outstanding" performance under the investment test in Illinois due to a lower level of investments. The performance in the Peoria AA was not significant enough to affect the overall conclusions in the state. Refer to the Table 14 in the state of Illinois section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

The bank's performance under the Service Test in Illinois is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Rockford AA and St. Louis AA is good.

### **Retail Banking Services**

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

#### Rockford MSA

Associated's branch distribution in the AA is good. The bank's branch distribution in 2011 through 2014 was good. Branches were accessible to essentially all portions of geographies and individuals of different income levels in the assessment area. Although there were no branches located in low-income geographies, the population percentage in those areas was less than ten percent of the total AA population. There were two branches located in moderate-income census tracts, which exceeded the percentage of the population in moderate-income census tracts.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. There were no branch openings during the review period. There were two branch closings in 2012; one within a middle-income census tract, and one in an upper-income census tract. These branches were closed due to business decisions based on lower activity at the closed branches in comparison to activity at other close proximity branches.

Branch hours and services did not vary in a way that inconvenienced portions of the AA, particularly LMI individuals. Services offered and banking hours were comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### St. Louis AA

Associated's branch distribution in the AA is good. The bank's branch distribution in 2011 through 2014 was good. Branches were accessible to essentially all portions of geographies and individuals of different income levels in the assessment area. There was one branch located in a low-income census tract, which exceeded the population percentage. There was one branch located in a moderate-income census tract, which was below the percentage of the population in moderate-income census tracts.

Branch openings and closings have not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. There were no branch openings during the review period. There was one branch closing in 2014 within a middle-income census tract. These branches were closed due to business decisions based on lower activity at the closed branches in comparison to activity at other close proximity branches.

Branch hours and services did not vary in a way that inconvenienced portions of the AA, particularly LMI individuals. Services offered and banking hours were comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### **Community Development Services**

Associated's performance in providing CD services was adequate. In the Rockford AA as well as the St. Louis AA performance was adequate. CD services focused on community services and affordable housing services targeted to LMI individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing. Associated employees also provided technical assistance on financial and banking related matters to community groups and to LMI persons and families.

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

Based on a limited-scope review, the bank's performance under the Service Test in the Peoria AA was stronger than the bank's overall performance in the state. In the Peoria AA, the bank had a larger presence in relation to the percentage of moderate-income geographies than it did in either of the full scope AAs. In addition, the number of hours spent performing community services in the Peoria AA greater exceeded those in the full scope AAs. Refer to Table 15 in the state of Illinois section of appendix D for the facts and data that support these conclusions.

## State of Minnesota

<b>CRA Rating for Minnesota<sup>3</sup>:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>Needs to Improve</b>

The major factors that support this rating include:

- A good level of lending for home mortgage loans and a good level of lending for small loans to businesses;
- Overall adequate geographic distribution, based upon adequate home mortgage loan performance and excellent small loans to businesses performance;
- Overall good borrower income distribution, based upon excellent home mortgage loan performance and poor small business performance;
- An adequate level of qualified investments that were adequately responsive to community needs, supplemented by the volume of investments made in the greater statewide area with purpose, mandate or function in the state of Illinois;
- A branch distribution that was accessible to limited portions of the bank's full scope AA.

## Description of Institution's Operations in Minnesota

Associated has two AAs within the State of Minnesota. These AAs include the Rochester MSA, comprised of Fillmore and Olmsted Counties, and the MN non-MSA, comprised of Goodhue County.

Associated provides a full range of loan and deposit products to all AAs. Associated has five branches within the state, representing 2.22 percent of the bank's total branch network. There were no branch openings and one branch closing in the state during the evaluation period. Associated has one deposit-taking ATM within the AA, representing less than one percent of the bank's total ATM network. As of June 30, 2014, the bank ranked 39th in the state in deposits, representing a 0.48 percent market share. Associated's statewide deposits totaled \$215.80 million. The Rochester AA is the bank's most significant AA in the state, accounting for 53.12 percent of Minnesota bank deposits.

Refer to the market profiles for the state of Minnesota in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

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<sup>3</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

## Scope of Evaluation in Minnesota

For the state of Minnesota, we completed a full-scope review of the Rochester MSA. The MN non-MSA received a limited-scope review. The Rochester MSA received a full-scope review due to the high percentage of deposits in the area (53.12 percent). This AA also had the largest volume of total reportable loans in the state at 51.32 percent. Branch distribution within the state shows Rochester with 80.00 percent and MN non-MSA with 20.00 percent. Ratings are based primarily on results of the full-scope areas. The volume of multifamily loans was not significant enough to provide a quantitative analysis. The volume of farm loans was not significant enough to provide a quantitative analysis in the Rochester MSA. Refer to the tables in appendix A for more information on the Minnesota AAs.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in the state of Minnesota is rated "High Satisfactory." Based on the full-scope review, the bank's performance in the Rochester AA is good.

### Lending Activity

Refer to Table 1 Lending Volume in the state of Minnesota section of appendix D for the facts and data used to evaluate the bank's lending activity.

#### Rochester MSA

Refer to Table 1, Lending Volume, in the Rochester MSA section of appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the Rochester MSA is good, considering the strong competition for all types of loans in the bank's AA and the bank's deposit market share. In the AA, Associated had a deposit market share of 2.86 percent as of June 30, 2014, and ranked ninth out of 25 depository institutions. Competition for home purchase lending was moderate, with 136 lenders in the AA. Associated ranked tenth in home purchase lending with a 2.81 percent market share. For home improvement lending, the bank ranked seventh with a 4.21 percent market share. Home refinance lending is competitive with 188 total lenders in the AA. Associated ranked tenth in home refinance lending with 3.13 percent market share.

Small business lending competition in the AA is moderate. Associated ranked 11<sup>th</sup> out of 35 total lenders for small business lending, with a market share of 1.02 percent. The top five lenders control a majority of the market with a combined market share of 75.04 percent. Individual market shares of these national banks ranged from 5.12 percent to 22.61 percent.

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

Overall, the geographic distribution of the bank's lending is adequate. Adequate home mortgage performance was supported by excellent small loans to businesses performance.

### ***Home Mortgage Loans***

Overall, the geographic distribution of home mortgage loans is adequate. It is important to note that there are no low-income CTs in the Rochester MSA and moderate-income CTs made up 20.51, 18.18, and 14.71 percent of the MSA in 2014, 2013, and 2011 respectively.

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

#### **Rochester MSA**

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans from 2012 through 2013 was adequate. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share from 2012 through 2013 was poor. The bank's market share in moderate-income CTs was below its overall market share for home purchase loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013 and its performance in 2014 was stronger than the performance noted in 2012 through 2013.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution of home improvement loans from 2012 through 2013 was poor. The portion of loans made in moderate-income geographies was well below the percentage of owner-occupied units in these geographies. The bank's market share from 2012 through 2013 in moderate-income CTs was significantly below its overall market share for home purchase loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013. The volume of loans in 2014 was not significant enough to provide a quantitative analysis.

The overall geographic distribution of home refinance loans is adequate. The bank's geographic distribution of home refinance loans from 2012 through 2013 was poor. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income CTs was well below its overall market share for home refinance loans. The bank's performance in 2011 and 2014 was stronger than the performance noted in 2012 through 2013.

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

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

#### **Rochester MSA**

The overall geographic distribution of small loans to businesses is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share from 2012 through 2013 was excellent. The bank's market share in moderate-income CTs exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was consistent with the performance in 2012 through 2013. The volume of loans in 2014 was not significant enough to provide a quantitative analysis.

### ***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed Associated's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps in the state of Minnesota.

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

The overall distribution of lending by income level of borrower is excellent. Excellent home mortgage performance was maintained despite poor small loans to businesses performance.

### ***Home Mortgage Loans***

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

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

### **Rochester MSA**

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans from 2012 through 2013 was good. The percentage of home purchase loans to low-income borrowers was near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share from 2012 through 2013 was adequate. The bank's market share to low-income borrowers was well below the overall market share and was below the overall market share for moderate-income borrowers. The bank's distribution of home purchase loans during 2011 was consistent with the performance from 2012 through 2013, while performance in 2014 was stronger than the performance from 2012 through 2103.

The overall borrower distribution of home improvement loans is excellent. The bank's distribution of home improvement loans from 2012 through 2013 was excellent. The percentage of loans to low- and moderate-income borrowers exceeded the percentage of such families. The bank's market share from 2012 through 2013 was excellent. The bank's market share of loans to low- and moderate-income borrowers exceeded the overall market share. The bank's performance in 2011 was consistent with the performance from 2012 through 2013. Performance in 2014 was not quantitative to our analysis because the number of loans made by the bank that year were below threshold.

The overall borrower distribution of home refinance loans is excellent. The bank's distribution of home refinance loans from 2012 through 2013 was excellent. The percentage of refinance loans to low-income borrowers was below the percentage of such families. The percentage of refinance loans to moderate-income borrowers exceeded the percentage of such families. The bank's market share from 2012 through 2013 was excellent. The bank's market share to low- and moderate-income borrowers exceeded the overall market share. The bank's performance in 2011 was consistent with the performance noted from 2012 through 2013; however, performance in 2014 was weaker.

***Small Loans to Businesses***

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

**Rochester MSA**

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was very poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was significantly below the percentage of small businesses. The bank's market share of loans to small businesses was significantly below its overall market share of loans to small businesses. The bank's performance in 2011 was stronger than the performance noted from 2012 through 2013. . The volume of loans in 2014 was not significant enough to provide a quantitative analysis.

**Community Development Lending**

The bank did not make any CD loans in the state of Minnesota during the evaluation period. The absence of CD lending had a neutral impact on our lending test assessment.

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

Based on a limited-scope review, the bank's performance under the Lending Test in the Minnesota Non-MSA AA is consistent with the bank's overall "High Satisfactory" performance under the Lending Test in Minnesota regarding geographic and borrower distribution. The weaker performance had no impact on the overall Lending Test rating in the state. Refer to the Tables 1 through 12 in the state of Illinois section of appendix D for the facts and data that support these conclusions.

**INVESTMENT TEST****Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Investment Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Rochester MSA is adequate.

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

**Rochester MSA**

During the evaluation period, Associated demonstrated an adequate level of investments in the Rochester MSA. The bank made four investments totaling \$451 thousand. In addition to considering current period investments, we considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on one prior period investment as of the date of our examination was \$134 thousand. When considering both current and prior period investments, the total of \$585 thousand represents approximately 3.84 percent of allocated Tier One Capital for the AA.

The bank has adequate responsiveness to the CD needs in the AA. All of the bank's investments were government sponsored mortgage-backed securities in which the underlying mortgages were originated to low- and moderate-income borrowers. This showed adequate responsiveness to identified affordable housing needs in the AA.

### **Investments – MN Statewide**

In addition to qualified investments in the full- and limited-scope AAs, the bank made two qualifying investments totaling \$455 thousand in the broader statewide area that had a purpose, mandate or function to serve one or more of the bank's AAs in the state. One of the investments was in an SBIC, the other was a mortgage- backed security. The bank also made one investment for \$170 thousand in an SBIC in the broader statewide area that did not have a purpose, mandate or function to serve one or more of the bank's AAs in the state. These investments address small business capital and affordable housing needs in the state. These investments further demonstrate a commitment to provide needed CD assistance throughout the state, and were considered in the overall Investment Test performance for the state.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the MN non-MSA is weaker than the bank's overall "Low Satisfactory" performance under the Investment Test in Minnesota due to a lower level of investments. The performance in the limited-scope AA was not significant enough to affect the overall conclusions in the state. Refer to the Table 14 in the state of Minnesota section of appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

Associated's performance under the Service Test in Minnesota is rated "Needs to Improve." Based on full-scope reviews, the bank's performance in the Rochester MSA is poor.

### **Retail Banking Services**

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

#### Rochester MSA

Associated's branch distribution in the AA is poor. The bank's branch distribution in 2011 through 2014 was poor. Branches were accessible to limited portions of geographies and individuals of different income levels in the assessment area. There are no low-income CTs in the AA and there were no branches located in moderate-income CTs, which account for 18.08 percent of the AA. This shows very poor distribution of the bank's four branches; however, two of the branches are located within a half-mile radius of moderate-income CTs. When considering these near-to branches, the bank's distribution is poor.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems to low-and moderate-income CTs or individuals. There were no branch openings during the review period. There was one branch closing in 2012 in a middle-income CT. This branch was closed due to a consolidation with another branch less than a mile away.

Branch hours and services did not vary in a way that inconvenienced portions of the AA, particularly LMI individuals. Services offered and banking hours were comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, cash dispensing ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of low- and moderate-income individuals.

## **Community Development Services**

### Rochester MSA

Associated's performance in providing CD services was poor. In the Rochester MSA, performance was poor. CD services focused on community services and affordable housing targeted to low- and moderate-income individuals. Two bank employees participated in leadership roles at three organizations.

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

Based on a limited-scope reviews, the bank's performance under the Service Test in the MN non-MSA is consistent with the bank's overall "Needs to Improve" performance under the Service Test in Minnesota. Refer to Table 15 in the state of Minnesota section of appendix D for the facts and data that support these conclusions.

## State of Wisconsin

<b>CRA Rating for Wisconsin<sup>4</sup>:</b>	<b>Satisfactory</b>
<b>The Lending Test is rated:</b>	<b>High Satisfactory</b>
<b>The Investment Test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- An excellent level of lending, particularly for home mortgage loans;
- Overall adequate geographic distribution, as evidenced by adequate geographic distribution in the Green Bay and Madison MSAs, excellent geographic distribution in the Wisconsin Non-MSA;
- Overall good borrower income distribution, as evidenced by adequate borrower income distribution in the Green Bay MSA, and good borrower income distribution in the Madison MSA and Wisconsin Non-MSA;
- An adequate level of CD lending had a neutral impact on the overall lending conclusion for the state of Wisconsin with a relatively high level of CD lending in the Madison and Milwaukee MSAs and adequate levels in the Wisconsin Non-MSA;
- An adequate level of qualified investments that demonstrated responsiveness to community needs, as evidenced by an adequate level of investment in the Milwaukee and Green Bay MSAs, good level of performance in the Madison MSA and excellent performance in the Wisconsin Non-MSA;
- A branch distribution that was accessible to essentially all LMI individuals and geographies, as evidenced by branches accessible to essentially all parts of the Milwaukee MSA , Green Bay MSA and Wisconsin non-MSA and branches readily accessible to all portions of the Madison MSA and;
- A good level of CD services responsive to community needs.

## Description of Institution's Operations in Wisconsin

Associated has 16 AAs within the state of Wisconsin. Four of these AAs consist of 24 counties in non-MSA areas. We combined these non-MSA AAs into one AA for analysis purposes. The Wisconsin AAs include the Appleton MSA, comprised of Calumet and Outagamie Counties; Eau Claire MSA, comprised of Chippewa and Eau Claire Counties; Fond du Lac MSA, comprised of Fond du Lac County; Green Bay MSA, comprised of Brown, Kewaunee, and Oconto Counties; Janesville MSA, comprised of Rock County; La Crosse MSA, comprised of La Crosse County; Madison MSA,

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<sup>4</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

comprised of Columbia, Dane, Green, and Iowa Counties; Milwaukee MSA, comprised of Milwaukee, Ozaukee, Washington, and Waukesha Counties; Oshkosh MSA, comprised of Winnebago County; Racine MSA, comprised of Racine County; Sheboygan MSA, comprised of Sheboygan County; Wausau MSA, comprised of Marathon County; and the WI non-MSA, comprised of Ashland, Clark, Crawford, Dodge, Door, Forest, Iron, Jefferson, Lincoln, Manitowoc, Marinette, Oneida, Portage, Price, Richland, Sauk, Sawyer, Shawano, Taylor, Vernon, Vilas, Walworth, Waupaca, and Wood Counties.

Associated provides a full range of loan and deposit products to all AAs. Associated has 151 branches within the state, representing 67.11 percent of the bank's total branch network. There were five branch openings and 47 branch closings in the state during the evaluation period. Associated has 134 deposit-taking ATMs within the AA, representing 65.05 percent of the bank's total ATM network. As of June 30, 2014, the bank ranked third in the state in deposits, representing an 8.95 percent market share. Associated's statewide deposits totaled \$11.89 billion. The Milwaukee AA is the bank's most significant AA in the state, accounting for 15.18 percent of Wisconsin bank deposits.

### Green Bay MSA

The banking industry is competitive in the Green Bay AA, and the primary competitors include national, regional, and local community banks. As of June 30, 2014, Associated's deposit market share was 28.34 percent, which ranked it first out of the 24 financial institutions in the AA. The other top competitors in rank order are BMO Harris Bank, N.A., Nicolet National Bank, Well Fargo Bank, N.A., JPMorgan Chase Bank, N.A., and Baylake Bank.

### Madison MSA

The banking industry is highly competitive in the AA and includes branches of national and regional banks, local community banks, and other nonbank financial institutions. As of June 30, 2014, Associated ranked third in AA deposits, representing a 7.99 percent market share. The five largest competitors in the AA include BMO Harris, US Bank, Anchor Bank, First Business Day, and John Deere Financial.

### Milwaukee MSA

The banking industry is competitive in the Milwaukee AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranks fourth out of 53 depository financial institutions in the AA, with an 8.38 percent market share. The primary competition is comprised of three nationwide banks and two regional banks. The top five competitors in the AA are U.S. Bank, BMO Harris Bank, JP Morgan Chase, Wells Fargo, and PNC Bank.

### Wisconsin non-MSA

The banking industry is highly competitive in the Wisconsin non-MSA AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranks second out of 119 depository financial institutions in the AA, with a 9.54 percent market share. The competition is comprised of large regional and community banks. The top competitors in order of their ranking are BMO Harris Bank, N.A., Investors Community Bank, U.S. Bank N.A., Bank First National, and First Merit Bank, N.A.

Refer to the market profiles for the state of Wisconsin in appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in Wisconsin

For the state of Wisconsin, we completed a full-scope review of the Green Bay MSA, Madison MSA, Milwaukee MSA, and WI non-MSA. The Appleton MSA, Eau Claire MSA, Fond du Lac MSA, Janesville MSA, La Crosse MSA, Oshkosh MSA, Racine MSA, Sheboygan MSA, and Wausau MSA areas received limited-scope reviews. The Milwaukee MSA, Green Bay MSA, WI non-MSA, and Madison MSA areas received full-scope reviews due to the high percentage of deposits in the areas (43.65 percent, 15.18 percent, 13.83 percent, and 10.88 percent, respectively). These AAs also had the largest volume of total reportable loans in the state as follows: Milwaukee MSA with 18.51 percent; Green Bay MSA with 14.55 percent; WI non-MSA with 25.22 percent; and Madison MSA with 9.95 percent. Branch distribution within the state shows Milwaukee with 25.83 percent of the total branches, Green Bay with 8.61 percent, WI non-MSA with 25.83 percent, and Madison with 16.56 percent. Ratings are based primarily on results of the full-scope areas. The Milwaukee MSA AA received the most emphasis on final ratings because this AA had the largest percentage of the bank's deposits and branches in Wisconsin. The volume of multifamily loans was not significant enough to provide a quantitative analysis in the Appleton MSA, Eau Claire MSA, Fond du Lac MSA, Janesville MSA, La Crosse MSA, Oshkosh MSA, Racine MSA, and Sheboygan MSA. The volume of farm loans was not significant enough to provide a quantitative analysis. Refer to the tables in appendix A for more information on the Wisconsin AAs.

## LENDING TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Wisconsin is rated "High Satisfactory." Based on full-scope reviews, the bank's performance is good in the Milwaukee AA, excellent in the WI non-MSA and Madison AAs, and adequate in the Green Bay AA.

### Lending Activity

Refer to Table 1 Lending Volume in the state of Wisconsin section of appendix D for the facts and data used to evaluate the bank's lending activity.

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

#### Green Bay MSA

Associated's lending activity in the Green Bay MSA is excellent. Considering the level of competition in the AA, home mortgage lending activity is excellent and small business lending activity is good.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Associated achieved a 30.77 percent market share of deposits. Associated ranked first among 24 financial institutions in the AA; this represents the top 4.2 percent of total depository banks. Based upon 2013 Peer Mortgage Data, Associated achieved a 13.70 percent market share of home purchase loans, ranking second among 189

reporting lenders or in the top 1.1 percent of total lenders. The bank achieved an 11.90 percent market share of home improvement loans, ranking first among 61 reporting lenders or in the top 1.6 percent of total lenders. The bank also achieved a 13.28 percent market share of home refinance loans, ranking first among 232 reporting lenders or in the top 0.4 percent of total lenders. Additionally, the bank achieved a 15.38 percent market share of multifamily loans, ranking second among 18 reporting lenders or in the top 11.1 percent of total lenders. Although Associated's market share for all home mortgage products is below its deposit market share, home mortgage lending activity is excellent given the competition and bank's high market share and lender rankings for each product.

Associated achieved a 5.19 percent market share of small loans to businesses, ranking eighth among 55 reporting lenders or the top 14.5 percent of total lenders. Small business lending activity is good, considering the bank's market share and lender rank relative to its deposit market share and competition for small business lending. The top five small business lenders collectively have 62.73 percent of the market share and the top three are national credit card lenders. Additionally, Associated's average loan is significantly larger than the average loan extended by any of the higher ranked lenders.

### Madison MSA

Associated's lending activity in the Madison MSA is excellent. Home mortgage lending activity is excellent and small business lending activity is adequate considering the competition in the AA.

Based upon FDIC Deposit Market Share data as of June 30, 2013, Associated achieved an 8.23 percent market share of deposits, ranking third among 39 financial institutions in the AA, ranking them in the top 6.1 percent of total depository banks. Based upon 2013 Peer Mortgage Data, Associated achieved a 3.65 percent market share of home purchase loans, ranking seventh among 268 reporting lenders and is equivalent to being in the top 2.6 percent of lenders. The bank achieved a 6.40 percent market share of home improvement loans, ranking fifth among 85 reporting lenders and is equivalent to being in the top 5.9 percent of lenders. The bank also achieved a 4.70 percent market share of home refinance loans, ranking fifth among 304 reporting lenders and is equivalent to being in the top 1.6 percent of lenders. Given the competition from the other reporting lenders in the AA, mortgage lending activity is excellent. Associated achieved a 2.80 percent market share of small loans to businesses, ranking ninth among 61 reporting lenders, or the top 14.8 percent of lenders. The small business lending activity is adequate given the bank's market share and ranking when compared to the deposit market share and small business lending competition within the AA. The top five lenders for small business lending consist of some of the nation's largest credit card lenders and collectively have 72.98 percent of the market share.

### Milwaukee MSA

Associated's lending activity in the Milwaukee MSA is excellent. Considering competition levels, home mortgage lending activity is excellent and small business lending activity is good in the AA.

Based upon FDIC Deposit Market Share data as of June 30, 2014, Associated achieved an 8.53 percent market share of deposits, ranking fourth among 56 financial institutions in the AA. Based upon 2013 Peer Mortgage Data, Associated had a market share of 4.82 percent for home purchase loans, ranking fourth among 323 reporting lenders. The top two home purchase lenders have 25 percent market share and are much larger banks. The bank achieved a 5.09 percent market share for home improvement loans, ranking sixth among 119 reporting lenders. The top five home improvement lenders have 50 percent of the market share and two of the top five lenders are much larger banks. For home refinance loans, the

bank ranked sixth among 368 lenders with a 3.45 percent market share. The top five home refinance lenders have 37 percent market share, and four of the top five banks are much larger than Associated. The bank's market shares are excellent when compared to the deposit market shares and competition within the AA.

Associated achieved a 2.21 percent market share of small loans to businesses, ranking ninth among 98 reporting lenders. Four of the top eight lenders are primarily credit card lenders. Further, the average Associated loan is significantly larger than the average loan extended by any of the higher ranked lenders.

### Wisconsin non-MSA

Associated's lending activity in the Wisconsin Non-MSA AA is good. Home mortgage lending activity is excellent and small business and small farm lending activity is adequate considering the competition in the AA.

