



PUBLIC DISCLOSURE

February 4, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Federal Bank of Wisconsin
Charter Number 705313

1617 E. Racine Avenue
Waukesha, WI 53186

Office of the Comptroller of the Currency

Milwaukee Field Office
1200 North Mayfair Road, Suite 200
Wauwatosa, WI 53226

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

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Overall CRA Rating: Satisfactory

The Lending Test is rated: Satisfactory

The major factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable given the bank's size, financial condition, and the credit needs of its assessment area (AA).
- A majority of loan originations are made within the bank's AA.
- The borrower distribution of loans reflects excellent distribution among businesses of different sizes. The borrower distribution of loans reflects reasonable distribution among borrowers of different incomes.
- The geographic distribution of businesses loans reflects excellent distribution among geographies. The geographic distribution of home mortgage loans reflects reasonable distribution among geographies.

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): 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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties 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 multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) 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

First Federal Bank of Wisconsin (First Federal) is a \$262.6 million intrastate financial institution headquartered in Waukesha, Wisconsin. In 2017, First Federal became a federal stock savings bank and a wholly owned subsidiary of FFBW, Inc. FFBW, Inc. is a majority-owned subsidiary of FFBW, MHC.

The main office is located in a middle-income census tract (CT). The bank operates three full service branches in addition to the main office. Two of the bank's branches are located in middle-income CTs, while the third is located in an upper-income CT. All locations have Automated Teller Machines.

In May 2014, First Federal merged with Bay View Federal Savings and Loan (Bay View), adding Bay View's only branch to First Federal's network. This expanded the bank's AA in to Milwaukee County. In October 2015, First Federal opened a new branch in Brookfield, Wisconsin. In June 2017, First Federal closed its Downtown Waukesha, Wisconsin administrative and drive-up service only office.

First Federal offers traditional community bank products and services, and its total loan portfolio represents 76.72 percent of total assets. At the previous evaluation, the bank operated more as a traditional thrift, offering primarily residential mortgages and savings accounts. The bank has since seen significant growth in its commercial products. By dollar volume, the loan portfolio consists of 61.78 percent commercial loans, 38.14 percent residential real estate loans, and 0.13 percent consumer loans. Tier 1 capital totals \$48.5 million. All financial information is as of December 31, 2018.

First Federal has one AA, which consists of Waukesha County and the southern portion of Milwaukee County. This AA is part of the Milwaukee-Waukesha-West Allis, Wisconsin metropolitan statistical area (MSA). Given First Federal's asset size, available resources, and limited branch locations, the designation of the entire Milwaukee MSA would be too large for the bank to reasonably serve. The AA complies with regulatory requirements and does not arbitrarily exclude any low- or moderate-income (LMI) geographies.

There are no legal or financial factors impeding the bank's ability to help meet the credit needs in its AA. First Federal was evaluated using the Small Bank procedures and received a Satisfactory rating at its prior CRA examination dated March 25, 2014.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated First Federal's performance under the Small Bank Lending Test. The Lending Test assesses the bank's record of meeting the credit needs of its AA through lending activities. We reviewed data for the bank's primary loan products, commercial loans and home mortgage loans, to evaluate the bank's lending performance.

This evaluation covers the period since the prior CRA examination, March 25, 2014, through February 4, 2019. The Lending Test evaluated loans originated between January 1, 2015 and December 31, 2017.

In order to provide more current and accurate demographic data, the federal banking agencies are now updating census data every five years instead of 10, beginning with the Census Bureau's 2015 American Community Survey (ACS). First Federal's AA was affected by this change, and the data from 2015 through 2016 received a separate analysis from the lending data from 2017. As a result, performance tables have been separated and include 2015 through 2016 analysis only. Data is discussed in the applicable narrative sections of the evaluation.

To evaluate small business lending, we used data from bank reports and a random sample of business loans originated in the bank's AA. We also evaluated home mortgage loans, which included home purchase, home improvement, and home refinance loans reported under the Home Mortgage Disclosure Act (HMDA). Our lending analysis utilized the most recent available demographic and aggregate peer lending data.

Data Integrity

The bank reports data under the requirements of the HMDA. Prior to conducting this evaluation, we tested the accuracy of the bank's HMDA data for 2015, 2016, and 2017. This data was found to be reliable. Therefore, the reported HMDA data was used in our evaluation of home mortgage lending.