Based upon FDIC Deposit Market Share data as of June 30, 2014, Associated achieved a 9.54 percent market share of deposits, ranking second among 119 financial institutions in the AA, ranking them in the top of 1.68 percent of depository banks. Based upon 2013 Peer Mortgage Data, Associated achieved an 8.12 percent market share of home purchase loans, ranking third among 429 reporting lenders and is equivalent to being in the top 0.70 percent of lenders. The bank achieved an 11.33 percent market share of home improvement loans, ranking first among 185 reporting lenders and is equivalent to being in the top .54 percent of lenders. The bank also achieved a 9.95 percent market share of home refinance loans, ranking first among 499 reporting lenders and is equivalent to being in the top .20 percent of lenders. Additionally, the bank achieved a 1.41 percent market share of multifamily loans, ranking 30<sup>th</sup> among 65 reporting lenders and is equivalent to being in the top 46 percent of lenders. Given the competition from the other reporting lenders in the AA, mortgage lending activity is excellent.

Associated achieved a 2.23 percent market share of small loans to businesses, ranking 12<sup>th</sup> among 81 reporting lenders, or the top 14.81 percent of lenders. Associated also achieved a .43 percent market share of small loans to farms, ranking 18<sup>th</sup> among 33 reporting lenders, or the top 54.55 percent of lenders. The small business and small farm lending activity is adequate given the bank's market share and ranking when compared to the deposit market share and small business lending competition within the AA. Eight of the top ten lenders for small business lending consist of the nation's largest credit card lenders and collectively have 70.84 percent of the market share.

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

Overall, the geographic distribution of the bank's lending is adequate. Home mortgage performance was adequate, and small loans to businesses performance was good. In performing our analysis, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. We also placed greater emphasis on the bank's performance in 2012 through 2014 than its performance in 2011. For the AAs affected by the OMB changes, we placed greater emphasis on the bank's performance in 2012 through 2013 than its performance in 2011 and 2014.

### *Home Mortgage Loans*

Overall, the geographic distribution of home mortgage loans is adequate.

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

### Green Bay MSA

Overall, the geographic distribution of home mortgage loans is poor. In evaluating the geographic distribution of loans in the Green Bay AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market. Lending opportunities were limited by the proportion of housing units and owner-occupied housing in low-income census tracts. The 2010 U.S. Census data indicates the AA had two low-income census tracts that contained 0.73 percent of the total owner-occupied housing units. Total housing units in these geographies were more heavily concentrated in rental and vacant housing units, which account for 54.08 percent and 15.02 percent, respectively. These factors were considered in determining the conclusion on geographic distribution.

The overall geographic distribution of home purchase loans is adequate. The bank's distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in the low-income census tracts exceeded its overall market share for home purchase loans. The bank's market share in moderate-income census tracts was below its overall market share for home purchase loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2014 and was poor. For 2011, the bank had an adequate market share and very poor percentage of loans in the moderate-income geographies.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution of home improvement loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home improvement loans. The bank's market share in moderate-income census tracts was well below its overall market share for home improvement loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2014 and was poor.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was well below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home refinance loans. The bank's market share in moderate-income census tracts was below its overall market share for home refinance loans. The bank's performance in 2011 was stronger than the performance in 2012 through 2014 and was adequate. For

2011, the bank had good market share and a poor percentage of loans in the moderate-income geographies.

The overall geographic distribution of multifamily loans is adequate. The geographic distribution of multifamily loans during 2012 through 2014 was adequate. The percentage of loans in low-income geographies was significantly below the percentage of multifamily units in these geographies. The percentage of loans in moderate-income geographies was near to the percentage of multifamily units in these geographies. The bank did not purchase or originate a sufficient number of loans in 2011 for a quantitative analysis.

### Madison MSA

Overall, the geographic distribution of home mortgage loans is good. In evaluating the geographic distribution of home loans in the Madison AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market. The 2010 and 2000 U.S. Census data show low-income census tracts contained approximately 2,200 and 700 owner-occupied housing units, respectively. The bank had somewhat limited opportunities for home mortgage lending in low-income census tracts as a result of the low number of units, and competition. These factors were considered when determining the final conclusion on geographic distribution of home mortgage loans.

The overall geographic distribution of home purchase loans is adequate. The bank's geographic distribution of home purchase loans during 2012 through 2013 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home purchase loans. The bank's market share in moderate-income census tracts was near to its overall market share for home purchase loans. The bank's performance in 2011 and 2014 was stronger than performance noted in 2012 through 2013. Performance in 2011 was good and performance in 2014 was adequate. The stronger level of performance had a positive impact on our conclusion and resulted in an overall adequate for this product. The bank's percentage of loans in low-income geographies exceeded the percentage of owner-occupied units in these geographies.

The overall geographic distribution of home improvement loans is poor. The bank's geographic distribution of home improvement loans during 2012 through 2013 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income geographies was below the percentage of owner-occupied units in these geographies. The bank's market share in low-income census tracts was significantly below its overall market share for home improvement loans. The bank's market share in moderate-income census tracts was below its overall market share for home improvement loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013, and was poor.

The overall geographic distribution of home refinance loans is good. The bank's geographic distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans in low-income geographies was well below the percentage of owner-occupied units in these geographies. The portion of loans made in moderate-income census tracts was near to the percentage of owner-occupied units in

these geographies. The bank's market share in low-income census tracts exceeded its overall market share for home refinance loans. The bank's market share in moderate-income census tracts was near to its overall market share for home refinance loans. The bank's performance in 2011 was consistent with the performance noted in 2012 and 2013, and was good. The bank's performance in 2014 was stronger than the performance noted in 2012 through 2013, and was considered excellent. The bank's percentage of loans within low-income geographies was near to the demographics. The bank's percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies.

The overall geographic distribution of multifamily loans is good. The geographic distribution of multifamily loans during 2012 and 2013 was good. The percentage of loans in low-income geographies was below the percentage owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was below the percentage of owner-occupied units in such geographies. The bank's market share during this period was excellent. The bank's market share in low-income geographies approximated overall market share for multifamily loans. The bank's market share in moderate-income geographies exceeded the overall market share for multifamily loans. The bank's performance in 2011 was consistent with the performance noted in 2012 and 2013, and was good. The bank did not originate or purchase a sufficient number of loans in 2014 for a quantitative analysis.

### Milwaukee MSA

Overall, the geographic distribution of home mortgage loans is poor. In evaluating the geographic distribution of home loans in the Milwaukee MSA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market. Additionally, the foreclosure rate in the Milwaukee MSA was similar to national rates, as reported by RealtyTrac.com, and tended to be highest in low-income tracts, depressing home values and further reducing opportunities to lend. We attributed more emphasis to the bank's performance in 2012 through 2014 than its performance in 2011.

The overall geographic distribution of home purchase loans is poor. The bank's geographic distribution of home purchase loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was well below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies was significantly below the overall market share for home purchase loans. The bank's market share in moderate-income geographies was well below its overall market share for home purchase loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was considered adequate. This was based on excellent market share in low-income geographies that offset poor market share in moderate-income geographies.

The overall geographic distribution of home improvement loans is very poor. The bank's geographic distribution of home improvement loans during 2012 through 2014 was very poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies was significantly below its overall market share for home improvement loans. The bank's market share in moderate-income geographies was significantly below its overall market share for home improvement loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2014.

The overall geographic distribution of home refinance loans is poor. The bank's geographic distribution of home refinance loans during 2012 through 2014 was poor. The percentage of loans in low-income geographies was significantly below the percentage of owner-occupied units in these geographies. The percentage of loans in moderate-income geographies was significantly below the percentage of owner-occupied units in these geographies. The bank's market share in low-income geographies was significantly below the overall market share for home refinance loans. The bank's market share in moderate-income geographies was well below its overall market share for home refinance loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was considered adequate. This was based on good market share in low-income geographies and excellent market share in moderate-income geographies that offset poor performance in terms of percentage of loans in both low- and moderate-income geographies.

The overall geographic distribution of multifamily loans is excellent. The bank's geographic distribution of multifamily loans during 2012 through 2014 was excellent. The percentage of loans in low-income geographies exceeded the percentage of multifamily units in these geographies. The bank's percentage of loans in moderate-income geographies exceeded the percentage of multifamily units in these geographies. The bank's market share in low-income geographies exceeded the overall market share for multifamily loans. The bank's market share in moderate-income geographies exceeded the overall market share for multifamily loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2014.

#### Wisconsin non-MSA

Overall, the geographic distribution of home mortgage loans is excellent. In evaluating the geographic distribution of home loans in the Wisconsin non-MSA AA, we considered competition for loan opportunities, age and condition of properties across tract income categories, and the impact of depressed property values on refinances in segments of the market. These factors were considered when determining the final conclusion on geographic distribution of home mortgage loans.

The overall geographic distribution of home purchase loans is excellent. The bank's geographic distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income census tracts exceeded its overall market share for home purchase loans. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013 and was considered to be excellent. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013 and was considered to be good. For 2011, the bank's percentage of home purchase loans in moderate-income geographies was below the percentage of owner-occupied units in those geographies.

The overall geographic distribution of home improvement loans is excellent. The bank's geographic distribution of home improvement loans during 2012 through 2013 was excellent. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income census tracts exceeded its overall market share for home improvement loans. The bank's performance in 2011 and 2014 was consistent with the performance noted in 2012 through 2013 and was considered to be excellent.

The overall geographic distribution of home refinance loans is excellent. The bank's geographic distribution of home refinance loans during 2012 through 2013 was excellent. The percentage of loans in moderate-income geographies exceeded the percentage of owner-occupied units in these geographies. The bank's market share in moderate-income census tracts exceeded its overall market share for home refinance loans. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013 and was considered to be excellent. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013 and was considered to be good. For 2011, the bank's percentage of home refinance loans in moderate-income geographies was below the percentage of owner-occupied units in those geographies.

The overall geographic distribution of multifamily loans is excellent. The bank's geographic distribution of multifamily loans during 2012 through 2013 was excellent. The percentage of loans in moderate-income geographies exceeded the percentage of multifamily units in these geographies. The bank's market share in moderate-income census tracts exceeded the overall market share for multifamily loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013. The bank did not originate or purchase a sufficient number of multifamily loans in 2014 to provide a quantitative analysis.

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

Overall, the geographic distribution of small loans to businesses is good.

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

### **Green Bay**

The overall geographic distribution of small loans to businesses is good. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was good. The percentage of small loans made in low-income geographies was well below the percentage of businesses in those geographies. The percentage of small loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in low-income geographies was below its overall market share for small loans to businesses. The bank's market share in moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was stronger than the performance in 2012 through 2014 and was considered excellent. In 2011, there were no low-income geographies and the bank's performance in the moderate-income geographies was excellent.

### **Madison MSA**

The overall geographic distribution of small loans to business is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of small loans made in low-income geographies exceeded the percentage of businesses in those geographies. The percentage of small loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in low-income geographies exceeded its overall market share for small loans to businesses. The bank's market share in moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2011 and 2014 was consistent with the performance noted in 2012 through 2013, and was excellent.

Milwaukee MSA

The overall geographic distribution of small loans to businesses is adequate. The bank's geographic distribution of small loans to businesses in 2012 through 2014 was adequate. The percentage of loans made in low-income geographies was well below the percentage of businesses in those geographies. The percentage of loans made in moderate-income geographies was below the percentage of businesses in those geographies. The bank's market share in low-income geographies was below its overall market share for small loans to businesses. The bank's market share in moderate-income geographies was near its overall market share for small loans to businesses. The bank's performance in 2011 was stronger than the performance in 2012 through 2014 and was considered good. This was based on better performance in both low- and moderate-income geographies both in terms of lending percentages and market share.

Wisconsin non-MSA

The overall geographic distribution of small loans to business is excellent. The bank's geographic distribution of small loans to businesses in 2012 through 2013 was excellent. The percentage of small loans made in moderate-income geographies exceeded the percentage of businesses in those geographies. The bank's market share in moderate-income geographies exceeded its overall market share for small loans to businesses. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013 and was excellent. The bank's geographic distribution of small loans to businesses loans was weaker in 2014 as compared to 2012 and 2013, and was good. For 2014, the bank's percentage of small loans to businesses in moderate-income geographies was somewhat near to the percentage of owner-occupied units in those geographies.

***Lending Gap Analysis***

We reviewed summary reports and maps and analyzed Associated's home mortgage and small business lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps in the state of Wisconsin.

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

The overall borrower distribution of the bank's lending is good. As noted previously, we placed greater emphasis on the bank's home mortgage lending as home mortgage loans represented the majority of the bank's reportable lending activity. Additionally, we considered the level of families below the poverty level, which disproportionately impacts LMI populations, in our analysis as well as the general affordability of housing to LMI borrowers. The relatively high housing costs compared to LMI family income levels somewhat impacts these borrowers' ability to purchase homes. In addition, we attributed more emphasis to the bank's performance in 2012 and 2014 than its performance in 2011. In the AAs with OMB changes, we placed more emphasis on the bank's performance in 2012 through 2013 than its performance in 2011 and 2014.

***Home Mortgage Loans***

The overall borrower distribution of home mortgage loans is good.

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

Green Bay MSA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the Green Bay AA, we considered the level of families below the poverty level, which disproportionately impacts LMI populations. Within the AA, families below the poverty level increased from 4.63 percent in the 2000 census year to 7.23 percent in the 2010 census year. Additionally, we considered the average age of the housing stock in the AA. According to the 2010 U.S. Census, the average age of the housing stock was 71 years in the low-income census tracts and 48 years in the moderate-income census tracts. Furthermore, older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring the dwelling up to code requirements. These older houses are also often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs can negatively affect the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was near to its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers was below its overall market share of home purchase loans. The bank's performance in 2011 consistent with the performance noted in 2012 through 2014 and was good.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was well below its overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home improvement loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was excellent. For the 2011 performance, the bank's percentage of loans to low-income borrowers was good and the bank's market share of loans to low-income borrowers was excellent.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2014 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was below the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of refinance loans. The bank's performance in 2011 was consistent with the performance in 2012 through 2014 and was considered good.

Madison MSA

Overall, the borrower distribution of home mortgage loans is excellent. In evaluating the borrower distribution of home loans in the Madison AA, we noted that 5.34 percent of the families in the AA (2010 U.S. Census) are below the poverty level, which disproportionately impacts LMI populations. The poverty level increased from the 2000 U.S. Census figure (3.94 percent). In addition, we considered the average age of the housing stock in the AA, which, according to the 2010 U.S. Census, was 35 years for low-income census tracts and 44 years for moderate-income census tracts. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs can negatively affect the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is excellent. The bank's borrower distribution of home purchase loans during 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was somewhat near to the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home purchase loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013, and was excellent. The bank's performance in 2014 was weaker than the performance noted in 2012 through 2013 and was considered good. For the 2014 performance, the bank's percentage of loans to low-income geographies was adequate.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was below its overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded its overall market share of home improvement loans. The bank's performance in 2011 and 2014 was stronger than the performance noted in 2012 and 2013, and were both considered excellent. The bank's percentage of loans to low- and moderate-income borrowers exceeded the percentage of low- and moderate-income families. In addition, the market share of loans to low- and moderate-income borrowers exceeded its overall market share of home improvement loans.

The overall borrower distribution of home refinance loans is excellent. The bank's borrower distribution of home refinance loans during 2012 through 2013 was excellent. The percentage of loans to low-income borrowers was somewhat near to the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers exceeded the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of refinance loans. The bank's performance in 2011 was weaker than the performance noted in 2012 through 2013, and was considered good. This was due to good penetration to low-income borrowers and a poor market share to low-income borrowers. The bank's performance in 2014 was consistent with the performance noted in 2012 through 2013 and was considered excellent.

## Milwaukee MSA

Overall, the borrower-income distribution is adequate. In evaluating the borrower distribution of home loans in the Milwaukee MSA, we considered the level of families below the poverty level in our analysis as well as the general affordability of housing to low-income borrowers. Additionally, the relatively high housing costs compared to low-income family income levels somewhat impacts these borrowers' ability to purchase homes. The average age of a home in low-income geographies is 71 years and in the overall MSA is 52 years. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring a dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs can negatively affect the ability of low-income individuals to qualify for mortgage loans. We attributed more emphasis to the bank's performance in 2012 through 2014 than its performance in 2011.

The overall borrower distribution of home purchase loans is adequate. The bank's borrower distribution of home purchase loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers was near to the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was well below its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers was below its overall market share of home purchase loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was considered good. For the 2011 performance, the bank's market share of loans to low-income borrowers was adequate, and the bank's market share of loans to moderate-income borrowers was good.

The overall borrower distribution of home improvement loans is adequate. The bank's borrower distribution of home improvement loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans made to moderate-income borrowers approximated the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was well below its overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers was below its overall market share of home improvement loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was considered good. For the 2011 performance, the bank's market share of loans to low-income borrowers was adequate, and the bank's market share of loans to moderate-income borrowers was excellent. Additionally, in 2011 the bank's percentage of loans to low-income borrowers was adequate.

The overall borrower distribution of home refinance loans is adequate. The bank's borrower distribution of home refinance loans during 2012 through 2014 was adequate. The percentage of loans to low-income borrowers was well below the percentage of low-income families. The percentage of loans to moderate-income borrowers was near the percentage of moderate-income families. The bank's market share of loans to low-income borrowers was below the overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers was near the overall market share of refinance loans. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014, and was considered good. This was due to adequate penetration to low-income borrowers, and a market share of loans to both low- and moderate-income borrowers that was excellent.

### Wisconsin non-MSA

Overall, the borrower distribution of home mortgage loans is good. In evaluating the borrower distribution of home loans in the Wisconsin Non-MSA AA, we noted that 7.25 percent of the families in the AA (2010 U.S. Census) are below the poverty level, which disproportionately impacts LMI populations. The poverty level increased from the 2000 U.S. Census figure (5.07 percent). In addition, we considered the average age of the housing stock in the AA, which, according to the 2010 U.S. Census, was 39 years for moderate-income census tracts. Older housing often has higher maintenance costs compared to new housing stock and frequently requires significant repairs to bring dwelling up to code requirements. These older houses are often less energy efficient, resulting in higher utility costs, which can increase homeownership costs. These additional factors and costs can negatively affect the ability of LMI individuals to qualify for mortgage loans.

The overall borrower distribution of home purchase loans is good. The bank's borrower distribution of home purchase loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers is near to its overall market share of home purchase loans. The bank's market share of loans to moderate-income borrowers is near to its overall market share of home purchase loans. The bank's performance in 2011 and 2014 was consistent with performance noted in 2012 through 2013.

The overall borrower distribution of home improvement loans is good. The bank's borrower distribution of home improvement loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans made to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers is near to its overall market share of home improvement loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of home improvement loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013. The bank's performance in 2014 was stronger than the performance noted in 2012 through 2013 and was excellent. For 2014, the bank's percentage of home improvement loans to moderate-income borrowers exceeded the percentage of moderate-income families.

The overall borrower distribution of home refinance loans is good. The bank's borrower distribution of home refinance loans during 2012 through 2013 was good. The percentage of loans to low-income borrowers was below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The bank's market share of loans to low-income borrowers is near to its overall market share of refinance loans. The bank's market share of loans to moderate-income borrowers exceeded the overall market share of refinance loans. The bank's performance in 2011 was consistent with the performance noted in 2012 through 2013. The bank's performance in 2014 was stronger than the performance noted in 2012 through 2013 and was excellent. For 2014, the bank's percentage of home refinance loans to moderate-income borrowers exceeded the percentage of moderate-income families.

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

The overall borrower distribution of small loans to businesses is poor.

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

### Green Bay MSA

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses. The bank's market share of loans to small businesses was significantly below its overall market share of loans to businesses. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was adequate. For 2011, the bank's market share of loans to small businesses exceeded its overall market share of loans to businesses.

### Madison MSA

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses in 2012 through 2013 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses. The bank's market share of loans to small businesses was well below its overall market share of loans to small businesses. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013 and was considered adequate. The stronger performance was due to excellent market share of loans to small businesses. The bank's performance in 2014 was consistent with the performance in 2012 through 2013 and was considered poor.

### Milwaukee MSA

The overall borrower distribution of small loans to businesses is poor. The bank's borrower distribution of small loans to businesses in 2012 through 2014 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses. The bank's market share of loans to small businesses was well below its overall market share of loans to businesses. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2014 and was considered adequate due to the bank's market share of loans to small businesses exceeding its overall market share of loans to businesses.

### Wisconsin non-MSA

The overall borrower distribution of small loans to businesses is adequate. The bank's borrower distribution of small loans to businesses during 2012 through 2013 was poor. The percentage of small loans to small businesses (businesses with gross annual revenue of \$1 million or less) was well below the percentage of small businesses. The bank's market share of loans to small businesses was below its overall market share of loans to small businesses. The bank's performance in 2011 was stronger than the performance noted in 2012 through 2013 and was considered to be good. For 2011, the bank's market share of loans to small businesses exceeded its overall market share of loans small businesses. The bank's performance in 2014 was weaker than the performance noted in 2012 through 2013 and was considered to be poor. For 2014, the bank's percentage of small loans to small businesses was well below the percentage of small businesses.

## Community Development Lending

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

In Wisconsin, Associated had an overall adequate level of CD loans that was responsive to community needs.

### Green Bay MSA

The bank did not originate any CD loans in the AA during the evaluation period. The absence of CD lending had a neutral impact on our lending test assessment.

### Madison MSA

Associated's level of CD lending has a positive impact on its overall lending performance in the Madison AA. Associated originated six loans totaling \$15.10 million in qualified CD loans in the AA during the evaluation period. This volume represented 8.78 percent of allocated Tier One Capital. The bank's CD loans demonstrated adequate responsive to AA needs. Three of the six loans supported affordable housing initiatives for LMI individuals, which was an identified CD need in the AA. The CD lending also promoted economic development in the AA, which demonstrated adequate innovativeness, complexity, and leadership.

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

Three loans, totaling \$10.60 million, financed affordable multifamily housing for low- and moderate-income individuals. Combined these loans allowed for 206 affordable housing units within five apartment buildings.

A \$1.50 million loan, renewed twice for a total impact of \$4.5 million, was provided to a private nonprofit corporation with a history of working with state and federal grant programs to provide employment, training, and services to LMI adults and youth.

### Milwaukee MSA

CD lending had a significantly positive impact on performance in the full-scope area. During the evaluation period, the bank originated 16 CD loans totaling \$77.83 million. This equaled 11.28 percent of Tier 1 Capital allocated to the Milwaukee AA. The loans were for a variety of CD purposes, including affordable housing, economic development, and revitalization/stabilization. These loans demonstrated excellent responsiveness to identified needs in the Milwaukee AA, in particular economic development needs. Of the total dollar amount loaned, \$24.1 million, or 3.49 percent of Tier 1 Capital, was used for economic development purposes and supported the creation or maintenance of 240 jobs. Of the total dollar amount loaned, \$21.3 million, or 30.9 percent of Tier 1 Capital, was used for revitalization or stabilization purposes. Of the total dollar amount loaned, \$32.5 million, or 4.71 percent of Tier 1

Capital, was used in support of 777 units of affordable housing. Some examples of economic development loans and loans that revitalized or stabilized low- or moderate-income geographies include:

- In 2015, Associated served as the lead bank providing a \$10 million loan for construction of a hotel located in an area designated by the State of Wisconsin Department of Workforce Development as a targeted employment area (TEA). This area is recognized to have an unemployment rate greater than 150 percent of the national average as reported by the Bureau of Labor Statistics. It is estimated that 40 new jobs will be created.
- Associated originated a \$2.5 million revolving loan in 2011 to a steel company through the bank's Export Working Capital Program. The proceeds of the loan provided capital for the company to expand its operations on the near north side of Milwaukee. The company is a metal fabricator and contract manufacturer with an employee base comprised of welders and material handlers. The average wages for the welders and material handlers are below 80 percent of the median family income for the Milwaukee MSA. The steel company is located in a low-income geography and an area targeted for economic development under the Wisconsin Housing and Economic Development Authority's (WHEDA) "Transform Milwaukee" initiative. Associated renewed the original loan in 2012 and expanded the line to \$3.5 million. Subsequently, Associated renewed the \$3.5 million loan in both 2013 and 2014.
- Associated granted a \$15 million construction loan in 2013 to help revitalize an area on the near north side of Milwaukee. The funds were used to construct an office building in Tax Incremental District No. 41, and is part of the Schlitz Park redevelopment plan. Schlitz Park (a former brewery complex) is home to more than 4,300 employees for various companies that include financial services, health care, employment, education, technology and other essential services.

#### Wisconsin Non-MSA AA

Associated's adequate level of CD lending has a neutral impact on its overall lending performance in the Wisconsin non-MSA-AA. Associated originated six loans totaling \$14,635 million in qualified CD loans in the AA during the evaluation period. This volume represented 6.69 percent of allocated Tier 1 Capital. The bank's CD loans were responsive to AA needs, supported affordable housing for LMI individuals and promoted economic development in the AA.

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

- Three loan renewals, totaling \$7.265 million through the Small Business Administration (SBA) 504 loan program. Through the 504-loan program, a certified development company (CDC) works with the SBA and private sector lenders to provide financing to small businesses. The purpose of these loans was to refinance equipment for a producer of multiple layer plastic film sold to manufacturers in the food, medical, and industrial sectors for use in packaging food, medical supplies, and any products requiring a strong barrier from moisture and air.
- A \$3.75 million new term loan to a non-profit 501(c) 3 organization that provides affordable rental housing. The purpose of the loan was to refinance the original purchase of three Section 8 Government Rental Assistance Program, 60 unit, multifamily; senior apartment buildings listed as affordable apartments by HUD. Property tenants receive rental subsidies through section 8 vouchers.

- A \$1.50 million new term loan was provided to an organization to pay off an existing loan with additional funds used for property improvements on apartment buildings providing affordable housing. Property tenants participate in the Section 8 Government Rental Assistance Program. The properties are located in rural areas with minimal economic resources and limited options that satisfy the demand for affordable housing.
- A \$2.12 million term loan for an apartment building located in a moderate-income CT. The building consists of 44 units, all two bedrooms renting for below fair market rent for the county.

### **Product Innovation and Flexibility**

The bank's innovative and flexible products had a positive impact on Lending Test performance in the state of Wisconsin. Associated Bank partnered with the United States Department of Agriculture (USDA) Rural Development and the Guaranteed Rural Housing (GRH) Program to provide home purchase loans to moderate-income borrowers. The GRH Program enables lenders to offer 100 percent financing, no maximum purchase price, 30-year loan terms, and competitive fixed interest rates. The credit guidelines under the program are flexible and increase accessibility to moderate-income borrowers. In the AA, the program facilitated the purchase of 599 homes, totaling \$66.52 million. This includes three loans, totaling \$258 thousand in the Green Bay MSA AA, 55 loans in the Madison MSA AA, totaling \$8.49 million, 22 loans in the Milwaukee MSA AA, totaling \$2.92 million, and 364 loans in the WI Non-MSA AA, totaling \$36.13 million. The remaining loans were made throughout the limited-scope AAs in Wisconsin.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Eau Claire, Fond du Lac, La Crosse, Oshkosh, Racine, Sheboygan, and Wausau MSAs is consistent with the bank's overall "High Satisfactory" performance under the Lending Test in Wisconsin. In the Appleton and Janesville MSAs, the bank's performance is weaker than the bank's overall performance in the state due to weaker geographic distribution. The weaker performance had no impact on the overall Lending Test rating in the state. Refer to the Tables 1 through 12 in the state of Wisconsin section of appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance in the state of Wisconsin under the Investment Test is rated "Low Satisfactory." Based on the full-scope reviews, the bank's performance in the Wisconsin non-MSA AA is excellent, performance in the Madison MSA is good, and performance in both the Green Bay MSA and Milwaukee MSA is adequate. The Investment Test rating for the state is "Low Satisfactory", considering the bank's performance in all AAs as well as the investments made in the greater statewide area that have a purpose, mandate or function to serve one or more of the bank's AAs in the state.

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

Green Bay MSA

During the evaluation period, Associated made 78 investments totaling \$7.7 million in the Green Bay AA. We also considered the ongoing impact that investment made prior to the current evaluation period had within the AA. As of our examination date, the remaining balance on eleven prior period investments was \$2.69 million. When considering both current and prior period investments, the total of \$10.4 million represents 4.33 percent of allocated Tier 1 capital for the AA. This is an adequate level of investments.

Furthermore, the bank has demonstrated adequate responsiveness to the CD needs in the AA. In terms of dollar volume, the majority or 72.69 percent of the bank's current period investments and grants were government-sponsored, mortgage-backed securities. These investments were responsive to affordable housing needs in the AA. The bank also made other investments or grants that supported affordable housing, community services, or economic development. The following examples represent the bank's primary current and remaining prior period investments:

- Associated invested \$5.6 million in government sponsored, mortgage-backed securities, where the underlying mortgages were originated to LMI borrowers.
- Associated held prior period investments in portfolio with a current book value of \$2.69 million, which consisted of \$1.5 million government-sponsored mortgage backed-securities and \$1.0 million CRA mutual loan fund, where the underlying mortgages were originated to LMI borrowers.
- Associated provided 61 grants and donations totaling \$2.1 million to organizations that supported community services targeted to LMI individuals and geographies, economic development, and affordable housing. The donations included an in-kind donation of a building valued at \$1.4 million.

Madison MSA

During the evaluation period, Associated made 84 investments in the Madison AA totaling \$7.97 million. We considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on eight prior period investments as of the date of our examination was \$885 thousand. When considering both current and prior period investments, the total of \$8.86 million represents 5.15 percent of allocated Tier One Capital for the AA. This level is considered good, and is commensurate with the good level of investments made.

The bank's responsiveness to the CD needs in the AA is adequate. In terms of total dollar volume, 91.87 percent of the bank's investments and grants were mortgage-backed securities, all of which were responsive to identified affordable housing needs in the AA. The following are examples of these investments:

- Associated invested in \$7.73 million of mortgage-backed securities where the underlying mortgages were originated to LMI borrowers.

- Associated's prior period investments, with a current book value of \$885 thousand, were government sponsored mortgage-backed securities consisting of mortgages originated to LMI borrowers as well.

Associated invested \$245 thousand in 68 grants and donations to organizations that supported affordable housing initiatives, economic development, area revitalization/stabilization, and community services targeted towards LMI individuals and geographies over the evaluation period. The investments also included funding for programs that focus on small business assistance and help address one of the main identified CD needs in the Madison AA.

### Milwaukee MSA

During the evaluation period, Associated made 155 investments in the Milwaukee MSA totaling \$15.41 million. We considered the ongoing impact of six investments the bank made within the AA prior to the current evaluation period, which totaled \$6.40 million. When considering both current and prior period investments, the total of \$21.81 million represents approximately 3.16 percent of allocated Tier One Capital for the AA. This is an adequate level of investments.

The bank has demonstrated adequate responsiveness to the CD needs in the AA. Investments were comprised of mortgage-backed securities with 47.98 percent of the bank's investments being government sponsored mortgage-backed securities. We noted other investments in smaller amounts, including a certificate of deposit in a minority-owned financial institution, low income housing tax credits (LIHTCs), a mezzanine financing instrument, and an investment in a national equity fund. Following is an example of these investments:

- Associated, through its subsidiary, Associated Community Development LLC, acquired LIHTCs to help fund the construction of a new affordable housing complex in a suburban location. The bank's investment amount was \$1.07 million. Twenty-five of the thirty housing units are reserved for low- or moderate-income area residents.
- Associated invested in \$10.47 million in mortgage-backed securities, where the underlying mortgages were to LMI borrowers in the Milwaukee AA.
- Associated held prior period investments in portfolio with a current book value of \$6.4 million, \$5.6 million of which were LIHTCs for low income housing developments in the Milwaukee AA.

Associated made 137 grants totaling \$1.2 million to a variety of organizations that provided community services to low- or moderate-income residents of the AA. We noted donations for education, financial literacy, healthcare, homeless relief, operating support to small business development organizations, and operating support to affordable housing organizations.

These investments represent adequate responsiveness to the CD needs of the Milwaukee MSA AA and occasional use of innovative and complex investments.

Wisconsin non-MSA

During the evaluation period, Associated made 48 investments in the Wisconsin Non-MSA AA, totaling over \$17.27 million. We considered the ongoing impact that investments made prior to the current evaluation period had within the AA. The remaining balance on seven outstanding prior period investments, as of the date of our evaluation, was \$644 thousand. When considering both current and prior period investments, the total of \$17.91 million represents 8.19 percent of allocated Tier One Capital for the AA. This level is considered to be excellent and is commensurate with the excellent level of investments made.

The bank's responsiveness to the CD needs in the AA is adequate. In terms of total dollar volume, 96.88 percent of the bank's investments consisted of government sponsored mortgage-backed securities, all of which were responsive to identified affordable housing needs in the AA. The following are examples of these investments:

- Associated invested \$16.71 million in government sponsored; mortgage-backed securities where the underlying mortgages were originated to LMI borrowers.
- Associated supported economic development through an investment of \$2 million in an SBIC of which \$365 thousand was allocated to assisting twelve AA businesses.
- Associated's prior period investments, had a current book value of \$644 thousand, of which \$640 thousand consisted of government sponsored mortgage-backed securities, where the underlying mortgages were originated to LMI borrowers.
- Associated invested nearly \$194 thousand in 60 grants and donations to organizations that supported community services targeted towards LMI individuals and geographies, economic development, and affordable housing over the evaluation period.

**Investments – WI Statewide**

In addition to the qualified investments that benefit the bank's AAs, Associated made one qualifying CD investment in an SBIC that had a neutral impact on the overall investment performance in the state. In addition to qualified investments in the full- and limited-scope AAs, the bank originated one investment totaling \$134.25 million in the broader statewide area that had a purpose, mandate or function to serve one or more of the bank's AAs in the state. When considering this investment, along with all other investments in the state of Wisconsin, the total dollar amount of the bank's investments represent an adequate level of qualified investments and help address identified community needs. The total of the bank's investments represent 4.44 percent of Tier 1 capital allocated to the state. Additionally, the bank has a remaining balance of \$142,037 on three government-sponsored, mortgage-backed securities in the broader statewide area that did not have a purpose, mandate or function to serve one or more of the bank's AA in the state.

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

Based on the limited-scope reviews, the bank's performance under the Investment Test in the Fond du Lac AA is stronger than the bank's overall "Low Satisfactory" performance under the investment Test in Wisconsin due to a higher level of investments. In the Appleton AA and the Wausau AA, the bank's

performance was consistent with the bank's overall performance in the state. The bank's performance under the Investment Test in the Oshkosh AA, Racine AA, Eau Claire AA, Jonesville AA, La Cross AA, and Sheboygan AA was weaker than the bank's overall performance in the state due to a lower level of investments. The performance in the limited-scope AAs was not significant enough to impact the overall conclusions in the state. Refer to Table 14 in the state of Wisconsin section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

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

Associated's performance under the Service Test in Wisconsin is rated "High Satisfactory." Based on full-scope reviews, the bank's performance was good in the Green Bay MSA, Madison MSA and Wisconsin non-MSA, and excellent in the Milwaukee MSA.

### **Retail Banking Services**

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

#### Green Bay MSA

Associated's branch distribution in the AA is adequate, considering the population in the low-income geography and number of branches in or near to LMI geographies. Branches were accessible to essentially all portions of geographies and individuals of different income levels in the assessment area. There were no branches located in low-income geographies, but less than 1.50 percent of the total population in the AA resides in these geographies. Also, there is one branch located within one half mile of a low-income census tract. Additionally, there were two branches located in moderate-income geographies and five more branches located within one half mile of a moderate-income census tract. The percentage of branches located in the moderate-income census tracts was near to the percentage of the population in the moderate-income geographies.

Generally, branch openings and closing have adversely affected the accessibility of the bank's delivery systems. The bank did not open any branches and closed four during the evaluation period. The bank closed one branch located in a moderate-income census tract in 2012. The bank closed two branches in 2013 and one in 2014, all of which were located in middle-income census tracts. The branch closures were based on business decisions to consolidate branches due to low activity or insufficient profitability. At two of the closed branch locations, the bank retained its remote drive-up or ATM service.

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

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### Madison MSA

Associated's branch distribution in the AA is excellent. Branches were reasonably accessible to essentially all portion of geographies and individuals of different income levels in the assessment area. There were two branches located in a low-income geography. The percentage of branches in low-income geographies exceeded the percentage of the population in low-income geographies. There were five branches located in moderate-income geographies. The percentage of branches in moderate-income census tracts exceeded the percentage of the population in moderate-income census tracts.

Despite closing five branches during the evaluation period, branch openings and closing have generally not adversely affected the accessibility of the bank's delivery systems to LMI geographies or individuals. The bank closed two branches during 2011, which were both located in middle-income geographies. Additionally, the bank closed two branches during 2012, consisting of one branch in a low-income geography and one branch in a middle-income geography. The bank also closed one branch in 2014, which was located in a middle-income geography. All branches were closed due to business decisions based on lower business activity at the closed branches in comparison to activity at other branches in close proximity. The bank opened one branch in 2014 within a low-income geography.

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

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### Milwaukee MSA

Associated's branch distribution in the AA is good. Branches were accessible to essentially all CTs and individuals of different income levels in the assessment area. There were four branches located in low-income CTs. Two additional branches were located within one half mile of a low-income CT. There were four branches located in moderate-income geographies. Five additional branches were located within one half mile of a moderate-income CT.

Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems. Management closed nine branches during the evaluation period while opening just one. None of the closed branches were located in low- or moderate-income CTs. The bank closed three branches in upper-income CTs, and six branches in middle-income CTs. All branches were closed due to business decisions based on low business activity or insufficient profitability. The bank opened one branch during the evaluation period located in a middle-income CT.

Branch hours and services do not vary in a way that inconveniences portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### Wisconsin non-MSA

Associated's branch distribution in the AA is good. The bank's branch distribution in 2014 was excellent. Branches were readily accessible to all portions of geographies and individuals of different income levels in the assessment area. There were five branches located in moderate-income geographies. The percentage of branches in moderate-income geographies exceeded the percentage of the population in moderate-income geographies.

However, branch closings over the evaluation period have adversely affected the accessibility of the bank's delivery systems to moderate-income geographies and LMI individuals. The bank closed a branch in a middle-income geography in 2011. The bank closed three branches in 2012, one each within moderate, middle and upper-income geographies. The bank closed the branch in the moderate-income geography due to a business decision and consolidated it into another branch with greater branch traffic approximately one mile away. The bank closed two branches in 2014, one each in moderate and middle-income geographies. The bank closed the branch in the moderate-income geography due to a business decision concerning the expense of the location and customer accounts were transferred to another location 13.8 miles away.

Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Overall, services offered and banking hours are generally comparable among locations regardless of the income level of the geography.

Management complements its traditional service delivery methods with certain alternative delivery processes, including online banking, mobile banking, ATMs, and telephone banking; these delivery methods provide increased access to banking services throughout all areas in the AA. We placed no significant emphasis on these alternative delivery systems, as the bank did not maintain metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals.

### **Community Development Services**

Associated's performance in providing CD services was good. In the Green Bay MSA and Milwaukee MSA, performance was excellent, performance in the WI non-MSA was good, and in the Madison MSA, performance was adequate. CD services focused on community services and affordable housing services targeted to LMI individuals. Bank employees participated in a variety of organizations and partnerships, some in leadership roles, that benefited LMI individuals, promoted economic development, and provided affordable housing. The Associated employees also provided technical assistance on financial and banking related matters to community groups and to LMI persons and families.

### Green Bay MSA

In the Green Bay MSA, Associated's performance in providing CD services was excellent. Associated had 63 employees that committed over 2,131 hours to 35 different CD organizations. Bank employees

primarily participated in a variety of CD activities that focused on community services targeted to LMI individuals, but also participated in service activities that provided affordable housing and promoted economic development. Furthermore, 34 employees demonstrated leadership by serving on either the Board of Directors or a committee of these community organizations.

### Madison MSA

In the Madison AA, 18 Associated employees provided their expertise to 17 different CD organizations for a total of 316 hours throughout the evaluation period. This represents an adequate level of activities. Within these organizations, five employees conducted financial literacy workshops targeted toward low- and moderate-income people or geographies. One bank employee served on the loan committee of an economic development corporation with the purpose of providing loans to small businesses, which demonstrates responsiveness to an identified need within the AA. Additionally, 11 Associated employees demonstrated leadership by serving on the Board of Directors or on committees for ten organizations totaling 251 volunteer hours.

### Milwaukee MSA

In the Milwaukee MSA, 49 Associated employees provided their expertise to 41 different CD organizations that support affordable housing, community services, economic development, and revitalization and stabilization services for a total of 1,885 hours throughout the evaluation period. This represents an excellent level of activities and excellent responsiveness to the affordable housing needs of the community.

In addition, 22 of the employees demonstrated leadership and served on the Board of Directors or committees of these organizations. One of these organizations was the African American Chamber of Commerce, a private trade organization that provides micro-loans to underserved businesses in Milwaukee County. Another organization served was the Local Initiatives Support Corporation (LISC) – Milwaukee, whose goal is to transform distressed urban environments into sustainable communities by stimulating economic activity, improving access to quality education, and fostering safe and health environments; an employee served as a board member for the majority of the review period. An employee also served as a board member for Rebuilding Together Greater Milwaukee (RTGM), which provides free professional home restoration services including safety repairs and home modifications for low-income disabled persons. A final example of CD services in the AA was shown by an employee's service on the Fund Development Committee of Housing Resource Incorporated (HRI), which provides home ownership counseling services to prospective low- and moderate-income buyers.

### Wisconsin non-MSA

In the Wisconsin non-MSA AA, Associated's performance in providing CD services was good. In the Wisconsin non-MSA AA, 34 employees committed over 837 hours to 35 different organizations. Bank employees primarily participated in a variety of CD activities focused on community services targeted to LMI individuals. Bank employees also participated in services that promoted economic development, and provided affordable housing. Some bank employees served in leadership roles and some provided technical assistance on financial and banking related matters to community groups and to LMI persons and families.

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

The bank's performance in the Janesville MSA, Oshkosh MSA, Sheboygan MSA, and Wausau MSA areas is stronger than the overall performance in the state, and is considered excellent. Performance differences in these areas were based on stronger branch distribution and were not significant enough to affect the bank's overall rating. The bank's performance in the Appleton MSA, Eau Claire MSA, Fond Du Lac MSA, La Crosse MSA, and Racine MSA is weaker than the overall performance in the state, and is considered adequate. Performance differences in these areas were based on weaker branch distribution and were not significant enough to affect the bank's overall rating. Refer to Table 15 in the state of Wisconsin section of Appendix D for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/2011 to 12/31/2014 Service Tests and CD Loans: 01/01/2011 to 07/27/2015 Investment Test: 07/01/2011 to 07/27/2015	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Associated Bank, N.A. (Associated) Green Bay, WI	Home Purchase; Home Improvement; Home Refinance; Multifamily; Small Business; Small Farm; CD loans; Qualified Investments; Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Associated Community Development, LLC	subsidiary	CD investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<u>Chicago-Naperville-Elgin IL-IN-WI MMSA</u>		
Chicago-Naperville-Arlington Heights MD	Full-Scope Review	Cook, DeKalb (2011-2013), DuPage, Kane (2011-2013), Kendall, and McHenry Counties
Elgin MD	Limited-Scope Review	DeKalb (2014) and Kane (2014) Counties
Lake Co.-Kenosha Co. MD	Limited-Scope Review	Lake County (IL) and Kenosha County (WI)
<u>Minneapolis-St. Paul-Bloomington, MN-WI MMSA</u>	Full-Scope Review	Anoka, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington Counties (MN); Pierce and St. Croix Counties (WI)
<u>State of Illinois</u>		
Rockford, IL MSA	Full-Scope Review	Winnebago County
St. Louis, IL MSA	Full-Scope Review	Madison, Monroe, St. Clair County
Peoria, IL MSA	Limited-Scope Review	Peoria and Tazewell Counties
<u>State of Minnesota</u>		
Rochester, MN MSA	Full-Scope Review	Olmsted and Fillmore (2014) Counties
MN non-MSA AA	Limited-Scope Review	Goodhue and Fillmore (2011-2013) Counties

<u>State of Wisconsin</u>		
Milwaukee-Waukesha-West Allis, WI MSA	Full-Scope Review	Milwaukee, Ozaukee, Washington, and Waukesha Counties
Green Bay, WI MSA	Full-Scope Review	Brown, Kewaunee, and Oconto Counties
WI non-MSA AA	Full-Scope Review	Ashland, Clark, Crawford, Dodge, Door, Forest, Green (2011-2013), Iron, Jefferson, Lincoln, Manitowoc, Marinette, Oneida, Portage, Price, Richland, Sauk, Sawyer, Shawano, Taylor, Vernon, Vilas, Walworth, Waupaca, and Wood Counties
Madison, WI MSA	Full-Scope Review	Columbia, Dane, Green (2014), and Iowa Counties
Appleton, WI MSA	Limited-Scope Review	Calumet and Outagamie Counties
Eau Claire, WI MSA	Limited-Scope Review	Chippewa and Eau Claire Counties
Fond du Lac, WI MSA	Limited-Scope Review	Fond du Lac County
Janesville-Beloit, WI MSA	Limited-Scope Review	Rock County
La Crosse, WI MSA	Limited-Scope Review	La Crosse County
Oshkosh-Neenah, WI MSA	Limited-Scope Review	Winnebago County
Racine, WI MSA	Limited-Scope Review	Racine County
Sheboygan, WI MSA	Limited-Scope Review	Sheboygan County
Wausau, WI MSA	Limited-Scope Review	Marathon County

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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RATINGS Associated Bank, N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
ASSOCIATED BANK	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
CHICAGO MMSA	Needs to Improve	High Satisfactory	Needs To Improve	Needs to Improve
MINNEAPOLIS MMSA	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
ILLINOIS	Low Satisfactory	Outstanding	High Satisfactory	Satisfactory
MINNESOTA	High Satisfactory	Low Satisfactory	Needs to Improve	Satisfactory
WISCONSIN	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

### Chicago MD

Demographic Information for Full Scope Area: Chicago-Joliet-Naperville MD 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,633	14.33	25.47	34.48	24.68	1.04
Population by Geography	7,088,611	8.57	24.43	38.66	28.33	0.01
Owner-Occupied Housing by Geography	1,602,253	2.81	15.88	44.65	36.66	0.00
Business by Geography	600,105	3.78	14.21	37.96	43.82	0.23
Farms by Geography	7,810	1.60	9.56	50.18	38.66	0.00
Family Distribution by Income Level	1,721,882	21.56	17.75	21.82	38.87	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	676,902	15.20	34.35	36.91	13.54	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		60,166 76,200 10%	Median Housing Value Unemployment Rate (2000 US Census)	176,125 3.27%		

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Chicago-Joliet-Naperville MD 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,699	14.13	24.31	31.61	29.72	0.24
Population by Geography	7,155,524	9.79	24.66	33.86	31.69	0.00
Owner-Occupied Housing by Geography	1,701,801	4.25	18.80	38.00	38.96	0.00
Business by Geography	508,373	5.17	16.38	33.19	45.14	0.12
Farms by Geography	7,451	2.51	12.60	45.13	39.75	0.00
Family Distribution by Income Level	1,702,239	23.43	17.06	19.25	40.26	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	689,233	16.62	34.83	32.73	15.82	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		72,747 73,400 12%	Median Housing Value Unemployment Rate (2010 US Census)	291,292 4.82%		

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

Source: 2010 US Census and 2013 FFIEC updated MFI

Demographic Information for Full Scope Area: Chicago-Naperville-Arlington Heights MD 2010 Census with 2014 OMB Changes						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,596	14.72	23.93	31.14	29.95	0.25
Population by Geography	6,535,095	10.36	24.18	33.87	31.59	0.00
Owner-Occupied Housing by Geography	1,546,889	4.62	18.36	37.98	39.04	0.00
Business by Geography	405,800	5.13	15.99	32.45	46.29	0.14
Farms by Geography	5,497	3.15	13.19	40.55	43.11	0.00
Family Distribution by Income Level	1,551,211	23.94	17.01	19.09	39.97	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	635,166	17.77	34.00	32.50	15.73	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		72,747 76,300 12%	Median Housing Value Unemployment Rate (2010 US Census)	295,050 4.89%		

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The Chicago AA includes the entire counties of Cook, DuPage, Kendall, and McHenry, out of the six counties of the entire MD. The 2013 OMB changes resulted in the removal of DeKalb county and Kane county from the Chicago MD, and created the Elgin MD. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census, the total population of the AA was 7.09 million. The distribution of families by income level was 21.56 percent low-income, 17.75 percent moderate-income, 21.82 percent middle-income, and 38.87 percent upper-income. According to the 2010 U.S. Census, the total population increased to 7.16 million, and the distribution of families by income level was 23.43 percent low-income, 17.06 percent middle-income, 19.25 percent middle, and 40.26 percent upper. Based on the 2013 OMB changes, the total population was 6.54 million, and the distribution of families by income level was 23.94 percent low-income, 17.01 percent middle-income, 19.09 percent middle, and 39.97 percent upper-income.