Selection of Areas for Full-Scope Review

We selected the Milwaukee MSA AA for a full-scope review. Conclusions were based on analysis of small business and home mortgage loans as these products represent a majority of the bank's lending activities.

Ratings

The bank's overall rating is based primarily on the area that received a full-scope review.

Discriminatory 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 has not identified that this institution [or any affiliate whose loans have been considered as part of the institution's lending performance] has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

Conclusions with Respect to Performance Tests

The conclusions of First Federal's performance were based on the bank's Milwaukee MSA AA. We considered the Lending Test when assigning the bank's overall performance evaluation rating. For the Lending Test, more weight was placed on the bank's record of small business lending compared to its home mortgage lending during the evaluation period.

LENDING TEST

The Lending Test is rated Satisfactory.

Loan-to-Deposit Ratio

First Federal's LTD ratio is more than reasonable given the bank's size, financial condition, and the credit needs of its AA. The bank's quarterly LTD ratio averaged 90.98 percent over the 19 quarters spanning the first quarter of 2014 to the third quarter of 2018. The peer group consists of banks with total assets ranging from \$48.0 million to \$954.6 million. The average LTD ratio for the other banks located in the AA over the same period ranged from 49.11 percent to 126.51 percent.

Lending in Assessment Area

First Federal originated a majority of its small business and home mortgage loans inside its AA. A review of the primary loan products shows that 69.0 percent by number and 67.2 percent by dollar volume were made to small businesses and individuals located within the bank's AA.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	106	67.1	52	32.9	158	21,838	67.1	10,691	32.9	32,529
2016	126	67.7	60	32.3	186	24,292	64.0	13,675	36.0	37,967
2017	88	66.2	45	33.8	133	18,815	61.8	11,611	38.2	30,426
Subtotal	320	67.1	157	32.9	477	64,945	64.4	35,977	35.6	100,922
Small Business										
2015-2016	21	87.5	3	12.5	24	7,346	93.8	488	6.2	7,834
2017	20	90.9	2	9.1	22	3,457	88.6	444	11.4	3,901
Subtotal	41	89.1	5	10.9	46	10,803	92.1	932	7.9	11,735
Total	361	69.0	162	31.0	523	75,748	67.2	36,909	32.8	112,657

*Source: Evaluation Period: 1/1/2015 - 12/31/2017 Bank Data and Loan Sampling for 2015-2017
Due to rounding, totals may not equal 100.0*

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The borrower distribution of loans reflects excellent distribution among businesses of different sizes. The borrower distribution of loans reflects reasonable distribution among borrowers of different incomes.

The borrower distribution of loans reflects excellent distribution among businesses of different sizes. Our random sample indicated that the bank originated 76.2 percent of its business loans to AA small businesses (business with gross annual revenues of \$1.0 million or less). The bank's lending is in line with the demographics that show 76.7 percent of AA businesses are small businesses. The bank's lending exceeds the aggregate lending data, which shows 42.1 percent of peer business lending in the AA was to small businesses.

Refer to table R in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination of loans to businesses.

The borrower distribution of home mortgage loans within the AA reflects reasonable distribution among borrowers of different incomes. The bank originated 3.0 percent of its home mortgages to low-income families, which is less than the demographics that show 17.6 percent of families in the AA are low-income. The percentage of bank loans to low-income families is slightly less than the aggregate lending data, which shows 4.9 percent of peer lending within the AA was to low-income families. The bank originated 14.7 percent of home mortgages to moderate-income families, which is less than the demographics that show 16.5 percent of families in the AA are moderate-income. The bank's lending is slightly less than the aggregate lending data, which shows 15.1 percent of peer lending within the AA was to moderate-income families.

Refer to table P in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

Geographic Distribution of Loans

The geographic distribution of business loans reflects excellent distribution among geographies. The geographic distribution of home mortgage loans reflects reasonable distribution among geographies.

The geographic distribution of business loans reflects excellent distribution among geographies. Based on our random sample, the bank originated 14.3 percent of small business loans in low-income geographies. This percentage exceeds the demographics, which show 5.3 percent of AA businesses are in low-income geographies. The percentage of bank loans also exceeds the aggregate lending data, which shows 3.9 percent of peer lending was to businesses in low-income geographies.