The bank offers a full range of commercial and consumer loan/deposit products and services. Competition in the AA is high, with 170 total depository institutions. Competition includes large interstate banks, regional banks, as well as mortgage companies, credit unions, and community banks. Associated has 12 branches and 17 deposit-taking ATMs in the AA. As of June 30, 2014, Associated Bank's deposits in the AA totaled \$2.20 billion, which is 0.74 percent of the market. The bank's deposits rank 17<sup>th</sup> out of 170 depository institutions; the top five depository institutions account for 60.45 percent of total deposits in the AA. The top five depository institutions include JPMorgan Chase, BMO Harris Bank, Bank of America, Northern Trust Company, and Fifth Third Bank.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), the average unemployment rate in the Chicago AA improved during the evaluation period and decreased from 9.75 percent in January 2011 to 5.08 percent in December 2014. The average unemployment rate in the AA was lower than the national

unemployment average of 5.6 percent and the Illinois statewide unemployment rate of 6.2 in December 2014.

Unemployment in Cook County fell from 10.50 percent in January 2011 to 5.80 percent in December 2014. Unemployment in DuPage County fell from 8.3 percent in January 2011 to 4.40 percent in December 2014. Unemployment in Kendall County fell from 9.70 percent in January 2011 to 4.9 percent in December 2014. Unemployment in Cook County fell from 10.50 percent in January 2011 to 5.20 percent in December 2014.

The percentage of families in the AA living below the poverty level is moderate and increased from 8.65 percent at the 2000 U.S. Census to 9.87 percent at the 2010 U.S. Census, and 10.14 percent based on the 2013 OMB changes. A significant portion of families living below the poverty level live in LMI geographies: 30.87 percent live in low-income census tracts, and 36.48 percent live in moderate-income census tracts. LMI geographies account for 38.28 percent of the census tracts in the AA, based on the 2013 OMB changes, with 14.60 percent low-income census tracts and 23.68 percent moderate-income census tracts.

The largest employers in the AA include the Advocate Health Care System, University of Chicago, JPMorgan Chase, Northwestern Memorial Healthcare, Walgreen Co., United Continental Holdings, and AT&T.

### Housing

There are limited opportunities for residential mortgage lending in this AA's LMI geographies due to a lower number of housing units in LMI CTs, a lower portion of owner-occupied units in LMI CTs, high unemployment, and a high poverty rate. The number of housing units is much lower in LMI geographies than in middle- and upper-income geographies.

According to the 2000 U.S. Census, 58.99 percent of the total housing units in the AA were owner-occupied. Housing in LMI census tracts were primarily rental units, accounting for 65.43 percent in low-income census tracts and 51.68 percent in moderate-income census tracts. According to the 2010 U.S. Census, 58.67 percent of the total housing units in the AA were owner-occupied. Housing in low-income census tracts was primarily rental units, which accounted for 55.13 percent; while housing in moderate-income census tracts was divided between owner occupied units with 47.40 percent and rental units with 40.97 percent. Based on the 2013 OMB changes, 57.68 percent of the total housing units in the AA were owner-occupied. Housing in low-income census tracts was primarily rental units, which accounted for 54.68 percent; while housing in moderate-income census tracts was divided between owner occupied units with 45.73 percent and rental units with 42.05 percent.

Home ownership in LMI geographies is difficult due to high median housing prices compared to median family incomes, and a poverty rate of 12.28 percent in the AA, based on the 2013 OMB changes. According to the Federal Housing Finance Agency (FHFA), the median housing price for the AA was \$162,760 at year-end 2014. The median housing price ranged from \$151,840 in 2011, \$149,070 in 2012, and \$154,310 in 2013. Median home prices are relatively high in the AA when coupled with a (FFIEC updated) median family income of \$76,300 and a poverty rate of 12.02 percent (according to 2010 U.S. Census). Based on this median family income, LMI families earned at most approximately \$38,150 and \$61,040, respectively. These income levels make it difficult for low- income borrowers to afford owner-occupied housing in this AA.

The median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices, but often costs more to maintain. Per the 2000 U.S. Census, the median age of housing in low-income geographies was 51 years and 52 years for moderate-income geographies. Per the 2010 Census, the median age of stock was 64 years for low-income geographies, and 58 years for moderate-income. Based on the 2013 OMB changes, the median age of stock was 64 years for low-income geographies, and 59 years for moderate-income.

### Community Contacts

We considered information from seven community contacts from within the AA. The primary community needs identified were affordable housing and economic development.

## Minneapolis-St Paul-Bloomington MSA

Demographic Information for Full Scope Area: Minneapolis-St Paul-Bloomington MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	696	6.75	20.98	47.41	24.28	0.57
Population by Geography	2,712,911	4.99	18.34	50.08	26.51	0.08
Owner-Occupied Housing by Geography	748,768	1.65	14.39	54.02	29.93	0.00
Business by Geography	301,548	3.59	14.91	51.12	30.24	0.14
Farms by Geography	6,808	0.73	9.67	61.57	28.01	0.01
Family Distribution by Income Level	681,237	17.16	18.82	26.08	37.95	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	245,060	7.66	26.26	51.74	14.34	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		64,885 82,700 6%	Median Housing Value Unemployment Rate (2000 US Census)		145,171 2.01%	

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Minneapolis-St Paul-Bloomington MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	717	9.07	21.62	43.93	24.83	0.56
Population by Geography	2,937,776	7.11	18.84	46.09	27.84	0.13
Owner-Occupied Housing by Geography	816,774	2.88	15.70	50.09	31.33	0.00
Business by Geography	243,241	5.17	17.62	44.89	32.29	0.02
Farms by Geography	6,475	1.42	14.21	56.93	27.44	0.00
Family Distribution by Income Level	729,115	19.87	17.88	23.22	39.02	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	275,296	11.39	26.89	45.92	15.80	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		80,925 83,900 9%	Median Housing Value Unemployment Rate (2010 US Census)		255,751 3.75%	

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The Minneapolis-St. Paul-Bloomington MN-WI MMSA (Minneapolis) is a multistate AA. The AA includes Anoka, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington counties in Minnesota and Pierce and St Croix counties in Wisconsin. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census, the total population of the AA was 2.71 million. The distribution of families by income level was 17.16 percent low-income, 18.82 percent moderate-income, 26.08 percent middle-income, and 37.95 percent upper-income. According to the 2010 U.S. Census, the total population increased to 2.94 million, and the distribution of families by income level was 19.87 percent low-income, 17.88 percent middle-income, 23.22 percent middle, and 39.02 percent upper.

The bank offers a full range of commercial and consumer loan/deposit products and services. Competition in the AA is strong, with 132 institutions. Competition includes large interstate banks, regional, state, and community banks, as well as savings associations. Associated Bank has 26 branches in the AA and 32 deposit-taking ATMs. As of June 30, 2014, Associated Bank's deposits in the AA totaled \$1.44 billion, which represents 0.70 percent of market share. The bank ranks sixth in deposit market share out of 132 depository institutions. The top five depository institutions account for 90.84 percent of total deposits in the AA. The top five depository institutions include Wells Fargo, U.S. Bank, TCF National Bank, BMO Harris, and Bremer Bank.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://data.bls.gov>), unemployment in the Minneapolis AA improved during the review period. In January 2011, unemployment rates in the AA ranged from 9.40 percent to 6.60 percent. As of December 2014, the unemployment rate in the AA ranged from 4.20 percent to 2.90 percent. The unemployment rates in all counties, as of December 2014, were below the national average of 5.60 percent.

The percentage of families in the AA living below the poverty level is moderate and increased from 4.36 percent, based on the 2000 U.S. Census, to 6.51 percent, based on the 2010 U.S. Census. The AA consists of 63 low-income CTs, or 8.79 percent of tracts, and 138 moderate-income CTs, or 19.25 percent of tracts. Of those families living in the low-income CTs, 35.44 percent are below the poverty level, and 12.13 percent are living below the poverty level in the moderate-income CTs, based on the 2010 U.S. Census.

The largest industries in the AA include education and health services, government, professional and business services, and manufacturing. The top five employers are Target Corporation, Allina Health System, University of Minnesota, HealthPartners, and Fairview Health System.

### Housing

There are limited opportunities for residential mortgage lending in this AA's LMI geographies due to a low number of units, low rate of owner occupancy, and a high poverty rate. The number of housing units is much lower in LMI geographies than middle- and upper-income geographies. Total housing units in LMI geographies make up only 24.69 percent of the housing units in the AA.

Home ownership in LMI geographies is difficult due to high median housing prices compared to median family incomes, and a high poverty rate in the AA. According to the Federal Housing Finance Agency ([www.fhfa.gov](http://www.fhfa.gov)), the median housing price for the AA was \$200 thousand at year-end 2014. The median

housing values ranged from an average of \$175 thousand in 2011 to an average of \$197 thousand in 2014. Median home prices are relatively high in the AA when coupled with a median family income of \$84 thousand and a poverty rate of 6.51 percent (according to 2010 U.S. Census). Based on this median family income, LMI families earned at most, approximately \$42 thousand and \$67 thousand, respectively. Given this information, owner-occupied housing affordability would be difficult in this AA for LMI borrowers.

There were no significant shifts in the housing mix between the 2000 U.S. Census and the 2010 U.S. Census. Owner-occupied housing decreased slightly to 67.27 percent, rental occupied units also decreased to 26.99 percent, while vacant units increased to 5.74 percent. Low-income geographies are primarily rental markets, with rental units accounting for 62.53 percent of the housing units in these geographies. Rental units in moderate-income geographies account for 41.57 percent of housing units.

The median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices but often costs more to maintain. Per the 2000 U.S. Census, the median age of housing in low-income geographies was 50 years, and 45 years for moderate-income geographies. Per the 2010 Census, the median age of housing was 56 years for low-income geographies and 49 years for moderate-income.

#### Community Contact

Five community contacts were conducted in the AA. The organizations represent a range of community services including affordable housing, business development, affordable housing for senior citizens and disabled individuals, and infrastructure development. The organizations stated that the credit needs of the AA include affordable housing, including workforce housing, and small business lending.

# State of Illinois

## Rockford MSA AA

Demographic Information for Full Scope Area: Rockford MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	76	5.26	26.32	48.68	19.74	0.00
Population by Geography	278,418	4.28	22.43	51.50	21.79	0.00
Owner-Occupied Housing by Geography	75,667	1.61	17.05	56.27	25.07	0.00
Business by Geography	22,470	3.75	16.00	51.67	28.58	0.00
Farms by Geography	784	0.26	9.44	52.93	37.37	0.00
Family Distribution by Income Level	73,999	19.09	19.24	24.25	37.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	28,362	6.79	32.04	49.79	11.37	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		53,128 63,400 9%	Median Housing Value Unemployment Rate (2000 US Census)	90,301 3.00%		

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Rockford MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	77	12.99	28.57	36.36	20.78	1.30
Population by Geography	295,266	9.74	24.57	41.95	23.74	0.00
Owner-Occupied Housing by Geography	78,845	4.75	20.52	46.11	28.62	0.00
Business by Geography	16,220	7.55	21.15	43.64	27.12	0.53
Farms by Geography	654	2.14	14.37	52.45	30.73	0.31
Family Distribution by Income Level	75,014	22.55	18.05	21.56	37.84	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	30,450	16.51	33.07	36.62	13.79	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		61,291 55,900 14%	Median Housing Value Unemployment Rate (2010 US Census)	126,369 5.08%		

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The Rockford, IL MSA AA is located in northwest Illinois. This AA is comprised of Winnebago County, which is one of two counties in the Rockford MSA. The largest city in Winnebago County is Rockford, IL. The AA has 77 census tracts, as of the 2010 U.S. Census. According to the U.S. Census American Factfinder website (factfinder2.census.gov), the AA population grew by 16,848 or 6.05 percent between census years 2000 and 2010. The U.S. Census American Factfinder data estimates a 2.3 percent decrease in the Winnebago County population to 288,542 from 2010 through year-end 2014. The Rockford AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

Based on the FFIEC Updated MSA Median Family income, the emphasized average family income in the AA as of 2014 was \$55,900. This was a \$7,500 (11.83 percent) decrease when comparing this amount to the 2011 updated median family income (\$63,400). There was an overall net increase in the number of LMI families from 2011 to 2013. According to the U.S. Census data, low-income families increased from 19.09 percent in census year 2000 to 22.55 percent in census year 2010. There was a decrease in the number of moderate-income families over the same time period, from 19.24 percent in census year 2000 to 18.05 percent in census year 2010. Within those low-income families, the number of families living below the poverty level grew. Families living below the poverty level increased to 11.53 percent in the 2010 Census from 6.92 percent in the 2000 Census.

Moderate competition exists for financial services within the Rockford AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranked fourth out of 23 depository financial institutions in the AA, with a 9.80 percent market share. Competing banks primarily consist of local community banks but also include a few large regional and nationwide institutions. The top three competitors, in order of their ranking, are Alpine Bank and Trust, JPMorgan Chase Bank, and BMO Harris. These competitors, along with Associated, control 52.48 percent of the deposit share within this AA. The competition maintains 28 offices in the AA. Associated has six full-service branches in the AA as of the end of the evaluation period. The bank supplements its branch network with six deposit-taking ATMs. The bank's deposits in the Rockford AA, as of June 30, 2014, totaled \$459,580 representing 38.46 percent of total Associated deposits in the state of Illinois.

### Employment and Economic Factors

The economic condition of the Rockford AA remained depressed over the evaluation period; however, it has recently strengthened. According to the Moody's Analytics, the Rockford area has only recouped about one-half of the jobs it lost during the recession and is losing residents at an alarming rate. Housing is not yet adding to growth, and consumer-related industries such as retail also face pressure from a contracting population. Major industries within the Rockford AA are manufacturing, education and healthcare services, and leisure and hospitality services. According to the Rockford Area Economic Development Council, in November 2014, the top five employers for the Rockford AA were Chrysler, Swedish American Health Systems, OSF St. Anthony Medical Center, UTC Aerospace Systems, and Walmart.

The economy in the Rockford AA has become stronger over the past few months due to a resurgent auto industry and strong sales at Chrysler's Belvidere plant. Factory payrolls are once again climbing, and more private industries are hiring. Fewer people are exiting the labor force, and the unemployment rate has come down sharply over the past two years.

The Bureau of Labor Statistics reported that the December 2014 unemployment rate for the AA was 6.90 percent, which was above the statewide rate (6.20 percent) as well as the national rate (5.60

percent). The unemployment rate as of December 2014 (6.90 percent) reflects a significant improvement over the unemployment rate of 12.60 percent in January 2011.

### Housing

The median housing price for single-family homes for the AA, according to the Federal Housing Financing Agency (FHFA), was \$117,710 for year 2014. The median housing price at the beginning of the evaluation period in 2011 was \$130,760, showing a drop in home values of 9.98 percent during the evaluation period.

According to the 2010 U.S. Census, 10.18 percent of AA's housing units were located in low-income census tracts, which is higher than the 4.52 percent reported in the 2000 U.S. Census. Of the total housing units in low-income geographies, 48.15 percent were occupied rental units, and 22.47 percent were vacant units. These statistics show an increase in the number of vacant units and a decrease in the number of rental units when compared to 2000 Census data, which showed 16.85 percent vacant units and 59.61 percent rental units. In moderate-income geographies, 37.47 percent were occupied rental units and 13.65 percent were vacant units, according to 2010 US Census data. Similar to low-income geographies, the percent of vacant units increased and rental units decreased from the 2000 Census. Per 2000 Census data, vacant units were 8.89 percent and rental units were 41.85 percent

According to the 2010 U.S. Census, the median age of housing stock in low-income census tracts is 65 years and 53 years in moderate-income census tracts. This is compared to 37 years in middle-income and 30 years in upper-income census tracts. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. Older homes are typically less energy efficient and often result in higher heating and cooling costs that add to the overall costs of homeownership. The increased energy costs and additional expenses related to rehabilitation limit the ability for LMI individuals to qualify for a home purchase, let alone the additional expenses needed for home improvement.

Overall, opportunities for home mortgage lending in LMI geographies and to LMI families are limited. Although housing stock in low-income geographies has increased 4.52 percent since the 2000 census, and the median housing price decreased 10 percent, 48 percent of the housing units in low-income geographies are occupied rental units and 20 percent are vacant units. In moderate-income geographies, 37 percent of the housing units are occupied rental housing, and 14 percent are vacant.

Additionally, the median family income showed a 10 percent decrease between the 2000 and 2010 census. LMI families within the AA increased 3.46 percent from 2011 to 2013, and the percentage of families living below the poverty rate increased by 4.61 percent. The level of moderate-income families decreased 1.19 percent during the same time period.

### Community Contact

One community contact conducted in the AA was reviewed as part of this performance evaluation. The contact was the Community Development Director for the City of Rockford. In this capacity, he is responsible for promoting business opportunities in the greater Rockford, Illinois area. The Community Development Department also manages part of the city's development programs and Tax Increment Financing District dollars. The contact stated that Rockford was hit hard by the recession; however, the area has begun to recover from the effects of the recession and unemployment has been reduced. Businesses are very cautious about new borrowing and those that wish to borrow find it difficult to meet

bank underwriting standards. The agricultural economy is doing very well; however, this sector has limited influence on the economic conditions in the Rockford MSA. There are limited credit needs for additional housing financing. There are many vacant and foreclosed homes in the market place; however, there is a need for additional quality low-income housing. The housing stock is aging and in need of upgrades. The most underserved areas in the Rockford MSA are the West Side neighborhoods of Rockford. Residents of parts of the West Side must travel several blocks to reach the nearest bank branch office or ATM machine.

The Rockford Local Development Corporation (RLDC) is a leader in lending to and arranging financing for small businesses. Neighborhood stabilization programs are sponsored by Homestart, a not-for-profit entity formed by a merger of the Rockford Area Affordable Housing Coalition (RAAHC) and the Neighborhood Housing Services (NHS) of Freeport, Illinois.

## St Louis MSA AA

Demographic Information for Full Scope Area: St Louis MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	117	11.11	29.91	47.01	11.97	0.00
Population by Geography	542,642	6.59	23.71	54.73	14.96	0.00
Owner-Occupied Housing by Geography	148,336	3.89	21.78	58.06	16.26	0.00
Business by Geography	43,530	3.41	19.63	57.89	19.07	0.00
Farms by Geography	2,131	0.52	6.19	79.96	13.33	0.00
Family Distribution by Income Level	145,683	22.21	19.47	23.72	34.60	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	60,721	11.21	31.58	48.98	8.24	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		53,435 69,500 11%	Median Housing Value Unemployment Rate (2000 US Census)		79,518 2.82%	

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: St Louis MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	127	14.96	20.47	44.09	20.47	0.00
Population by Geography	572,295	8.86	18.93	47.51	24.69	0.00
Owner-Occupied Housing by Geography	159,475	6.27	17.74	49.69	26.30	0.00
Business by Geography	30,672	6.49	18.22	49.03	26.26	0.00
Farms by Geography	1,824	1.10	6.52	54.61	37.77	0.00
Family Distribution by Income Level	149,983	23.57	17.34	21.70	37.38	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	61,367	15.91	26.29	43.81	14.00	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		67,013 71,000 13%	Median Housing Value Unemployment Rate (2010 US Census)		130,025 3.89%	

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The St. Louis, MO-IL MMSA is a multistate AA, which includes Madison County, IL; Monroe County, IL; and St. Clair County. The AA meets the requirement of the regulation and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census, the total population of the AA was 542,642. The distribution of families by income level was 6.59 percent low-income, 23.71 percent moderate-income, 54.73 percent middle-income, and 14.96 percent upper-income. According to the 2010 U.S. Census, the total population increased to 572,295 and the distribution of families by income level was 8.86 percent low-income, 18.93 percent middle-income, 47.51 percent middle, and 24.69 percent upper.

The bank offers a full range of commercial and consumer loan/deposit products and services. Competition in the AA is strong, with 44 total depository institutions. The primary competition within the AA consists of large nationwide institutions, large regional banks, and community banks. Associated has eight branches in the AA and six deposit-taking ATMs. As of June 30, 2014, Associated deposits in the AA totaled \$528.74 million, which is 5.71 percent of the market. The bank's deposits rank sixth out of 44 depository institutions; the top five depository institutions account for 47.71 percent of total deposits in the AA. The top five depository institutions include The Bank of Edwardsville, Regions Bank, US Bank National Association, First Collinsville Bank, and First Clover Leaf Bank, FSB.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (<http://beta.bls.gov>), unemployment in the St. Louis AA improved during the evaluation period from 8.87 percent as of January 2011 to 5.73 percent as of December 2014. However, the St. Louis AA unemployment rate remains higher than the national rate of 5.60 percent as of December 2014, but lower than the Illinois statewide rate of 6.20 percent as of that same date.

The percentage of families in the AA living below the poverty level is moderate and increased from 9.11 percent at the 2000 U.S. Census to 10.22 percent at the 2010 U.S. Census. Significant portions of families in LMI geographies live below the poverty level, 36.37 percent of families in low-income geographies and 17.38 percent in moderate-income geographies live below the poverty level. LMI geographies account for 41.02 percent of the census tracts in the AA based on the 2010 U.S. Census.

Due to limited available information specific to the AA, industry and employer statistics are provided for the St. Louis, MO-IL MMSA. The largest industries in the area include health services, steel industry, and education. The top five employers are U.S. Steel, Walmart/Sam's Club, Southern Illinois University, Scott Air Force Base and SSM Health Care System.

### Housing

According to the 2000 U.S. Census, 65.13 percent of the total housing units in the AA were owner-occupied. LMI geographies are a mix of owner-occupied and non-owner occupied rentals. The low-income geography has a split between owner-occupied and non-owner occupied rentals being 40.76 percent and 40.56 percent, respectively. For the moderate-income geography, owner occupied housing makes up 55.95 percent versus 31.53 percent for non-owner occupied rentals.

According to the Federal Housing Finance Agency ([www.fhfa.gov](http://www.fhfa.gov)), the median housing value for the AA was \$171.9 thousand at year-end 2014. The median housing values ranged from \$167.1 thousand in 2011, \$165.38 thousand in 2012, to \$164.73 thousand in 2013.

There were no significant shifts in the housing mix indicated by the 2010 U.S. Census. Owner-occupied housing in LMI geographies decreased slightly from 25.67 to 24.01 percent, while rental occupied units increased from 40.47 to 41.35 percent; vacant units decreased from 51.67 to 49.17 percent. The majority of housing units in LMI geographies remained rental units.

The median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices, but it often costs more to maintain. Per the 2000 U.S. Census, the median age of housing in low-income geographies was 43 years and 48 for moderate-income geographies. Per the 2010 Census, the median age of stock was 53 years for low-income geographies and 57 years for moderate-income. Due to the older age of housing stock in LMI geographies, we would expect increased demand for home improvement lending.

### Community Contact

We conducted one community contact and attended a CRA listening session; both focused on CD issues specific to this AA. The organization represented by the initial community contact focuses on providing innovative financial services that help lift people in the AA out of poverty. There were three organizations involved in the CRA listening session; they focus on economic development and affordable housing. The organizations stated that the credit needs of the AA include affordable housing, affordable banking services, and affordable retail loan products. In addition, there is a need in the area for financial literacy education.

# State of Minnesota

## Rochester MSA

Demographic Information for Full Scope Area: Rochester MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	34	0.00	14.71	52.94	29.41	2.94
Population by Geography	124,277	0.00	15.00	58.83	25.96	0.21
Owner-Occupied Housing by Geography	36,311	0.00	10.87	61.08	28.04	0.00
Business by Geography	13,135	0.00	14.77	56.07	28.96	0.20
Farms by Geography	792	0.00	3.03	80.18	16.79	0.00
Family Distribution by Income Level	32,597	14.78	18.03	26.74	40.45	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	10,694	0.00	19.62	64.81	15.57	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		59,198 80,200 6%	Median Housing Value Unemployment Rate (2000 US Census)	120,378 2.04%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Rochester MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0.00	18.18	57.58	24.24	0.00
Population by Geography	144,248	0.00	18.08	52.45	29.46	0.00
Owner-Occupied Housing by Geography	42,920	0.00	14.68	54.39	30.93	0.00
Business by Geography	11,129	0.00	17.28	52.67	30.05	0.00
Farms by Geography	831	0.00	6.98	55.35	37.67	0.00
Family Distribution by Income Level	37,314	16.01	18.72	23.84	41.43	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,960	0.00	24.92	58.23	16.84	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		76,764 80,500 7%	Median Housing Value Unemployment Rate (2010 US Census)	186,333 2.27%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFEIC updated MFI

Demographic Information for Full Scope Area: Rochester MSA 2010 Census with 2014 OMB Changes						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	39	0.00	15.38	64.10	20.51	0.00
Population by Geography	165,114	0.00	15.80	58.46	25.74	0.00
Owner-Occupied Housing by Geography	49,734	0.00	12.67	60.64	26.69	0.00
Business by Geography	11,598	0.00	14.26	60.26	25.48	0.00
Farms by Geography	1,273	0.00	3.61	74.78	21.60	0.00
Family Distribution by Income Level	43,124	16.51	18.64	23.69	41.16	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	15,158	0.00	21.31	64.29	14.40	0.00
Median Family Income		60,068	Median Housing Value	179,140		
FFIEC Adjusted Median Family Income for 2014		80,400	Unemployment Rate (2010 US Census)	2.34%		
Households Below Poverty Level		8%				

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

Source: 2010 US Census and 2014 FFEIC updated MFI

The bank's AA includes the Rochester, MN MSA, which consists of Olstead and Fillmore Counties. Fillmore County was added in 2014 as a result of OMB MSA changes. The AA meets the requirement of the regulation and does not arbitrarily exclude low- and moderate-income geographies.

According to the 2000 U.S. Census, the total population of the AA was 124,277. The distribution of families by income level was 14.78 percent low-income, 18.03 percent moderate-income, 26.74 percent middle-income, and 40.45 percent upper-income. According to the 2010 U.S. Census, the total population increased to 144,248 and the distribution of families by income level was 16.01 percent low-income, 18.72 percent moderate-income, 23.84 percent middle, and 41.43 percent upper. In 2014 with the addition of Fillmore County, the population rose to 165,114 and the distribution of families by income level was 16.51 percent low-income, 18.64 percent moderate-income, 23.69 percent middle, and 41.16 percent upper.

The bank offers a full range of commercial and consumer loan/deposit products and services. Competition in the AA is fair, with 16 total depository institutions in 2013 and 25 in 2014. The competition within the AA consists of community banks, large regional banks, and national banks. Associated has four branches in the AA (6.15 percent) and three cash dispensing ATMs. As of June 30, 2014, Associated deposits in the AA totaled \$114.63 million, which is 2.86 percent of the market. The bank's deposits rank ninth out of 25 depository institutions; the top five depository institutions account for 73.59 percent of total deposits in the AA in 2014. The top five depository institutions include Think Mutual Bank, Wells Fargo Bank, N.A., US Bank, N.A., Eastwood Bank, and Home Federal Savings Bank.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in the Rochester AA improved during the evaluation period from 6.20 percent as of January 2011 to 3.40 percent as of December 2014. The unemployment rate remains lower than the state average of 3.70 and the national average of 5.60 percent as of December 2014.

Based on data from the 2000 and 2010 U.S. Census, the percentage of families in the AA living below the poverty level is moderate and increased from 3.76 percent in 2011 to 5.07 percent in 2013, and 5.51 percent in 2014.

According to the Bureau of Labor Statistics, the largest industries in the Rochester MSA include education and health services; trade, transportation and utilities; government; manufacturing; and leisure and hospitality. As of June 2015, Rochester Area Economic Development, Inc. identifies the top five employers as the Mayo Clinic, IBM, Rochester Public Schools, Olmsted Medical Center, and Olmsted County Government.

### Housing

According to the 2000 U.S. Census, 73.47 percent of the total housing units in the AA were owner-occupied of which 10.87 percent was in moderate-income geographies and comprised 46.87 percent of the owner occupied housing in moderate-income geographies. Occupied rental units accounted for 48.23 percent of all housing in moderate-income geographies.

There were some shifts in the housing mix indicated by the 2010 U.S. Census. Owner-occupied housing overall decreased slightly to 71.95 percent of which 14.68 was in moderate-income geographies, an increase from the 2000 Census and comprised 54.66 percent of the owner occupied housing in moderate-income geographies. Occupied rental units accounted for 36.73 percent of all housing in moderate-income geographies, a notable decrease from the 2000 Census.

With the addition of Fillmore County to the AA, there were some minor changes in the housing mix indicated by the 2010 U.S. Census. Owner-occupied housing overall decreased slightly to 71.73 percent of which 15.67 were in moderate-income geographies and comprised 56.22 percent of the owner occupied housing in moderate-income geographies. Occupied rental units accounted for 30.14 percent of all housing in moderate-income geographies.

The median age of housing stock is higher in moderate-income geographies than middle- and upper-income geographies, contributing to the lower median housing values in moderate-income geographies. Older housing typically has lower purchase prices, but it often costs more to maintain. Per the 2000 U.S. Census, the median age of housing in moderate-income geographies was 47 years. Per the 2010 Census, the median age of stock was 44 years for moderate-income geographies. In 2014, the median age of stock was 55 years in moderate-income geographies with the addition of Fillmore County to the AA. Due to the older age of housing stock in moderate geographies, we would expect increased demand for home improvement lending.

According to U.S. Census data, the median housing value in the AA was \$120,378 in 2000, \$186,333 in 2010, and \$179,140 in 2014 with the addition of Fillmore County using 2010 Census data. The median housing price of single-family homes for the AA, according to the Federal Housing Finance Authority (FHFA), was \$169,510, \$173,130, and \$179,750 at year-end 2011, 2013, and 2014 respectively. At these median sales prices, it is somewhat difficult for LMI families to qualify for a mortgage loan, with median family incomes of approximately \$39 thousand for low-income families and \$63.5 thousand for moderate-income families in 2014.

### Community Contact

We conducted two community contacts with an economic development organization in the AA that attracts, retains and assists the growth of businesses based within the Rochester area. Its services include financial packaging, business planning, site/location support, and business and community advocacy. The organization operates under a combination of private and public funding, investments, and internal SBA loan originations, which is the source of the majority of its funding.

The contacts noted that opportunities for local financial institutions to participate in CD projects have been limited; however, they have been increasing over the past two years and institutions have been proactive in helping the community with various forms of financial services. There are credit related financing programs and organizations that can work with financial institutions to help low-income borrowers in the area obtain financing. The number of opportunities for bank involvement is expected to increase as the demand for loans increases. The contact stated that the supply of loans is currently higher than the demand for loans, and many small businesses are waiting for the economy to pick up before growing their businesses.

The contact shared that the area is a highly competitive marketplace for lending opportunities, and while the contact had no complaints about the provision of services from banks in the community, it was mentioned that area banks could do more for area businesses. The contact said most banks want to do more, but may be reluctant due to their risk appetite. A perception was also expressed that larger banks are now becoming less like community banks and are no longer making credit decisions on a local basis. The contact mentioned that Associated Bank had no commercial lending staff in the Rochester area at the time and was very disengaged.

The contact stated that Main Street businesses in the area need financing, but have a hard time obtaining this financing due to a focus on risk resulting in area banks tightening their credit standards. The businesses that are undercapitalized are having the hardest time getting financing. In addition, the contact stated that area banks could offer more SBA 504 and 7A financing to address this need.

# State of Wisconsin

## Green Bay MSA

Demographic Information for Full Scope Area: Green Bay MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	64	0.00	20.31	65.63	12.50	1.56
Population by Geography	282,599	0.00	15.48	66.93	16.90	0.69
Owner-Occupied Housing by Geography	74,972	0.00	12.53	68.81	18.66	0.00
Business by Geography	28,579	0.00	14.31	67.72	17.93	0.03
Farms by Geography	1,484	0.00	11.32	78.37	10.31	0.00
Family Distribution by Income Level	73,603	16.46	19.20	27.30	37.04	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	26,248	0.00	23.00	66.94	10.07	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		53,950 67,600 7%	Median Housing Value Unemployment Rate (2000 US Census)		110,376 2.04%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Green Bay MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	68	2.94	26.47	51.47	17.65	1.47
Population by Geography	306,241	1.44	21.93	52.93	23.34	0.36
Owner-Occupied Housing by Geography	84,779	0.73	20.16	55.51	23.61	0.00
Business by Geography	19,959	1.22	21.09	54.35	23.32	0.03
Farms by Geography	1,360	0.22	14.26	64.12	21.40	0.00
Family Distribution by Income Level	80,745	19.23	18.25	23.75	38.78	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	30,257	2.33	32.97	50.44	14.25	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		64,441 68,200 11%	Median Housing Value Unemployment Rate (2010 US Census)		155,350 3.43%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2014 FFIEC updated MFI

The Green Bay MSA AA is located in northeastern Wisconsin. The AA is comprised of the entire Green Bay MSA and the MSA consists of three counties, Brown County, Kewaunee County, and Oconto County. Demographic information from the 2000 and 2010 U.S. Census shows an increase in the total number of census tracts and the percentage of low- and moderate-income (LMI) census tracts. Based on the 2010 U.S. Census, the AA had 20 LMI geographies; two of these were low income and 18 were moderate income. The Green Bay AA meets the requirements of the CRA regulation and does not arbitrarily exclude LMI geographies.

According to the U.S. Census, the total population of the AA increased 8.37 percent to 306,241 between the 2000 and 2010 census years. The population of the AA increased further to 314,531 as of July 1, 2014, according to the estimate from the U.S. Census Bureau. The number of families living within the AA also increased with some shift in the family distribution by income level. Overall, the percentage of LMI families to total families increased from 35.66 percent in the 2000 census year to 37.48 percent in the 2010 census year. This change was prompted by growth in the number of low-income families, which rose from 16.46 percent to 19.23 percent. The number of families living below the poverty level grew by about 2,400, thereby increasing the percentage of such families from 4.63 percent for the 2000 census year to 7.23 percent for the 2010 census year.

Competition in the Green Bay AA is modest and the primary competitors include national, regional, and local community banks. Associated has 13 offices and 17 deposit-taking ATMs within the AA. Per the FDIC Deposit Market Share Report as of June 30, 2014, there were 24 depository financial institutions in the AA. The top five competitors controlled 63.45 percent of the total market share. As of June 30, 2014, Associated Bank's deposits in the AA totaled \$1.80 billion for a market share of 28.34 percent. This market share ranks the bank first in the AA. The other four depository institutions in the top five were BMO Harris Bank, Nicolet National Bank, Well Fargo Bank, and JPMorgan Chase Bank.

### *Employment and Economic Factors*

According to the Bureau of Labor Statistics, the unemployment rate for the Green Bay AA improved during the evaluation period and compared favorably to the statewide and national unemployment rate. The unemployment rate for the AA fell from 8.50 percent in January 2011 to 4.30 percent in December 2014. Comparatively, the statewide unemployment rate fell from 8.80 percent to 4.70 percent and the national unemployment rate fell from 9.20 percent to 5.60 percent. The annual unemployment rates for the AA from 2011 through 2014 were 7.50 percent, 6.80 percent, 6.40 percent, and 5.10 percent, respectively.

Moody's analytics indicate the Green Bay economy is in recovery, but growth has slowed. The economic drivers for Green Bay are its manufacturing, medical center, and logistics. The primary employment sectors within the AA are manufacturing, education and health services, government, professional and business services, and retail trade. The Green Bay Area Chamber of Commerce reported the top five employers were Humana Inc., Oneida Tribe of Indians, Schneider National Inc., Bellin Health, and Georgia-Pacific. As of July 2014, these five companies had nearly 13,000 employees.

### *Housing*

Given the housing mix, distribution of owner-occupied housing, and median age of housing stock there are few opportunities for residential lending in low-income geographies and somewhat limited opportunities in moderate-income geographies. Additionally, home ownership may not be affordable,

particularly for low-income families, due to these housing demographics, median family incomes, poverty rates, and median housing prices.

Census data indicates some shift in the housing mix between the 2000 and 2010 census years. During this timeframe, owner-occupied housing decreased slightly to 62.51 percent of total housing units in the AA. Rental units also decreased slightly to 27.19 percent, while vacant units increased to 10.29 percent. The housing mix in the moderate-income geographies showed some change as well. Of all units in the moderate-income census tracts, owner-occupied units increased from 39.62 percent to 46.51 percent. Rental units decreased from 36.52 percent to 32.44 percent and vacant units decreased from 23.86 percent to 21.06 percent. The majority of the housing units in the low-income geographies that were added in the 2010 census year consisted of rental or vacant units, which respectively represented 54.08 percent and 15.02 percent.

The owner-occupied housing units located in the AA remain concentrated in the middle- and upper-income geographies. However, there was some increase in the level located in LMI geographies between the 2000 and 2010 census years. According to 2000 census data, there were no low-income geographies and 12.53 percent of the total owner-occupied units in the AA were located in moderate-income geographies. Comparatively, the 2010 census data showed 20.89 percent of the total owner-occupied units were located in LMI geographies with less than one percent in the low-income geographies.

The median age of housing stock is higher in LMI geographies than middle- and upper-income geographies, contributing to the lower median housing values in LMI geographies. Older housing typically has lower purchase prices, but often cost more to maintain. Per the 2000 U.S. Census, there were no low-income geographies and the median age of housing in low-income geographies was 38. Per the 2010 Census, the median age of stock was 71 years for low-income geographies, and 48 years for moderate-income.

According to the Federal Housing Finance Agency (FHFA), the median housing price for the AA was \$153,190 at year-end 2014. The median housing price ranged from \$150,300 in 2011, \$151,050 in 2012, and \$148,150 in 2013. Median home prices in the AA may not be widely affordable, given a (FFIEC updated) median family income of \$68,200 and a poverty rate of 7.23 percent (according to 2010 U.S. Census). Based on this median family income, LMI families earned at most approximately \$34,100 and \$54,560, respectively. These income levels may make it difficult, especially for low-income families, to afford owner-occupied housing in this AA.

### Community Contact

As part of this evaluation, we considered information from two community contacts for insight on the credits needs and opportunities in this AA. Both contacts were from organizations active in economic development. One of the contacts felt there was an opportunity for more loan programs to finance home rehabilitation, repairs, or improvements. The contact commented the community has older stock homes that are in need of repair or rehabilitation, yet loan programs designed to finance such projects are limited. The other contact stated current economic conditions are good and the area is seeing business expansion. Thus, this contact commented there were opportunities for small business lending, such as though participation in micro-loan programs.

## Madison MSA

Demographic Information for Full Scope Area: Madison MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	111	4.50	17.12	60.36	16.22	1.80
Population by Geography	501,774	6.44	16.67	60.58	16.31	0.00
Owner-Occupied Housing by Geography	121,867	0.58	15.02	65.27	19.14	0.00
Business by Geography	54,969	3.48	13.95	62.42	20.15	0.00
Farms by Geography	2,667	0.45	14.02	70.75	14.77	0.00
Family Distribution by Income Level	122,011	16.01	19.36	28.49	36.14	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	43,163	4.53	24.11	61.40	9.96	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		61,050 81,800 9%	Median Housing Value Unemployment Rate (2000 US Census)		146,636 2.25%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Madison MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	125	7.20	16.00	54.40	20.00	2.40
Population by Geography	568,593	5.97	15.49	57.71	20.27	0.55
Owner-Occupied Housing by Geography	146,782	1.45	12.91	63.51	22.13	0.00
Business by Geography	49,768	4.15	15.74	56.88	22.69	0.55
Farms by Geography	2,884	0.35	10.30	72.54	16.61	0.21
Family Distribution by Income Level	136,215	18.54	18.27	25.18	38.01	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	50,148	5.63	22.68	59.22	12.47	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2013 Households Below Poverty Level		78,201 80,900 11%	Median Housing Value Unemployment Rate (2010 US Census)		225,161 2.90%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2010 US Census and 2013 FFIEC updated MFI

Demographic Information for Full Scope Area: Madison MSA 2010 Census with 2014 OMB Changes						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	133	6.77	15.04	55.64	20.30	2.26
Population by Geography	605,435	5.61	14.54	58.29	21.03	0.52
Owner-Occupied Housing by Geography	158,054	1.35	11.99	63.81	22.85	0.00
Business by Geography	46,095	3.97	14.81	57.93	22.74	0.54
Farms by Geography	3,173	0.22	8.19	71.19	20.23	0.16
Family Distribution by Income Level	146,251	18.22	18.21	25.02	38.56	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	53,270	5.30	21.35	60.03	13.31	0.00
Median Family Income		62,331	Median Housing Value		221,114	
FFIEC Adjusted Median Family Income for 2014		81,200	Unemployment Rate (2010 US Census)		2.91%	
Households Below Poverty Level		11%				

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The Madison MSA AA is located in south central Wisconsin. This AA is comprised of the entire Madison MSA. The MSA consists of four counties: Columbia, Dane, Green, and Iowa Counties. The 2014 OMB changes included Green County in the MSA; formerly it was considered a non-MSA county. The Madison MSA includes four of 72 counties in Wisconsin. The principal city in the Madison MSA is Madison, Wisconsin. The AA has 133 census tracts, as of the 2010 U.S. Census. According to the U.S. Census, the AA population grew by 66,819 or 13.32 percent between Census years 2000 and 2010. The population grew an additional 36,842 or 6.48 percent with the 2014 OMB changes and the addition of Green County. The Madison AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

Based on the FFIEC Updated MSA Median Family income, the emphasized average family income in the AA as of 2014 was \$81,200. This is a nominal \$600 decrease when comparing this amount to the 2011 updated median family income of \$81,800. There was an overall net increase in the number of LMI families from 2011 to 2013. According to the U.S. Census data, low-income families increased from 16.01 percent in Census year 2000 to 18.54 percent in Census year 2010. This represented an increase of 15.80 percent. Additionally, low-income families decreased to 18.45 percent with the 2014 change in AA. There was a decrease in the number of moderate-income families over the evaluation period from 19.36 percent in Census year 2000 to 18.27 percent in census year 2010 and to 18.13 percent in 2014. Within those low-income families, the number of families living below the poverty level grew. Families living below the poverty level increased to 5.39 percent in the 2010 Census from 3.94 percent in the 2000 Census. This is a 36.80 percent increase within the AA.

Strong competition exists for financial services within the Madison AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranks third out of 55 depository financial institutions in the AA, with a 7.99 percent market share. The competition is comprised of a large regional bank, several large nationwide institutions, and a large community bank. The top two competitors, in order of their ranking, are BMO Harris Bank and U.S. Bank. These competitors control 25.38 percent of the deposit share within this AA. The competition maintains 222 offices in the AA. Associated has 25 full-service branches in the AA as of the end of the evaluation period. The bank supplements its branch network

with 24 deposit-taking ATMs. The bank's deposits in the Madison MSA as of June 30, 2014, totaled \$1.29 billion, representing 10.88 percent of total Associated deposits in the state of Wisconsin.

### Employment and Economic Factors

The economic condition of the Madison AA has remained relatively stable over the evaluation period. According to 2014 Moody's Analytics, the Madison AA is home to several major industries, which include healthcare and insurance services. Other large employers in the AA are University of Wisconsin Madison and state and federal government. The fastest growing industry in 2014 was the manufacturing job group. The top five employers for the Madison AA are UW Hospital & Clinics Authority, American Family Insurance Company, WPS Health Insurance, Meriter Health Services, Incorporated, and University of Wisconsin Madison. These five companies employed 21,010 as of year-end 2014. Longer term, favorable migration patterns, a well-educated populace, and an expanding tech base are expected to keep growth in line with that of the U.S. and ahead of the Midwest.

Over the past twelve months, there has been a slight shift in the composition of jobs within the Madison AA as noted in the 2014 Moody's Analytics. This 2.30 percent shift created a net increase in jobs of 7,300. The manufacturing sector was the fastest growing industry at 6.80 percent. The next highest growth groups were the construction and information sectors with growth rates of 5.10 percent and 4.50 percent, respectively. These growth rates were offset with a decrease in one sector. The leisure and hospitality sector had a 0.90 percent decrease in the number of jobs.

The Bureau of Labor Statistics reports, as of December 2014, that the unemployment rate for the AA was 3.30 percent, which was below the statewide rate (5.20 percent) and the national rate (5.60 percent). Unemployment rates for the AA during the evaluation period ranged from a high of 7.50 percent in March 2010 to a low of 3.30 percent in December 2014. Annual unemployment rates for the AA, during the evaluation period, were 5.70 percent for 2011, 5.30 percent for 2012, 5.00 percent for 2013, and 4.00 percent for 2014.

### Housing

The median housing price of single-family homes for the AA, according to the Federal Housing Finance Authority (FHFA), was \$171,870 for year-end 2011. The median sales price for 2012 was \$171,560, 2013 was \$174,190, and 2014 was \$179,900, indicating an overall constant sales prices during the evaluation period. At these median sales prices, it is somewhat difficult for LMI families to qualify for a mortgage loan, with median family incomes of at most approximately \$41 thousand and \$65 thousand at the tops of the ranges for low- and moderate-income families, respectively (according to 2014 FFIEC updated MFI).

According to the 2014 OMB changes, 1.31 percent of owner-occupied units were located in low-income census tracts, which is lower than the 1.45 percent reported in the 2010 U.S. Census and higher than the 0.58 percent reported in the 2000 U.S. Census. Of the total housing units in low-income geographies in 2014, 67.13 percent were occupied rental units and 17.09 percent were vacant units. These statistics show an increase in the number of vacant units and decrease in the number of rental units when compared to 2010 Census data and 2000 Census data, which showed 16.54 percent vacant units and 68.74 percent rental units and 6.44 percent vacant units and 87.24 percent rental units, respectively. In moderate-income geographies, 42.05 percent were occupied rental units and 9.19 percent were vacant units, according to 2010 US Census data with 2014 OMB changes. Similar to low-income geographies, the percent of rental units decreased from the 2010 Census and 2000 Census. However, the percent of

vacant units decreased from the 2010 Census data, but increased from the 2000 Census data. Per 2010 Census data, vacant units were 10.43 percent and rental units were 44.27 percent. Per 2000 Census data, vacant units were 5.68 percent and rental units were 47.36 percent.

According to the 2010 U.S. Census data with 2014 OMB changes, the median age of housing stock in low-income census tracts is 40 years and 45 years in moderate-income census tracts. This is compared to 35 years in middle-income and 28 years in upper-income census tracts. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. Older homes are typically less energy efficient and often result in higher heating and cooling costs that add to the overall costs of homeownership. The increased energy costs and additional expenses related to rehabilitation can limit the ability for LMI individuals to qualify for a home purchase, especially when additional expenses are needed for home improvement.

Overall, opportunities for home mortgage lending in LMI geographies and to LMI families are limited due to a limited inventory of owner-occupied units, increasing poverty rates, and the additional costs associated with the advanced age of housing stock.