The bank originated 14.3 percent of small business loans in moderate-income geographies. This percentage exceeds the demographics, which show 11.5 percent of AA businesses are in moderate-income geographies. The percentage of bank loans also exceeds the aggregate lending data, which shows 8.0 percent of peer lending was to businesses in moderate-income geographies.

Refer to table Q in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination of loans to businesses.

The geographic distribution of home mortgage loans reflects reasonable distribution among geographies. The bank originated 2.6 percent of home mortgage loans in low-income geographies. The percentage of the bank's originated loans is slightly less than the demographics, which show 3.1 percent of owner-occupied housing is in low-income geographies. The percentage of bank loans exceeds the aggregate lending data, which shows 1.3 percent of peer home mortgage lending was in low-income geographies. The bank originated 6.5 percent of home mortgage loans in moderate-income geographies. The percentage of the bank's originated loans is less than the demographics, which show 8.9 percent of owner-occupied housing is in moderate-income geographies. The percentage of bank loans is slightly less than aggregate lending data, which shows 6.8 percent of peer home mortgage lending was in moderate-income geographies.

Refer to table O in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

The bank made two in-kind donations that we are highlighting below.

- On July 1, 2017, the bank made an in-kind donation of the bank's former branch office at 134 Wisconsin Avenue, Waukesha, Wisconsin, which was located in a low-income CT. The building was donated to La Casa de Esperanza. The use of the building is to expand their Center for Financial Stability. This program provides comprehensive employment training, financial education and counseling services, and free tax assistance to low-income individuals to help them attain economic self-sufficiency.
- Effective November 6, 2017, First Federal entered into a commercial lease agreement with Lutheran Social Services of Wisconsin and Upper Michigan to provide commercial office space for its Refugee Resettlement Program. The space being leased is on the second floor of the bank's branch office in Bay View, Wisconsin. The space is provided at no cost to the organization.

Responses to Complaints

There were no consumer complaints regarding the bank's CRA performance, nor any indicating illegal or discriminatory lending practices during this evaluation.

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”).

Time Period Reviewed	Lending Test: 01/01/15 to 12/31/17	
Financial Institution		Products Reviewed
First Federal Bank of Wisconsin (First Federal) Waukesha, WI		Commercial Loans Home Mortgage Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
None included in review.		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Milwaukee-Waukesha-West Allis, WI MSA	Full-Scope	All of Waukesha County and the southern portion of Milwaukee County.

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: First Fed Milwaukee MSA AA 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	210	10.0	14.8	41.4	33.8	0.0
Population by Geography	839,016	8.3	12.3	38.4	41.1	0.0
Housing Units by Geography	350,359	7.0	12.4	41.9	38.7	0.0
Owner-Occupied Units by Geography	222,356	3.1	8.9	40.2	47.7	0.0
Occupied Rental Units by Geography	107,714	13.8	18.8	46.1	21.3	0.0
Vacant Units by Geography	20,289	14.0	16.5	37.3	32.2	0.0
Businesses by Geography	40,402	5.3	11.4	37.4	45.8	0.0
Farms by Geography	825	1.7	5.3	36.0	57.0	0.0
Family Distribution by Income Level	216,313	17.9	16.5	21.6	44.0	0.0
Household Distribution by Income Level	330,070	20.0	15.9	18.1	45.9	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha-West Allis, WI MSA		\$70,200	Median Housing Value			\$215,113
			Median Gross Rent			\$789
			Families Below Poverty Level			6.9%
<i>Source: 2010 U.S. Census and 2016 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(* The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area						
Assessment Area: First Fed Milwaukee MSA AA 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	210	11.0	17.6	36.2	35.2	0.0
Population by Geography	849,258	8.7	15.7	34.0	41.6	0.0
Housing Units by Geography	356,533	7.4	16.1	36.7	39.8	0.0
Owner-Occupied Units by Geography	218,436	3.2	12.2	33.5	51.1	0.0
Occupied Rental Units by Geography	118,685	13.6	23.1	43.4	19.9	0.0
Vacant Units by Geography	19,412	17.0	17.8	32.0	33.1	0.0
Businesses by Geography	42,402	5.0	13.7	32.4	49.0	0.0
Farms by Geography	890	2.5	8.9	26.2	62.5	0.0
Family Distribution by Income Level	215,836	19.9	16.1	20.2	43.9	0.0
Household Distribution by Income Level	337,121	21.8	14.9	17.7	45.7	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha-West Allis, WI MSA		\$72,400	Median Housing Value			\$198,782
			Median Gross Rent			\$855
			Families Below Poverty Level			8.6%
<i>Source: 2015 ACS Census and 2017 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(* The NA category consists of geographies that have not been assigned an income classification.</i>						