### Community Contact

To aid in our evaluation, we reviewed three recent community contact interviews to assess the financial needs and opportunities in this AA. The contacts included an economic development partnership, a chamber of commerce, and a housing foundation that were all located in Dane County. The contacts unanimously agree that the greatest credit needs in the area are funding for small businesses and start-ups, specifically in the form of revolving loans and micro lending. According to the contacts, opportunities for small business lending are significant with the number of area businesses and vacant buildings. In addition, the contacts stated there are plenty of opportunities for the financial institutions to work with the economic development partnerships and local chambers of commerce to identify these needs. However, there is significant competition amongst the local area banks for these loans. The contacts stated that affordable housing is lacking in this area, but due to the unique location of Madison between two lakes, the opportunities for residential development are limited.

## Milwaukee-Waukesha-West Allis MSA

Demographic Information for Full Scope Area: Milwaukee-Waukesha-West Allis MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Geographies/BNAs)	416	18.99	19.95	37.98	22.36	0.72
Population by Geography	1,500,741	11.87	16.37	42.27	29.29	0.19
Owner-Occupied Housing by Geography	359,082	4.46	12.07	46.58	36.88	0.00
Business by Geography	119,366	7.28	13.38	42.50	36.29	0.55
Farms by Geography	2,098	2.34	5.62	49.43	42.52	0.10
Family Distribution by Income Level	383,799	19.84	17.89	23.61	38.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	144,827	20.54	24.36	40.13	14.97	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		56,640 72,300 10%	Median Housing Value Unemployment Rate (2000 US Census)	125,318 2.73%		

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: Milwaukee-Waukesha-West Allis MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Geographies/BNAs)	429	20.05	17.95	35.20	26.57	0.23
Population by Geography	1,555,908	14.65	16.20	36.13	33.02	0.00
Owner-Occupied Housing by Geography	386,906	6.74	12.89	39.84	40.52	0.00
Business by Geography	87,472	9.39	14.10	38.21	38.27	0.04
Farms by Geography	1,912	2.82	6.69	43.93	46.55	0.00
Family Distribution by Income Level	389,825	22.15	16.90	20.61	40.35	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	152,194	25.76	23.63	33.19	17.42	0.00
Median Family Income FFIEC Adjusted Median Family Income for 2014 Households Below Poverty Level		68,787 70,300 12%	Median Housing Value Unemployment Rate (2010 US Census)	203,186 3.98%		

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The Milwaukee MSA AA is located in southeastern Wisconsin. This AA is comprised of the entire Milwaukee MSA, which consists of four counties: Milwaukee, Ozaukee, Washington, and Waukesha. Milwaukee is by far the largest city in the AA. The AA has 429 CTs, as of the 2010 U.S. Census. According to the U.S. Census Bureau, the AA population grew by 55,167 or 3.68 percent between census years 2000 and 2010. The U.S. Census Bureau estimated the population at December 31, 2014 at 1,572, 245, or 1.05 percent growth over the four-year period since the last census. The Milwaukee AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area.

Based on the FFIEC Updated MSA Median Family income, the emphasized average family income in the AA as of 2014 was \$70,300. This is a \$2,000 (2.77 percent) decrease when comparing to the 2011 updated median family income (\$72,300). There has been a net increase in the number of LMI families. According to the U.S. Census data, low-income families increased from 20.54 percent in census year 2000 to 25.76 percent in census year 2010. This is a 25 percent increase within the AA. There was a small decrease in the number of moderate-income families over the same period, from 24.36 percent in census year 2000 to 23.63 percent in census year 2010. Within the category of low-income families, the number of families living below the poverty level grew. Families living below the poverty level increased to 12 percent in the 2010 Census from 10 percent in the 2000 Census. This is a 20 percent increase within the AA.

Strong competition exists for financial services within the Milwaukee AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranks fourth out of 53 depository financial institutions in the AA, with an 8.38 percent market share. The primary competition is comprised of three nationwide banks and two regional banks. The top five competitors, in order of their market share rankings, are U.S. Bank, BMO Harris Bank, JP Morgan Chase, Wells Fargo, and PNC Bank. These competitors control 69.47 percent of the deposit market within the AA, with U.S. Bank controlling 40.95 percent of the deposit market. The competition maintains 202 offices in the AA. Associated has 39 full-service branches in the AA as of the end of the evaluation period. The bank supplements its branch network with 46 deposit-taking ATMs. The bank's deposits in the Milwaukee AA as of June 30, 2014, totaled \$5.19 billion, representing 42.47 percent of total Associated deposits in the state of Wisconsin.

### Employment and Economic Factors

The economic condition of the Milwaukee AA has remained relatively stable over the evaluation period. According to the Moody's Analytics, the largest employment sectors in the Milwaukee AA are education and health services, professional and business services, manufacturing, and government. Aside from various government entities, the largest employers in the Milwaukee AA are Aurora Health Care Inc., Wheaton Franciscan Healthcare, Froedtert and Community Health, Roundy's Inc., and Kohl's Department Stores. Per Moody's Analytics, the Milwaukee AA economic outlook is expected to weaken, as growth prospects for manufacturing, finance and healthcare are all diminishing.

As of December 2014, the Bureau of Labor Statistics reports the unemployment rate for the AA was 5.00 percent, which was below the seasonally adjusted statewide rate (5.20 percent) and slightly below the seasonally adjusted national rate (5.60 percent). Unemployment rates for the AA during the evaluation period ranged from a high of 9.00 percent in February 2011 to a low of 5.00 percent in December 2014. Annual unemployment rates at year-end for the AA during the evaluation period were 7.1 percent for 2011, 6.9 percent for 2012, and 6.3 percent for 2013.

## Housing

According to the Federal Housing Finance Authority, the median sales price of existing single-family homes for the AA was \$163,800 for year-end 2011. The median sales price for year-end 2013 was \$162,800, and for year-end 2014 was \$168,500, indicating relatively steady sales prices during the evaluation period. At these median sales prices, the Milwaukee market does not reflect insurmountable cost barriers for moderate-income families to qualify for a mortgage loan, as moderate-income families have median annual income between \$35 thousand and \$56 thousand. The housing values represent a barrier to homeownership to low-income families, who by definition in the Milwaukee AA have incomes of no more than \$35,000 (according to 2014 FFIEC updated MFI). An estimate of the debt-to-income ratio for housing only for a low-income borrower is 39.00 percent. This estimate is based on a \$35,000 annual income, and a payment consisting of principal, interest, private mortgage insurance, property taxes, and hazard insurance.

According to the 2010 U.S. Census, 6.74 percent of owner-occupied units were located in low-income CTs, which is higher than the 4.46 percent reported in the 2000 U.S. Census. Of the total housing units in low-income geographies, according to the 2010 census, 15.23 percent were vacant units, which is higher than the rate reported in 2000, which was 12.50 percent. According to the 2010 census, of the total housing units in low-income geographies, a significant amount, 62.18 percent, were rental units, which is lower than the rate reported in 2000, which was 70.51 percent.

In moderate-income geographies, 8.96 percent of housing units were vacant, according to 2010 US Census data. Similar to low-income geographies, the percent of vacant units increased from the rate reported in 2000, which was 6.02 percent. According to the 2010 census, a significant amount, 40.92 percent, of the housing units in moderate-income geographies, were rental units, which was slightly lower than the rate reported in 2000, which was 45.60 percent.

According to the 2010 U.S. Census, the median age of housing stock in low-income CTs is 71 years. This is compared to 52 years for the Milwaukee AA in its entirety. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. Older homes are typically less energy efficient and often result in higher heating and cooling costs that add to the overall costs of homeownership. The increased energy costs and additional expenses related to rehabilitation can limit the ability for LMI families to qualify for a home purchase, especially a house requiring additional expenses needed for home improvement.

Overall, opportunities for home mortgage lending in low-income geographies and to low-income families are limited due to: median sales prices of existing homes; a limited inventory of owner-occupied units; significant poverty rates, and the associated costs of buying, rehabbing, maintaining, and operating housing of the average age of the housing stock in low-income geographies.

## Community Contact

Two community contacts conducted recently in the AA were reviewed as part of this performance evaluation. One organization was a provider of credit counseling, foreclosure prevention counseling and associated support services. This organization identified affordable housing, home improvement lending, and alternative credit programs in general as important needs in the area they serve, which the representative stated includes Milwaukee and surrounding areas.

The second organization contacted was a public housing authority that owns over 1,000 units of both affordable and market rate rental housing units and manages over 4,000 units of low-income rental housing. The organization also administers many programs to improve the quality of life for low-income residents. The programs focus on economic self-sufficiency, home ownership, public safety, health care services, and physical improvements to ensure long-term viability of Milwaukee's housing stock. This contact noted obstacles regarding lower consumer credit scores that were often triggered by the effects of the housing crisis. The contact believed greater flexibility for marginally qualified applicants would improve credit availability. Further, this contact indicated that the extensive nature of loan underwriting requirements and associated documentation was a significant hurdle for low-income applicants. Lastly, the contact indicated that bank involvement in joint efforts with their organization had generally declined. Prior to the housing crisis, they had six lenders with whom they frequently collaborated. Since the housing crisis, the contact reported that only two remained highly active with the organization throughout the crisis. The contact did indicate that some of the lenders who had been active prior to the crisis had started to re-invigorate their efforts with the organization.

## Wisconsin non-MSA AA

Demographic Information for Full Scope Area: WI non-MSA 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	251	0.00	6.37	79.68	13.55	0.40
Population by Geography	1,001,592	0.00	5.47	79.12	15.41	0.00
Owner-Occupied Housing by Geography	293,262	0.00	5.43	78.56	16.02	0.00
Business by Geography	93,515	0.00	6.12	81.04	12.84	0.00
Farms by Geography	8,105	0.00	3.87	78.64	17.48	0.00
Family Distribution by Income Level	268,993	15.55	18.68	26.01	39.77	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	92,069	0.00	8.45	81.23	10.32	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		46,680 59,100 8%	Median Housing Value Unemployment Rate (2000 US Census)		100,041 2.48%	

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

Source: 2000 US Census and 2011 HUD updated MFI

Demographic Information for Full Scope Area: WI non-MSA 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	264	0.00	10.98	73.11	15.91	0.00
Population by Geography	1,031,675	0.00	8.78	73.22	18.00	0.00
Owner-Occupied Housing by Geography	320,856	0.00	8.83	72.59	18.58	0.00
Business by Geography	75,244	0.00	10.40	74.51	15.09	0.00
Farms by Geography	8,624	0.00	5.43	77.17	17.40	0.00
Family Distribution by Income Level	286,147	17.20	18.55	23.91	40.33	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	102,301	0.00	13.87	73.93	12.20	0.00
Median Family Income FFIEC Updated Median Family Income for 2013 Households Below Poverty Level		57,384 58,600 11%	Median Housing Value Unemployment Rate (2010 US Census)		154,358 3.50%	

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

Source: 2010 US Census and 2013 FFIEC updated MFI

Demographic Information for Full Scope Area: WI non-MSA 2010 Census with 2014 OMB Changes						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	256	0.00	11.33	73.05	15.63	0.00
Population by Geography	994,833	0.00	9.10	73.44	17.46	0.00
Owner-Occupied Housing by Geography	309,584	0.00	9.15	72.77	18.08	0.00
Business by Geography	63,287	0.00	10.64	74.46	14.90	0.00
Farms by Geography	7,400	0.00	5.62	78.27	16.11	0.00
Family Distribution by Income Level	276,111	17.32	18.60	23.95	40.13	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	99,179	0.00	14.31	73.96	11.73	0.00
Median Family Income FFIEC Updated Median Family Income for 2014		57,384 60,600	Median Housing Value Unemployment Rate (2010 US Census)		154,280 3.52%	
Households Below Poverty Level		11%				

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

Source: 2010 US Census and 2014 FFIEC updated MFI

The Wisconsin non-MSA AA is located within the state of Wisconsin and comprised of 24 Wisconsin counties not located within an MSA. Prior to 2014, the Wisconsin non-MSA AA counties totaled 25. However, subsequent to the 2010 U.S. Census, the Office of Management and Budget (OMB) reassigned Green County to the Madison, Wisconsin MSA. As a result, Green County is not currently among the Wisconsin non-MSA counties. As of 2014, the Wisconsin non-MSA AA counties include Ashland, Clark, Crawford, Dodge, Door, Forest, Iron, Jefferson, Lincoln, Manitowac, Marinette, Oneida, Portage, Price, Richland, Sauk, Sawyer, Shawano, Taylor, Vernon, Vilas, Walworth, Waupaca and Wood. As of 2014, the AA is comprised of 256 census tracts. According to the U.S. Census, the AA population grew by 30,083 residents between Census years 2000 and 2010. However, the AA population declined by 36,842 to 994,833 with the 2014 OMB changes and reassignment of Green County to the Madison, Wisconsin MSA. The Wisconsin non-MSA AA meets the requirements of the CRA regulation and does not arbitrarily exclude any area, particularly LMI geographies.

Based on the FFIEC Updated MSA Median Family income, the emphasized average family income in the AA as of 2014 was \$60,600. This is an increase of \$1,500 compared to the 2011 updated median family income (\$59,100). There was an overall net increase in the number of LMI families from 2011 to 2014. According to the U.S. Census data, as a percentage of AA families, low-income families decreased from 20.90 percent to 20.15 percent between 2011 and 2013. However, low-income families as a percentage of AA families increased to 21.86 percent with the 2014 change in AA. The AA experienced a decrease in moderate-income families, as a percentage of AA families, over the evaluation period from 17.30 percent in Census year 2000, to 16.81 percent in Census year 2010 and 16.63 percent with the 2014 change in AA. Within those low-income families, families living below the poverty level grew. Families living below the poverty level increased to 7.25 percent as of the 2010 Census from 5.07 from the 2000 Census.

Strong competition exists for financial services within the Wisconsin non-MSA AA. Per the June 30, 2014 FDIC Deposit Market Share Report, the bank ranks second out of 119 depository financial

institutions in the AA, with a 9.54 percent market share. The competition is comprised of large regional and community banks. The top competitors in order of their ranking are BMO Harris, Investors Community Bank, U.S. Bank N.A., Bank First National and First Merit Bank, N.A. Associated and its top five competitors control 31.6 percent of the deposit share within this AA. The competition maintains 405 offices in the AA. Associated operates 39 full-service branches in the AA as of the end of the evaluation period. The bank supplements its branch network with 20 deposit-taking ATMs. The bank's deposits in the Wisconsin non-MSA AA as of June 30, 2013, totaled \$1.645 billion, representing 13.83 percent of total Associated deposits in the state of Wisconsin.

### Employment and Economic Factors

The economic condition of Wisconsin has stabilized with employment growth exceeding the Midwest average. According to Moody's Analytics, beyond state and local governments, Wisconsin employment is composed primarily of manufacturing, education and health services, government, professional and business services, retail trade, and leisure and hospitality services. Foremost Wisconsin employers include Local, State and Federal Government, Aurora Health Care Inc., Walmart Stores, Wheaton Franciscan Health Care, Kwik Trip, Froedtert and Community Health, Roudy's Inc, and Epic Systems.

As of 2014, local, state and federal government employed 411,875. However, Wisconsin is benefiting from the addition of high paying service related jobs in finance and business. The financial and insurance sectors are expanding yearly at an above-average pace. Business and professional services are providing a steady stream of high paying jobs. These jobs serve to counter the weaknesses in Wisconsin's manufacturing and education sectors. Factory output is suffering due to a strong dollar and soft demand from major trade partners such as Canada. Funding to the public university system will likely be trimmed \$250 million across 26 state campuses, prompting many financially and operationally inefficient universities to reduce faculty.

The Bureau of Labor Statistics reports labor force data by county. For 2014, annual unemployment averages for the twenty-four Wisconsin non-MSA counties ranged from 5.1 percent in Richland and Sauk Counties to 9.6 percent in Iron County. Annual unemployment rates for the AA, during the evaluation period, were 5.70 percent for 2011, 5.30 percent for 2012, 5.00 percent for 2013, and 4.00 percent for 2014. These Wisconsin, non-MSA AA and county unemployment rates compare to the Wisconsin statewide rate of 5.2 percent and the national rate of 5.6 percent.

### Housing

The median sales price of existing single-family homes for the AA, according to the Federal Housing Finance Authority (FHFA), was \$181,200 for year-end 2011. The median sales price for year-end 2012 was \$179,690, for year-end 2013 was \$178,180, and for year-end 2014 was \$181,340, indicating relatively constant sales prices during the evaluation period. At these median sales prices, it is somewhat difficult for low-income families with an income of at most \$30,300 (according to 2014 FFIEC updated MFI) to qualify for a mortgage loan.

According to the 2014 U.S. Census and OMB changes, 8.85 percent of owner-occupied units were located in moderate-income census tracts, which is slightly higher than the 8.83 reported by the 2010 U.S. Census and higher than the 5.43 percent reported by the 2000 U.S. Census. Following the 2014 U.S. Census and OMB changes, total occupied rental and vacant units in the AA located in moderate-income AA geographies represented 12.59 percent and 20.35 percent, respectively. These statistics when compared to 2010 Census data are similar to rental and vacant units of 12.63 percent and 20.24 percent

vacant, and when compared to 2000 Census data represent increases in rental and vacant units from 6.48 percent and 13.87 percent respectively. Following the 2014 U.S. Census and OMB changes, of housing units in moderate-income geographies, 20.56 percent were occupied rental and 36.38 percent were vacant units. These statistics when compared to 2010 Census data are similar at 20.78 percent rental and 35.72 percent vacant and when compared to 2000 Census data represent an increase from 17.48 percent rental and a slight decrease from 37.81 percent vacant.

According to the 2010 U.S. Census, the median age of housing stock in moderate-income census tracts was 39 years. This is compared to 41 years in middle-income and 34 years in upper-income census tracts. Older housing often costs more to maintain and frequently requires significant repairs to bring the dwelling up to current code requirements. Older homes are typically less energy efficient and often result in higher heating and cooling costs that add to the overall costs of homeownership. The increased energy costs and additional expenses related to rehabilitation limit the ability for LMI individuals to qualify for a home purchase financing, especially if additional expenses are required for home improvement.

Overall, opportunities for home mortgage lending in moderate-income geographies and to low- and moderate-income families are limited due to the median sales prices of existing homes, increasing poverty rates; and the additional costs associated with rehabbing, maintaining, and operating homes because of the age of housing stock.

#### Community Contact

Sixteen community contacts conducted in the AA were reviewed as part of this performance evaluation. The contacts represented economic development, community action, farm services and housing organizations serving many non-MSA Wisconsin counties including Ashland, Clark, Crawford, Dodge, Door, Forest, Iron, Jefferson, Lincoln, Marinette, Oneida, Portage, Price, Richland, Sauk, Sawyer, Shawano, Taylor, Vernon, Vilas, Walworth, and Waupaca. Some contacts reported marginal economic improvement and some cited a loss of residents from rural to more urban areas. Contacts mentioned continued loss in agricultural and manufacturing (timber/wood and paper) related jobs indicating that available jobs related to service and tourism generally pay lower wages, provide fewer benefits, and do not necessarily provide for full-time employment. Other contacts cited growth in advanced manufacturing (metal). The contacts identified the need for revitalization start-up and small business and agricultural lending, affordable housing, home improvement lending, and services for LMI residents including financial education, home-buyer and foreclosure counseling.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data is compiled by the FDIC and is available as of June 30 of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. CD loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans.

**Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.

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

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

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

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

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

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

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

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

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

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

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

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments.

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

## **Tables of Performance Data**

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Tables provided cover the bank's performance from January 1, 2012 through December 31, 2014 (or December 31, 2013 for those AAs impacted by the 2014 OMB changes).

**Chicago MMSA**

**Minneapolis MMSA**

**State of Illinois**

**State of Minnesota**

**State of Wisconsin**

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: CHICAGO MMSA												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Chicago-Naperville-Arlington Heights MD^	72.21	2,859	1,484,998	479	142,977	0	0	19	67,430	3,357	1,695,405	81.95
<b>Limited Review:</b>												
Elgin MD^^	1.91	72	23,234	17	5,132	0	0	0	0	89	28,366	10.07
Lake Co-Kenosha Co MD	25.88	1,039	407,200	164	32,396	0	0	0	0	1,203	439,596	7.98

\* Loan Data as of December 31, 2014. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to July 27, 2015.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: HOME PURCHASE			Geography: CHICAGO MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Chicago-Naperville-Arlington Heights MD^	1,167	100.00	4.25	0.86	18.80	3.34	38.00	16.54	38.96	79.26	0.78	0.27	0.22	0.35	1.28	
<b>Limited Review:</b>																
Elgin MD^^	30	3.74	0.60	0.00	23.11	3.33	38.13	16.67	38.16	80.00	0.36	0.00	0.31	0.19	0.51	
Lake Co-Kenosha Co MD	428	17.85	3.82	1.64	18.50	12.15	42.03	34.35	35.66	51.87	1.09	0.71	0.90	0.69	1.62	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: HOME IMPROVEMENT			Geography: CHICAGO MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Chicago-Naperville-Arlington Heights MD^	145	100.00	4.25	0.00	18.80	5.52	38.00	20.00	38.96	74.48	2.39	0.00	0.26	1.37	4.31	
<b>Limited Review:</b>																
Elgin MD^^	5	4.95	0.60	0.00	23.11	40.00	38.13	20.00	38.16	40.00	2.40	0.00	1.89	3.03	2.03	
Lake Co-Kenosha Co MD	47	16.04	3.82	2.13	18.50	6.38	42.03	34.04	35.66	57.45	3.68	0.00	1.65	1.73	7.50	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: CHICAGO MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Chicago-Naperville-Arlington Heights MD^	1,466	100.00	4.25	1.50	18.80	3.96	38.00	18.69	38.96	75.85	0.38	0.24	0.13	0.21	0.57
<b>Limited Review:</b>															
Elgin MD^^	33	6.69	0.60	0.00	23.11	9.09	38.13	45.45	38.16	45.45	0.33	0.00	0.41	0.34	0.29
Lake Co-Kenosha Co MD	562	22.29	3.82	1.25	18.50	5.16	42.03	44.13	35.66	49.47	0.81	0.53	0.37	0.93	0.83

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: MULTIFAMILY			Geography: CHICAGO MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies							
	#	% of Total**	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Chicago-Naperville-Arlington Heights MD^	81	100.00	12.43	18.52	22.32	32.10	32.43	18.52	32.82	30.86	1.09	1.56	1.19	0.73	1.22	
<b>Limited Review:</b>																
Elgin MD^^	4	21.05	17.62	0.00	34.96	0.00	34.93	100.00	12.49	0.00	0.00	0.00	0.00	0.00	0.00	
Lake Co-Kenosha Co MD	2	1.96	11.15	50.00	32.32	50.00	42.18	0.00	14.35	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: CHICAGO MMSA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014								
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Chicago-Naperville-Arlington Heights MD^	478	100.00	5.17	2.72	16.38	10.04	33.19	30.13	45.14	57.11	0.20	0.12	0.11	0.18	0.25
<b>Limited Review:</b>															
Elgin MD^^	17	9.60	2.68	0.00	17.78	11.76	42.07	35.29	37.47	52.94	0.19	0.57	0.21	0.14	0.23
Lake Co-Kenosha Co MD	164	20.02	3.67	1.83	14.46	20.73	37.72	42.68	44.15	34.76	0.37	0.24	0.61	0.36	0.33

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

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

Borrower Distribution: HOME PURCHASE		Geography: CHICAGO MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Chicago-Naperville-Arlington Heights MD^	1,167	100.00	23.43	2.00	17.06	5.47	19.25	8.16	40.26	84.38	0.85	0.18	0.17	0.32	1.55
<b>Limited Review:</b>															
Elgin MD^^	30	3.74	18.20	3.33	17.60	10.00	20.89	10.00	43.31	76.67	0.38	0.39	0.14	0.18	0.65
Lake Co-Kenosha Co MD	428	17.85	20.64	12.65	17.65	13.87	21.63	9.00	40.08	64.48	1.20	0.70	0.76	0.64	1.85

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.0% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT		Geography: CHICAGO MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Chicago-Naperville-Arlington Heights MD^	145	100.00	23.43	4.17	17.06	6.94	19.25	8.33	40.26	80.56	2.61	0.26	0.29	0.57	4.84
<b>Limited Review:</b>															
Elgin MD^^	5	4.95	18.20	0.00	17.60	40.00	20.89	0.00	43.31	60.00	2.56	4.35	0.00	3.85	2.53
Lake Co-Kenosha Co MD	47	16.04	20.64	8.51	17.65	6.38	21.63	19.15	40.08	65.96	4.30	1.89	1.16	3.81	6.15

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.0% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: CHICAGO MMSA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Chicago-Naperville-Arlington Heights MD^	1,466	100.00	23.43	1.86	17.06	7.43	19.25	10.93	40.26	79.79	0.42	0.08	0.18	0.19	0.61	
<b>Limited Review:</b>																
Elgin MD^^	33	6.69	18.20	9.38	17.60	9.38	20.89	15.63	43.31	65.63	0.38	0.33	0.38	0.51	0.32	
Lake Co-Kenosha Co MD	562	22.29	20.64	6.24	17.65	15.23	21.63	16.15	40.08	62.39	0.91	0.79	0.63	0.70	1.10	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.2% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: CHICAGO MMSA		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Chicago-Naperville-Arlington Heights MD^	479	100.00	70.85	32.36	30.90	29.02	40.08	0.20	0.14
<b>Limited Review:</b>									
Elgin MD^^	17	9.55	72.51	11.76	52.94	17.65	29.41	0.19	0.15
Lake Co-Kenosha Co MD	164	19.98	73.34	42.68	45.12	27.44	27.44	0.37	0.33

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 21.56% of small loans to businesses originated and purchased by the bank.

^ The evaluation period for the Chicago-Naperville-Arlington Heights AA is January 1, 2012 to December 31, 2013.

^^ The evaluation period for the Elgin AA is January 1, 2014 to December 31, 2014.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: CHICAGO MMSA				Evaluation Period: JULY 1, 2011 TO JULY 27, 2015				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
Chicago-Naperville-Arlington Heights MD	5	1,185	100	34,752	105	35,937	91.17	0	0	
<b>Limited Review:</b>										
Elgin MD***	0	0	7	1,582	7	1,582	4.02	0	0	
Lake Co-Kenosha Co MD	3	1,472	7	425	10	1,897	4.81	0	0	

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

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

\*\*\* The evaluation period for the Elgin AA is January 1, 2014 to July 27, 2015.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: CHICAGO MMSA <b>Evaluation Period:</b> JANUARY 1, 2011 TO JULY 27, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Chicago-Naperville-Arlington Heights MD	81.95	12	46.15	0.00	0.00	50.00	50.00	2	2	0	0	0	0	10.36	24.18	33.87	31.59
<b>Limited Review:</b>																	
Elgin MD*	10.07	6	23.08	16.67	16.67	50.00	16.67	0	0	0	0	0	0	3.84	29.73	33.71	32.72
Lake Co-Kenosha Co MD	7.98	8	30.77	0.00	50.00	25.00	25.00	0	1	0	0	-1	0	6.79	22.39	39.04	31.27

\* The evaluation period for the Elgin AA is January 1, 2014 to July 27, 2015.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MINNEAPOLIS MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Minneapolis-St Paul-Bloomington MSA	100.00	4,413	1,184,880	1,381	322,839	9	635	0	0	5,803	1,508,354	100.00

\* Loan Data as of December 31, 2014. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to July 27, 2015.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: MINNEAPOLIS MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014								
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	1,765	100.00	2.88	2.38	15.70	10.14	50.09	43.34	31.33	44.14	1.03	0.80	0.71	0.93	1.35

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: HOME IMPROVEMENT			Geography: MINNEAPOLIS MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Minneapolis-St Paul-Bloomington MSA	247	100.00	2.88	1.62	15.70	8.50	50.09	51.01	31.33	38.87	2.00	1.80	0.61	2.22	2.24	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: MINNEAPOLIS MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****					
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	2,382	100.00	2.88	1.47	15.70	7.56	50.09	58.48	31.33	32.49	1.01	0.61	0.73	1.20	0.88

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: MULTIFAMILY			Geography: MINNEAPOLIS MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014								
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	19	100.00	14.53	36.84	30.82	15.79	38.88	31.58	15.77	15.79	1.54	3.06	0.55	1.75	1.52

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: MINNEAPOLIS MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	1,381	100.00	5.17	5.43	17.62	22.59	44.89	45.04	32.29	26.94	0.87	1.01	1.29	0.86	0.71

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

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

Geographic Distribution: SMALL LOANS TO FARMS		Geography: MINNEAPOLIS MMSA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	9	100.00	1.42	0.00	14.21	22.22	56.93	77.78	27.44	0.00	1.42	0.00	3.51	1.56	0.00

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

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

Borrower Distribution: HOME PURCHASE		Geography: MINNEAPOLIS MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	1,765	100.00	19.87	8.60	17.88	18.13	23.22	18.13	39.02	55.15	1.19	0.75	0.81	0.85	1.86

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.1% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT		Geography: MINNEAPOLIS MMSA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Minneapolis-St Paul-Bloomington MSA	247	100.00	19.87	11.38	17.88	20.33	23.22	22.36	39.02	45.93	2.10	1.52	1.81	2.24	2.29

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.4% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: MINNEAPOLIS MMSA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Minneapolis-St Paul-Bloomington MSA	2,382	100.00	19.87	10.59	17.88	20.87	23.22	24.42	39.02	44.12	1.13	1.17	1.09	1.10	1.15	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.9% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MINNEAPOLIS MMSA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Minneapolis-St Paul-Bloomington MSA	1,381	100.00	72.96	24.55	44.90	24.40	30.70	0.87	0.47

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 23.39% of small loans to businesses originated and purchased by the bank.

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

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MINNEAPOLIS MMSA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Minneapolis-St Paul-Bloomington MSA	9	100.00	96.93	77.78	88.89	11.11	0.00	1.42	2.10

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 22.22% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: MINNEAPOLIS MMSA				Evaluation Period: JULY 1, 2011 TO JULY 27, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Minneapolis-St Paul-Bloomington MSA	6	885	72	18,632	78	19,517	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: MINNEAPOLIS MMSA Evaluation Period: JANUARY 1, 2011 TO JULY 27, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Minneapolis-St Paul-Bloomington MSA	100.00	24	100.00	12.50	12.50	62.50	12.50	3	4	0	0	-1	0	7.11	18.84	46.09	27.84

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ILLINOIS						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Rockford MSA	30.43	986	91,769	122	18,268	0	0	0	0	1,108	110,037	38.46
St Louis MSA	21.53	712	81,453	72	6,582	0	0	0	0	784	88,035	44.25
<b>Limited Review:</b>												
Peoria MSA	48.04	1,687	269,905	62	9,145	0	0	0	0	1,749	279,050	17.28

\* Loan Data as of December 31, 2014. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to July 27, 2015.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Rockford MSA	248	23.33	4.75	2.42	20.52	14.52	46.11	48.39	28.62	34.68	2.76	1.45	2.82	2.31	3.51	
St Louis MSA	129	12.14	6.27	0.78	17.74	16.28	49.69	44.19	26.30	38.76	0.44	0.00	0.48	0.33	0.61	
<b>Limited Review:</b>																
Peoria MSA	686	64.53	2.82	1.17	15.86	9.18	57.62	53.64	23.70	36.01	5.89	7.14	3.55	5.49	7.77	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: HOME IMPROVEMENT			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Rockford MSA	63	25.61	4.75	3.17	20.52	19.05	46.11	57.14	28.62	20.63	4.83	9.09	6.12	3.63	6.06	
St Louis MSA	73	29.67	6.27	1.37	17.74	15.07	49.69	50.68	26.30	32.88	1.71	3.70	1.15	1.90	1.48	
<b>Limited Review:</b>																
Peoria MSA	110	44.72	2.82	0.00	15.86	10.91	57.62	56.36	23.70	32.73	6.56	0.00	2.40	6.20	11.46	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Rockford MSA	674	32.56	4.75	3.12	20.52	17.21	46.11	50.30	28.62	29.38	3.35	5.08	3.72	3.61	2.68	
St Louis MSA	508	24.54	6.27	0.39	17.74	10.63	49.69	43.31	26.30	45.67	1.18	0.87	1.25	0.89	1.54	
<b>Limited Review:</b>																
Peoria MSA	888	42.90	2.82	0.23	15.86	9.68	57.62	50.79	23.70	39.30	5.06	2.17	3.70	4.74	6.29	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: MULTIFAMILY			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****						
<b>Full Review:</b>																
Rockford MSA	1	16.67	13.60	0.00	39.80	100.00	33.25	0.00	13.35	0.00	2.17	0.00	4.76	0.00	0.00	
St Louis MSA	2	33.33	17.67	0.00	21.49	0.00	45.98	100.00	14.86	0.00	0.97	0.00	0.00	1.67	0.00	
<b>Limited Review:</b>																
Peoria MSA	3	50.00	11.37	0.00	16.21	33.33	47.72	66.67	24.70	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
<b>Full Review:</b>																
Rockford MSA	122	47.66	7.55	15.57	21.15	20.49	43.64	40.98	27.12	22.95	1.28	1.65	1.45	1.34	1.07	
St Louis MSA	72	28.13	6.49	8.33	18.22	18.06	49.03	51.39	26.26	22.22	0.31	0.76	0.41	0.30	0.20	
<b>Limited Review:</b>																
Peoria MSA	62	24.22	8.57	17.74	16.36	12.90	50.27	37.10	24.80	32.26	0.45	0.70	0.42	0.46	0.41	

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

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

Borrower Distribution: HOME PURCHASE		Geography: ILLINOIS										Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Rockford MSA	248	23.33	22.55	13.92	18.05	28.69	21.56	25.74	37.84	31.65	3.35	3.35	3.53	3.22	3.29	
St Louis MSA	129	12.14	23.57	15.63	17.34	27.34	21.70	22.66	37.38	34.38	0.52	0.35	0.39	0.45	0.72	
<b>Limited Review:</b>																
Peoria MSA	686	64.53	20.37	12.04	18.69	23.05	22.09	23.20	38.85	41.70	7.07	6.70	7.26	6.63	7.35	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014								
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Rockford MSA	63	25.61	22.55	16.13	18.05	19.35	21.56	22.58	37.84	41.94	4.99	3.33	5.71	4.95	5.00
St Louis MSA	73	29.67	23.57	15.49	17.34	29.58	21.70	23.94	37.38	30.99	2.04	0.00	3.17	1.38	2.34
<b>Limited Review:</b>															
Peoria MSA	110	44.72	20.37	8.49	18.69	27.36	22.09	25.47	38.85	38.68	7.14	5.21	7.74	5.59	8.72

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.8% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: ILLINOIS				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Rockford MSA	674	32.56	22.55	14.11	18.05	22.76	21.56	28.38	37.84	34.75	3.96	5.51	3.94	3.63	3.81	
St Louis MSA	508	24.54	23.57	9.62	17.34	21.24	21.70	30.26	37.38	38.88	1.47	1.59	1.56	1.82	1.21	
<b>Limited Review:</b>																
Peoria MSA	888	42.90	20.37	10.87	18.69	17.92	22.09	21.73	38.85	49.48	5.66	6.71	5.11	4.72	6.20	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.3% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Rockford MSA	122	47.66	71.71	47.54	61.48	20.49	18.03	1.28	1.31
St Louis MSA	72	28.13	72.54	55.56	76.39	16.67	6.94	0.31	0.30
<b>Limited Review:</b>									
Peoria MSA	62	24.22	68.75	43.55	51.61	30.65	17.74	0.45	0.18

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 22.66% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ILLINOIS				Evaluation Period: JULY 1, 2011 TO JULY 27, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Rockford MSA	5	584	45	5,303	50	5,886	52.78	0	0
St Louis MSA	4	281	13	2,773	17	3,054	27.38	0	0
<b>Limited Review:</b>									
Peoria MSA	2	102	20	618	22	720	6.46	0	0
IL Statewide with P/M/F to serve an AA(s)	0	0	1	1,364	1	1,364	12.23	0	0
IL Statewide with no P/M/F to serve an AA(s)	5	128	0	0	5	128	1.15	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		Geography: ILLINOIS		Evaluation Period: JANUARY 1, 2011 TO JULY 27, 2015			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population									
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography									
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp						
<b>Full Review:</b>																							
Rockford MSA	38.46	6	30.00	0.00	33.33	50.00	16.67	0	2	0	0	-1	-1	9.74	24.57	41.95	23.74						
St Louis MSA	44.25	8	40.00	12.50	12.50	25.00	50.00	0	1	0	0	-1	0	8.86	18.93	47.51	24.69						
<b>Limited Review:</b>																							
Peoria MSA	17.28	6	30.00	16.67	16.67	50.00	16.66	0	2	0	0	-2	0	6.09	17.27	53.39	23.25						

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Rochester MSA	54.25	539	98,907	46	5,258	2	235	0	0	587	104,400	39.13
<b>Limited Review:</b>												
MN non-MSA	45.75	333	47,138	104	21,269	58	5,467	0	0	495	73,874	60.87

\* Loan Data as of December 31, 2013. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to July 27, 2015.

\*\*\* Deposit Data as of June 30, 2013. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

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

Geographic Distribution: HOME PURCHASE			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Rochester MSA	190	66.20	0.00	0.00	14.68	11.05	54.39	42.11	30.93	46.84	2.81	0.00	1.67	2.94	3.12	
<b>Limited Review:</b>																
MN non-MSA	97	33.80	0.00	0.00	0.00	0.00	76.71	77.32	23.29	22.68	5.32	0.00	0.00	5.02	6.19	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: HOME IMPROVEMENT			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Rochester MSA	28	63.64	0.00	0.00	14.68	7.14	54.39	57.14	30.93	35.71	4.23	0.00	1.75	5.42	3.52	
<b>Limited Review:</b>																
MN non-MSA	16	36.36	0.00	0.00	0.00	0.00	76.71	75.00	23.29	25.00	6.48	0.00	0.00	5.43	12.50	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Rochester MSA	320	59.37	0.00	0.00	14.68	9.06	54.39	45.94	30.93	45.00	3.14	0.00	1.72	3.23	3.56	
<b>Limited Review:</b>																
MN non-MSA	219	40.63	0.00	0.00	0.00	0.00	76.71	77.63	23.29	22.37	6.29	0.00	0.00	6.49	5.77	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: MULTIFAMILY			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****						
<b>Full Review:</b>																
Rochester MSA	1	50.00	0.00	0.00	28.82	0.00	55.52	100.00	15.66	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
MN non-MSA	1	50.00	0.00	0.00	0.00	0.00	88.40	100.00	11.60	0.00	14.29	0.00	0.00	14.29	0.00	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans						
<b>Full Review:</b>																
Rochester MSA	46	30.67	0.00	0.00	17.28	34.78	52.67	47.83	30.05	17.39	1.02	0.00	1.72	1.33	0.27	
<b>Limited Review:</b>																
MN non-MSA	104	69.33	0.00	0.00	0.00	0.00	74.80	91.35	25.20	8.65	4.92	0.00	0.00	6.15	2.33	

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2013).

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

Geographic Distribution: SMALL LOANS TO FARMS			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Rochester MSA	2	3.33	0.00	0.00	6.98	0.00	55.35	0.00	37.67	100.00	0.91	0.00	0.00	0.00	3.03	
<b>Limited Review:</b>																
MN non-MSA	58	96.67	0.00	0.00	0.00	0.00	70.18	68.97	29.82	31.03	8.56	0.00	0.00	7.86	10.64	

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2013).

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

Borrower Distribution: HOME PURCHASE		Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013									
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Rochester MSA	190	66.20	16.01	10.53	18.72	30.00	23.84	23.68	41.43	35.79	3.17	1.49	2.70	3.50	4.29
<b>Limited Review:</b>															
MN non-MSA	97	33.80	15.54	7.29	15.26	25.00	23.09	26.04	46.11	41.67	5.70	5.81	4.74	6.06	6.07

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 0.3% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT			Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Rochester MSA	28	63.64	16.01	21.43	18.72	28.57	23.84	17.86	41.43	32.14	4.55	8.00	5.88	1.65	5.08	
<b>Limited Review:</b>																
MN non-MSA	16	36.36	15.54	14.29	15.26	21.43	23.09	21.43	46.11	42.86	7.00	33.33	4.17	3.45	7.32	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.5% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: MINNESOTA					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Rochester MSA	320	59.37	16.01	12.03	18.72	25.00	23.84	20.57	41.43	42.41	3.44	4.00	4.57	2.33	3.41	
<b>Limited Review:</b>																
MN non-MSA	219	40.63	15.54	8.61	15.26	17.70	23.09	23.44	46.11	50.24	7.01	16.42	5.58	5.78	7.23	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MINNESOTA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Rochester MSA	46	30.67	74.96	17.39	67.39	23.91	8.70	1.02	0.46
<b>Limited Review:</b>									
MN non-MSA	104	69.33	76.65	34.62	51.92	23.08	25.00	4.92	2.24

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2013).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 25.33% of small loans to businesses originated and purchased by the bank.

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

Borrower Distribution: SMALL LOANS TO FARMS		Geography: MINNESOTA			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2013				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Rochester MSA	2	3.33	98.56	100.00	50.00	50.00	0.00	0.91	1.56
<b>Limited Review:</b>									
MN non-MSA	58	96.67	98.97	89.66	65.52	31.03	3.45	8.56	11.27

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2013).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 5.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: MINNESOTA				Evaluation Period: JULY 1, 2011 TO JULY 27, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Rochester MSA	1	134	4	482	5	616	37.96	0	0
<b>Limited Review:</b>									
MN non-MSA	1	136	3	246	4	382	23.54	0	0
MN Statewide with P/M/F to serve an AA(s)	0	0	2	455	2	455	28.03	0	0
MN Statewide with no P/M/F to serve an AA(s)	0	0	1	170	1	170	10.47	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MINNESOTA Evaluation Period: JANUARY 1, 2011 TO JULY 27, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Rochester MSA	39.13	4	80.00	0.00	0.00	100.00	0.00	0	1	0	0	-1	0	0.00	18.08	52.45	29.46
<b>Limited Review:</b>																	
MN non-MSA	60.87	1	20.00	0.00	0.00	100.00	0.00	0	2	0	0	-2	0	0.00	0.00	100.00	0.00

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: WISCONSIN												
Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014												
Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Green Bay MSA	15.97	5,990	913,697	741	188,315	2	278	0	0	6,733	1,102,290	15.18
Madison MSA^	8.27	2,985	602,413	491	116,745	7	982	6	15,100	3,489	735,240	10.88
Milwaukee-Waukesha-West Allis MSA	20.39	6,888	1,683,219	1,692	413,837	1	23	16	77,833	8,597	2,174,912	43.65
WI non-MSA^	22.00	8,592	1,125,388	665	125,299	16	1,022	6	14,635	9,279	1,273,717	13.83
<b>Limited Review:</b>												
Appleton MSA	9.39	3,590	509,334	368	82,324	1	350	0	0	3,959	592,008	2.64
Eau Claire MSA	2.14	857	106,038	45	8,717	0	0	0	0	902	114,755	1.09
Fond du Lac MSA	1.90	739	100,361	64	17,266	0	0	0	0	803	117,627	0.40
Janesville-Beloit MSA	3.73	1,497	172,084	74	16,425	3	1,050	0	0	1,574	189,559	1.14
La Crosse-Onalaska MSA	3.32	1,306	176,646	92	19,807	1	128	1	3,645	1,400	200,226	2.22
Oshkosh-Neenah MSA	6.06	2,279	325,057	278	55,153	0	0	0	0	2,557	380,210	4.42
Racine MSA	1.70	623	99,511	94	20,477	0	0	0	0	717	119,988	1.02
Sheboygan MSA	2.12	794	105,533	101	21,723	0	0	0	0	895	127,256	0.86
Wausau MSA	3.00	1,153	152,817	109	21,745	3	204	0	0	1,265	174,766	2.66

\* Loan Data as of December 31, 2014. Rated area refers to either state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2011 to July 27, 2015.

\*\*\* Deposit Data as of June 30, 2014. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: HOME PURCHASE		Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Green Bay MSA	1,732	14.74	0.73	0.35	20.16	14.32	55.51	46.42	23.61	38.91	13.68	13.64	10.51	12.67	17.25
Madison MSA^	660	27.62	1.45	0.30	12.91	9.70	63.51	67.73	22.13	22.27	3.61	0.91	3.15	4.07	2.88
Milwaukee-Waukesha-West Allis MSA	2,578	21.95	6.74	2.95	12.89	5.35	39.84	34.76	40.52	56.94	4.84	2.03	2.52	4.22	6.07
WI non-MSA^	1,730	72.38	0.00	0.00	8.83	10.06	72.59	69.19	18.58	20.75	8.16	0.00	11.57	8.05	7.39
<b>Limited Review:</b>															
Appleton MSA	1,106	9.42	0.00	0.00	6.20	3.71	75.79	70.43	18.01	25.86	10.77	0.00	7.51	10.71	11.80
Eau Claire MSA	278	2.37	0.00	0.00	11.92	9.71	73.51	73.74	14.57	16.55	3.95	0.00	4.69	3.72	4.78
Fond du Lac MSA	172	1.46	0.00	0.00	6.15	5.81	85.44	82.56	8.42	11.63	5.88	0.00	4.35	6.02	5.95
Janesville-Beloit MSA	546	4.65	4.55	2.56	15.66	11.72	55.87	59.16	23.92	26.56	9.78	8.77	8.16	10.83	8.35
La Crosse-Onalaska MSA	389	3.31	0.66	0.26	4.94	6.17	74.53	74.04	19.87	19.54	9.30	0.00	5.94	9.91	8.50
Oshkosh-Neenah MSA	680	5.79	0.00	0.00	10.85	8.09	69.87	63.97	19.27	27.94	10.48	0.00	7.26	10.14	12.75
Racine MSA	248	2.11	2.21	0.00	10.75	5.24	54.91	58.87	32.13	35.89	3.73	0.00	0.97	4.08	3.95
Sheboygan MSA	217	1.85	0.00	0.00	18.68	10.60	73.40	82.95	7.92	6.45	5.28	0.00	3.47	5.92	4.07
Wausau MSA	327	2.78	0.00	0.00	13.86	7.65	75.82	79.82	10.32	12.54	6.24	0.00	3.42	7.26	3.67

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: HOME IMPROVEMENT			Geography: WISCONSIN						Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Green Bay MSA	236	11.74	0.73	0.00	20.16	16.10	55.51	50.85	23.61	33.05	11.96	0.00	7.07	12.13	15.03
Madison MSA^	148	20.36	1.45	0.68	12.91	9.46	63.51	70.27	22.13	19.59	6.49	0.00	5.00	7.20	5.51
Milwaukee-Waukesha-West Allis MSA	312	15.51	6.74	1.60	12.89	4.49	39.84	34.29	40.52	59.62	5.16	0.64	1.47	3.72	8.23
WI non-MSA^	579	79.64	0.00	0.00	8.83	10.88	72.59	71.16	18.58	17.96	11.40	0.00	16.43	10.34	13.38
<b>Limited Review:</b>															
Appleton MSA	138	6.86	0.00	0.00	6.20	0.00	75.79	75.36	18.01	24.64	7.13	0.00	0.00	7.54	8.03
Eau Claire MSA	57	2.83	0.00	0.00	11.92	1.75	73.51	87.72	14.57	10.53	5.86	0.00	0.00	6.48	7.84
Fond du Lac MSA	42	2.09	0.00	0.00	6.15	4.76	85.44	90.48	8.42	4.76	9.45	0.00	11.76	10.18	0.00
Janesville-Beloit MSA	56	2.78	4.55	7.14	15.66	19.64	55.87	58.93	23.92	14.29	7.79	14.29	2.50	9.93	4.08
La Crosse-Onalaska MSA	95	4.72	0.66	0.00	4.94	11.58	74.53	82.11	19.87	6.32	9.73	0.00	17.65	10.19	6.45
Oshkosh-Neenah MSA	91	4.53	0.00	0.00	10.85	13.19	69.87	65.93	19.27	20.88	7.62	0.00	7.32	6.62	10.87
Racine MSA	23	1.14	2.21	0.00	10.75	0.00	54.91	30.43	32.13	69.57	4.25	0.00	0.00	1.71	10.00
Sheboygan MSA	43	2.14	0.00	0.00	18.68	23.26	73.40	65.12	7.92	11.63	3.81	0.00	4.55	2.96	12.00
Wausau MSA	65	3.23	0.00	0.00	13.86	10.77	75.82	84.62	10.32	4.62	6.13	0.00	6.45	6.77	2.13

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****						
<b>Full Review:</b>																
Green Bay MSA	3,985	15.70	0.73	0.18	20.16	12.57	55.51	49.61	23.61	37.64	13.28	3.17	9.91	13.17	15.53	
Madison MSA^	2,144	25.53	1.45	0.89	12.91	11.19	63.51	66.14	22.13	21.78	4.71	5.23	4.56	5.07	3.87	
Milwaukee-Waukesha-West Allis MSA	3,907	15.39	6.74	2.05	12.89	4.66	39.84	34.37	40.52	58.92	3.43	0.90	1.74	3.12	4.12	
WI non-MSA^	6,255	74.47	0.00	0.00	8.83	9.45	72.59	71.45	18.58	19.10	9.97	0.00	13.23	10.17	8.16	
<b>Limited Review:</b>																
Appleton MSA	2,341	9.22	0.00	0.00	6.20	2.39	75.79	69.63	18.01	27.98	9.71	0.00	3.93	9.85	10.50	
Eau Claire MSA	520	2.05	0.00	0.00	11.92	6.35	73.51	71.73	14.57	21.92	3.96	0.00	3.82	3.83	4.67	
Fond du Lac MSA	521	2.05	0.00	0.00	6.15	3.45	85.44	84.26	8.42	12.28	7.76	0.00	3.87	7.97	8.40	
Janesville-Beloit MSA	893	3.52	4.55	2.02	15.66	10.08	55.87	58.57	23.92	29.34	9.21	5.75	5.54	9.96	9.52	
La Crosse-Onalaska MSA	812	3.20	0.66	1.11	4.94	3.45	74.53	74.14	19.87	21.31	9.28	2.33	5.15	9.64	9.65	
Oshkosh-Neenah MSA	1,496	5.89	0.00	0.00	10.85	7.02	69.87	65.71	19.27	27.27	11.05	0.00	7.18	11.22	12.08	
Racine MSA	339	1.34	2.21	0.29	10.75	3.24	54.91	51.33	32.13	45.13	2.36	2.33	0.80	2.41	2.65	
Sheboygan MSA	534	2.10	0.00	0.00	18.68	11.99	73.40	75.47	7.92	12.55	6.04	0.00	4.19	6.33	6.64	
Wausau MSA	737	2.90	0.00	0.00	13.86	7.60	75.82	81.14	10.32	11.26	7.75	0.00	8.88	7.90	6.15	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: MULTIFAMILY			Geography: WISCONSIN								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	% MF Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Green Bay MSA	37	13.41	1.92	0.00	27.44	24.32	56.40	64.86	14.24	10.81	15.38	0.00	18.75	6.45	60.00
Madison MSA^	33	54.10	15.84	12.12	22.56	15.15	42.37	63.64	19.23	9.09	5.42	5.13	6.82	5.94	0.00
Milwaukee-Waukesha-West Allis MSA	91	32.97	15.39	35.16	15.91	28.57	45.42	32.97	23.28	3.30	4.16	5.81	6.25	3.23	1.75
WI non-MSA^	28	45.90	0.00	0.00	10.75	14.29	78.13	64.29	11.11	21.43	1.41	0.00	6.25	1.01	0.00
<b>Limited Review:</b>															
Appleton MSA	5	1.81	0.00	0.00	14.90	0.00	79.35	100.00	5.75	0.00	4.88	0.00	0.00	6.06	0.00
Eau Claire MSA	2	0.72	0.00	0.00	15.41	0.00	65.47	50.00	19.11	50.00	0.00	0.00	0.00	0.00	0.00
Fond du Lac MSA	4	1.45	0.00	0.00	40.14	25.00	55.33	75.00	4.53	0.00	0.00	0.00	0.00	0.00	0.00
Janesville-Beloit MSA	2	0.72	11.54	0.00	22.44	0.00	38.68	50.00	27.34	50.00	2.63	0.00	0.00	0.00	9.09
La Crosse-Onalaska MSA	10	3.62	12.55	10.00	32.38	50.00	47.00	40.00	8.07	0.00	0.00	0.00	0.00	0.00	0.00
Oshkosh-Neenah MSA	12	4.35	0.00	0.00	27.85	33.33	58.95	41.67	13.20	25.00	0.00	0.00	0.00	0.00	0.00
Racine MSA	13	4.71	2.28	0.00	21.88	7.69	49.57	76.92	26.27	15.38	9.68	0.00	14.29	0.00	25.00
Sheboygan MSA	0	0.00	0.00	0.00	41.94	0.00	52.40	0.00	5.66	0.00	0.00	0.00	0.00	0.00	0.00
Wausau MSA	24	8.70	0.00	0.00	22.79	37.50	58.02	58.33	19.20	4.17	5.56	0.00	0.00	8.33	0.00

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

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

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: WISCONSIN								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Green Bay MSA	741	14.13	1.22	0.67	21.09	21.59	54.35	52.77	23.32	24.97	5.19	4.08	5.36	4.98	6.22
Madison MSA^	491	42.47	4.15	7.74	15.74	18.33	56.88	52.34	22.69	21.59	2.80	5.05	3.22	2.62	2.75
Milwaukee-Waukesha-West Allis MSA	1,692	32.26	9.39	4.91	14.10	9.46	38.21	35.70	38.27	49.94	2.21	1.71	2.09	2.29	2.32
WI non-MSA^	665	57.53	0.00	0.00	10.40	11.58	74.51	73.68	15.09	14.74	2.23	0.00	3.41	2.39	1.79
<b>Limited Review:</b>															
Appleton MSA	368	7.02	0.00	0.00	11.21	7.34	76.16	73.10	12.63	19.57	2.92	0.00	1.85	3.11	3.45
Eau Claire MSA	45	0.86	0.00	0.00	14.78	24.44	72.13	62.22	13.09	13.33	0.50	0.00	0.46	0.63	0.00
Fond du Lac MSA	64	1.22	0.00	0.00	18.29	3.13	75.51	93.75	6.20	3.13	1.32	0.00	0.48	1.72	0.00
Janesville-Beloit MSA	74	1.41	7.30	5.41	18.57	16.22	46.29	51.35	27.84	27.03	1.65	0.98	2.09	1.97	1.26
La Crosse-Onalaska MSA	92	1.75	3.27	1.09	21.95	26.09	60.39	51.09	14.39	21.74	2.54	0.00	5.09	2.17	1.83
Oshkosh-Neenah MSA	278	5.30	0.00	0.00	15.71	15.83	65.92	66.55	18.37	17.63	4.94	0.00	5.36	5.30	4.09
Racine MSA	94	1.79	3.61	2.13	11.01	3.19	54.93	35.11	30.45	59.57	1.47	1.14	0.37	0.97	2.68
Sheboygan MSA	101	1.93	0.00	0.00	30.15	36.63	62.07	46.53	7.78	16.83	2.07	0.00	2.77	1.65	3.97
Wausau MSA	109	2.08	0.00	0.00	17.43	41.28	67.81	40.37	14.76	18.35	1.39	0.00	3.35	1.04	1.21

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Geographic Distribution: SMALL LOANS TO FARMS			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
<b>Full Review:</b>																
Green Bay MSA	2	5.00	0.22	0.00	14.26	50.00	64.12	50.00	21.40	0.00	0.40	0.00	3.45	0.00	0.00	
Madison MSA^	7	30.43	0.35	0.00	10.30	14.29	72.54	85.71	16.61	0.00	0.56	0.00	2.27	0.38	0.00	
Milwaukee-Waukesha-West Allis MSA	1	2.50	2.82	0.00	6.69	0.00	43.93	100.00	46.55	0.00	0.00	0.00	0.00	0.00	0.00	
WI non-MSA^	16	69.57	0.00	0.00	5.43	0.00	77.17	87.50	17.40	12.50	0.43	0.00	0.00	0.56	0.00	
<b>Limited Review:</b>																
Appleton MSA	1	2.50	0.00	0.00	4.75	0.00	80.26	0.00	14.99	100.00	0.46	0.00	0.00	0.00	4.17	
Eau Claire MSA	0	0.00	0.00	0.00	13.72	0.00	74.81	0.00	11.48	0.00	0.00	0.00	0.00	0.00	0.00	
Fond du Lac MSA	0	0.00	0.00	0.00	2.07	0.00	87.44	0.00	10.50	0.00	0.00	0.00	0.00	0.00	0.00	
Janesville-Beloit MSA	3	7.50	1.20	0.00	4.80	0.00	71.36	100.00	22.64	0.00	2.33	0.00	0.00	3.30	0.00	
La Crosse-Onalaska MSA	1	2.50	0.00	0.00	3.33	0.00	81.79	100.00	14.87	0.00	0.00	0.00	0.00	0.00	0.00	
Oshkosh-Neenah MSA	0	0.00	0.00	0.00	3.81	0.00	84.77	0.00	11.42	0.00	0.00	0.00	0.00	0.00	0.00	
Racine MSA	0	0.00	0.63	0.00	2.73	0.00	51.26	0.00	45.38	0.00	0.00	0.00	0.00	0.00	0.00	
Sheboygan MSA	0	0.00	0.00	0.00	11.08	0.00	85.85	0.00	3.07	0.00	0.00	0.00	0.00	0.00	0.00	
Wausau MSA	3	7.50	0.00	0.00	11.14	0.00	80.75	100.00	8.11	0.00	0.81	0.00	0.00	0.96	0.00	

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2014).

^ The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: HOME PURCHASE		Geography: WISCONSIN								Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Green Bay MSA	1,732	14.74	19.23	11.91	18.25	22.52	23.75	25.74	38.78	39.83	14.25	13.54	10.84	13.74	17.58
Madison MSA^	660	27.62	18.54	11.61	18.27	23.53	25.18	31.27	38.01	33.59	3.83	4.37	3.46	4.17	3.66
Milwaukee-Waukesha-West Allis MSA	2,578	21.95	22.15	7.16	16.90	15.98	20.61	17.92	40.35	58.94	5.14	3.23	3.66	3.79	7.14
WI non-MSA^	1,730	72.38	17.20	7.67	18.55	24.73	23.91	26.34	40.33	41.26	8.60	8.35	8.38	9.06	8.49
<b>Limited Review:</b>															
Appleton MSA	1,106	9.42	16.54	13.69	19.20	25.57	26.18	28.14	38.07	32.60	11.45	10.13	11.24	11.84	11.94
Eau Claire MSA	278	2.37	19.00	11.59	19.12	30.80	23.80	28.62	38.08	28.99	4.27	3.29	4.18	4.79	4.31
Fond du Lac MSA	172	1.46	17.50	10.71	18.65	33.33	26.85	25.60	37.01	30.36	6.47	4.31	7.72	5.34	7.14
Janesville-Beloit MSA	546	4.65	19.66	13.94	18.49	27.70	22.32	28.07	39.53	30.30	10.66	11.21	10.04	10.93	10.74
La Crosse-Onalaska MSA	389	3.31	17.97	15.58	18.47	25.71	24.53	28.83	39.03	29.87	9.89	13.64	9.65	10.14	8.28
Oshkosh-Neenah MSA	680	5.79	18.03	9.68	18.42	27.04	25.56	27.04	37.99	36.25	11.53	9.21	12.44	11.63	11.49
Racine MSA	248	2.11	20.69	12.55	16.90	24.27	22.97	26.36	39.43	36.82	3.95	4.67	2.73	4.51	4.31
Sheboygan MSA	217	1.85	18.50	7.44	18.89	24.65	25.11	30.70	37.50	37.21	6.31	0.00	4.86	7.47	8.07
Wausau MSA	327	2.78	17.35	12.23	19.31	25.08	25.47	28.21	37.86	34.48	6.52	5.41	6.31	7.59	6.28

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.4% of loans originated and purchased by bank.

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

Borrower Distribution: HOME IMPROVEMENT			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share*				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Green Bay MSA	236	11.74	19.23	9.30	18.25	20.93	23.75	33.02	38.78	36.74	11.44	6.38	13.87	10.73	11.55	
Madison MSA^	148	20.36	18.54	9.66	18.27	24.83	25.18	24.83	38.01	40.69	6.62	5.15	7.64	4.73	7.66	
Milwaukee-Waukesha-West Allis MSA	312	15.51	22.15	6.67	16.90	16.67	20.61	23.33	40.35	53.33	5.25	3.23	4.16	4.32	6.74	
WI non-MSA^	579	79.64	17.20	8.76	18.55	21.02	23.91	31.52	40.33	38.70	11.62	11.33	12.28	12.73	10.68	
<b>Limited Review:</b>																
Appleton MSA	138	6.86	16.54	6.82	19.20	28.79	26.18	27.27	38.07	37.12	6.86	1.32	12.40	6.12	6.46	
Eau Claire MSA	57	2.83	19.00	8.77	19.12	19.30	23.80	35.09	38.08	36.84	6.14	0.00	1.67	7.29	9.43	
Fond du Lac MSA	42	2.09	17.50	9.52	18.65	19.05	26.85	47.62	37.01	23.81	9.79	11.76	10.26	11.11	8.33	
Janesville-Beloit MSA	56	2.78	19.66	7.14	18.49	25.00	22.32	10.71	39.53	57.14	8.30	0.00	9.80	0.00	15.38	
La Crosse-Onalaska MSA	95	4.72	17.97	16.84	18.47	17.89	24.53	33.68	39.03	31.58	9.93	17.14	7.25	13.89	6.90	
Oshkosh-Neenah MSA	91	4.53	18.03	6.90	18.42	27.59	25.56	25.29	37.99	40.23	7.77	4.00	9.78	7.07	7.65	
Racine MSA	23	1.14	20.69	13.04	16.90	8.70	22.97	30.43	39.43	47.83	4.37	8.33	2.56	6.67	2.41	
Sheboygan MSA	43	2.14	18.50	11.63	18.89	18.60	25.11	32.56	37.50	37.21	3.90	2.13	1.98	4.29	5.20	
Wausau MSA	65	3.23	17.35	16.92	19.31	29.23	25.47	27.69	37.86	26.15	6.37	7.69	11.25	5.71	3.65	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.0% of loans originated and purchased by bank.

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: WISCONSIN				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Green Bay MSA	3,985	15.70	19.23	8.21	18.25	21.51	23.75	29.13	38.78	41.16	14.46	11.62	14.89	14.75	14.64	
Madison MSA^	2,144	25.53	18.54	11.50	18.27	24.52	25.18	27.57	38.01	36.41	5.16	6.83	5.79	4.91	4.60	
Milwaukee-Waukesha-West Allis MSA	3,907	15.39	22.15	6.03	16.90	15.96	20.61	23.51	40.35	54.50	3.72	3.05	3.30	3.43	4.09	
WI non-MSA^	6,255	74.47	17.20	6.37	18.55	20.29	23.91	28.78	40.33	44.56	10.86	10.80	12.16	11.99	9.83	
<b>Limited Review:</b>																
Appleton MSA	2,341	9.22	16.54	9.39	19.20	23.73	26.18	31.34	38.07	35.53	10.61	11.11	10.44	12.15	9.46	
Eau Claire MSA	520	2.05	19.00	12.21	19.12	20.54	23.80	26.16	38.08	41.09	4.42	6.90	4.62	4.91	3.36	
Fond du Lac MSA	521	2.05	17.50	6.54	18.65	25.19	26.85	32.88	37.01	35.38	8.51	9.34	8.72	9.39	7.45	
Janesville-Beloit MSA	893	3.52	19.66	10.14	18.49	23.80	22.32	30.30	39.53	35.76	10.15	10.86	12.56	10.47	8.60	
La Crosse-Onalaska MSA	812	3.20	17.97	8.79	18.47	24.29	24.53	28.81	39.03	38.11	9.83	10.28	11.26	8.95	9.43	
Oshkosh-Neenah MSA	1,496	5.89	18.03	5.88	18.42	20.38	25.56	29.89	37.99	43.84	12.30	9.00	13.79	14.38	10.92	
Racine MSA	339	1.34	20.69	7.32	16.90	19.82	22.97	32.93	39.43	39.94	2.66	2.15	2.34	3.22	2.55	
Sheboygan MSA	534	2.10	18.50	9.60	18.89	20.92	25.11	30.52	37.50	38.96	7.11	6.05	7.62	7.36	6.88	
Wausau MSA	737	2.90	17.35	8.25	19.31	25.45	25.47	31.61	37.86	34.69	8.47	9.13	9.06	10.06	7.03	

\* Based on 2013 Peer Mortgage Data -- US and PR

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.7% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: WISCONSIN		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Green Bay MSA	741	14.13	72.36	29.01	44.26	22.40	33.33	5.19	2.33
Madison MSA <sup>^</sup>	491	42.47	69.31	24.85	50.71	17.11	32.18	2.80	1.60
Milwaukee-Waukesha-West Allis MSA	1,692	32.26	70.61	27.96	43.79	23.76	32.45	2.21	1.30
WI non-MSA <sup>^</sup>	665	57.53	75.61	36.69	58.95	15.94	25.11	2.23	1.63
<b>Limited Review:</b>									
Appleton MSA	368	7.02	71.97	37.77	47.55	25.54	26.90	2.92	2.35
Eau Claire MSA	45	0.86	74.11	26.67	60.00	8.89	31.11	0.50	0.28
Fond du Lac MSA	64	1.22	72.04	32.81	46.88	18.75	34.38	1.32	1.04
Janesville-Beloit MSA	74	1.41	73.51	47.30	62.16	8.11	29.73	1.65	1.70
La Crosse-Onalaska MSA	92	1.75	70.34	25.00	57.61	13.04	29.35	2.54	2.03
Oshkosh-Neenah MSA	278	5.30	71.73	36.69	55.40	22.30	22.30	4.94	3.55
Racine MSA	94	1.79	74.28	36.17	51.06	22.34	26.60	1.47	1.08
Sheboygan MSA	101	1.93	72.37	27.72	47.52	26.73	25.74	2.07	1.43
Wausau MSA	109	2.08	73.47	28.44	49.54	26.61	23.85	1.39	0.54

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 23.18% of small loans to businesses originated and purchased by the bank.

<sup>^</sup> The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

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

Borrower Distribution: SMALL LOANS TO FARMS			Geography: WISCONSIN		Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2014				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Green Bay MSA	2	5.00	97.65	50.00	50.00	50.00	0.00	0.40	0.00
Madison MSA <sup>^</sup>	7	30.43	97.88	57.14	42.86	28.57	28.57	0.56	0.65
Milwaukee-Waukesha-West Allis MSA	1	2.50	95.35	0.00	100.00	0.00	0.00	0.00	0.00
WI non-MSA <sup>^</sup>	16	69.57	98.14	37.50	81.25	18.75	0.00	0.43	0.00
<b>Limited Review:</b>									
Appleton MSA	1	2.50	97.30	0.00	0.00	0.00	100.00	0.46	0.00
Eau Claire MSA	0	0.00	98.93	0.00	0.00	0.00	0.00	0.00	0.00
Fond du Lac MSA	0	0.00	97.07	0.00	0.00	0.00	0.00	0.00	0.00
Janesville-Beloit MSA	3	7.50	97.45	0.00	0.00	33.33	66.67	2.33	0.00
La Crosse-Onalaska MSA	1	2.50	97.95	100.00	0.00	100.00	0.00	0.00	0.00
Oshkosh-Neenah MSA	0	0.00	98.20	0.00	0.00	0.00	0.00	0.00	0.00
Racine MSA	0	0.00	97.06	0.00	0.00	0.00	0.00	0.00	0.00
Sheboygan MSA	0	0.00	95.52	0.00	0.00	0.00	0.00	0.00	0.00
Wausau MSA	3	7.50	98.89	100.00	100.00	0.00	0.00	0.81	1.52

\* Based on 2013 Peer Small Business Data -- US and PR

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 42.50% of small loans to farms originated and purchased by the bank.

<sup>^</sup> The evaluation period for the Madison AA and WI non-MSA AA is January 1, 2012 to December 31, 2013.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: WISCONSIN				Evaluation Period: JULY 1, 2011 TO JULY 27, 2015				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
Green Bay MSA	11	2,694	76	6,300	87	8,994	12.96	0	0	
Madison MSA	8	885	81	7,961	89	8,846	12.74	0	0	
Milwaukee-Waukesha-West Allis MSA	6	6,396	146	15,409	152	21,805	31.41	0	0	
WI non-MSA	7	644	92	17,269	99	17,913	25.80	0	0	
<b>Limited Review:</b>										
Appleton MSA	4	306	29	2,803	33	3,109	4.48	0	0	
Eau Claire MSA	2	34	8	245	10	279	0.40	0	0	
Fond du Lac MSA	1	17	3	1,809	4	1,826	2.63	0	0	
Janesville-Beloit MSA	3	148	5	164	8	312	0.45	0	0	
La Crosse-Onalaska MSA	0	0	14	393	14	393	0.57	0	0	
Oshkosh-Neenah MSA	3	182	31	2,230	34	2,412	3.47	0	0	
Racine MSA	3	282	4	479	7	761	1.10	0	0	
Sheboygan MSA	2	65	12	137	14	202	0.29	0	0	
Wausau MSA	2	46	28	2,254	30	2,300	3.31	0	0	
WI Statewide with P/M/F to serve an AA(s)	0	0	1	134	1	134	0.19	0	0	
WI Statewide with no P/M/F to serve an AA(s)	3	142	0	0	3	142	0.20	0	0	

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: WISCONSIN Evaluation Period: JANUARY 1, 2011 TO JULY 27, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Green Bay MSA	15.18	13	9.09	0.00	15.39	69.23	15.38	0	4	0	-1	-3	0	1.44	21.93	52.93	23.34
Madison MSA	10.88	25	17.48	8.00	20.00	52.00	20.00	1	5	0	0	-4	0	5.61	14.54	58.29	21.03
Milwaukee-Waukesha-West Allis MSA	43.65	39	27.27	10.26	10.26	51.27	28.21	1	9	0	0	-5	-3	14.65	16.20	36.13	33.02
WI non-MSA	13.83	31	21.68	0.00	12.82	79.49	7.69	0	6	0	-2	-3	-1	0.00	9.10	73.44	17.46
<b>Limited Review:</b>																	
Appleton MSA	2.64	4	2.80	0.00	0.00	75.00	25.00	0	4	0	-1	-3	0	0.00	7.03	74.98	17.99
Eau Claire MSA	1.09	5	3.50	0.00	0.00	100.00	0.00	0	2	0	-1	-1	0	0.00	12.22	71.26	16.52
Fond du Lac MSA	0.40	1	0.70	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	12.31	79.11	8.58
Janesville-Beloit MSA	1.14	3	2.10	33.33	66.67	0.00	0.00	0	0	0	0	0	0	7.98	17.27	51.83	22.92
La Crosse-Onalaska MSA	2.22	5	3.50	0.00	20.00	80.00	0.00	1	2	0	-1	0	0	4.80	13.86	64.64	16.71
Oshkosh-Neenah MSA	4.42	6	4.20	0.00	66.67	16.67	16.67	1	4	0	+1	-4	0	0.00	16.29	67.13	16.58
Racine MSA	1.02	4	2.80	0.00	25.00	75.00	0.00	0	0	0	0	0	0	4.70	14.33	53.49	27.48
Sheboygan MSA	0.86	2	1.40	0.00	100.00	0.00	0.00	1	1	0	+1	-1	0	0.00	23.36	69.54	7.10
Wausau MSA	2.66	5	3.50	0.00	20.00	60.00	20.00	0	0	0	0	0	0	0.00	16.46	72.62	10.91

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: BROADER REGIONAL AREA/NATIONWIDE				Evaluation Period: JULY 1, 2011 TO JULY 27, 2015				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)	
<b>Full Review:</b>										
Broader Regional Area with no P/M/F to serve an AA(s)	2	355	1	360	3	715	7.09	0	0	
Nationwide***	2	2,257	5	7,119	7	9,376	92.91	0	0	

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

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

\*\*\* Nationwide investments are investments made prior to November 20, 2013.