First Federal has one AA, which consists of Waukesha County and the southern portion of Milwaukee County. This AA is part of the Milwaukee-Waukesha-West Allis, Wisconsin MSA. Given First Federal's asset size, available resources, and limited branch locations, the designation of the entire Milwaukee MSA would be too large for the bank to reasonably serve. The AA complies with regulatory requirements and does not arbitrarily exclude any LMI geographies.

According to 2010 US Census Data, the bank's AA is comprised of 210 CTs, of which 21 (10.00 percent) are low-income, 31 (14.76 percent) are moderate-income, 87 (41.43 percent) are middle-income, and 71 (33.81 percent) are upper-income. The total population of the AA is 839,016, which is comprised of 216,313 families. The number of families at each income level is: 38,759 low-income families (17.92 percent), 35,610 moderate-income families (16.46 percent), 46,806 middle-income families (21.64 percent), and 95,138 upper-income families (43.98 percent). The average median family income is \$76,522, and the FFIEC 2016 updated MSA median family income is \$70,200. The percentage of families below the poverty level is 6.86 percent. Owner-occupied units comprise 63.47 percent of total housing units. Based on 2016 demographic data, the total number of businesses with reported revenues in this AA was 40,402. Of these businesses, 31,001 (76.73 percent) had gross revenues of \$1 million or less, 4,247 (10.51 percent) had gross revenues over \$1 million, and 5,154 (12.76 percent) do not report revenue.

According to the Census Bureau's 2015 ACS, the bank's AA is comprised of 210 CTs, of which 23 (10.95 percent) are low-income, 37 (17.62 percent) are moderate-income, 76 (36.19 percent) are middle-income, and 74 (35.24 percent) are upper-income. The total population of the AA is 849,258, which is comprised of 215,836 families. The number of families at each income level is: 42,866 low-income families (19.86 percent), 34,687 moderate-income families (16.07 percent), 43,561 middle-income families (20.18 percent), and 94,722 upper-income families (43.89 percent). The average median family income is \$79,089, and the FFIEC 2017 updated MSA median family income is \$72,400. The percentage of families below the poverty level is 8.62 percent. Owner-occupied units comprise 61.27 percent of total housing units. Based on 2017 demographic data, the total number of businesses with reported revenues in this AA was 42,402. Of these businesses, 32,710 (77.14 percent) had gross revenues of \$1 million or less, 4,415 (10.41 percent) had gross revenues over \$1 million, and 5,277 (12.45 percent) did not report revenue.

Employment and Economic Factors

According to the Department of Workforce Development (2017 Economic & Workforce Profile – Waukesha County), trade, transportation, utilities, education, and health services saw substantial employment growth, with the retail trade and healthcare subsectors comprising most of the growth in the two sectors. Manufacturing lost the most jobs in 2016, but remains Waukesha's largest sector in terms of payroll and second largest in terms of jobs. Major employers include Kohl's Corporation, Quad/Graphics, Inc., ProHealth Care, and GE Healthcare.

The annual unemployment rates as of December 2018 for Waukesha and Milwaukee Counties were 2.3 percent and 3.0 percent, respectively. The annual unemployment rate for the State of Wisconsin during the same time period was 2.6 percent, which is higher than the unemployment rate for Waukesha County, but lower than that of Milwaukee County.

First Federal provides local and responsive decision-making, personalized service, and a commitment to actively serve the communities in which they do business. First Federal is a full-service financial institution offering several lines of business including consumer and commercial banking and residential and consumer lending.

Competition from other financial institutions is strong. The bank ranks 24th for deposit market share when compared to financial institutions in Waukesha and Milwaukee Counties. The bank's deposit market share as of June 30, 2018 was 0.31 percent. Other competing financial institutions had a deposit market share ranging from 0.01 percent (State Bank of Chilton) to 38.86 percent (US Bank).

We spoke with a community contact from the City of Waukesha. Overall, the credit needs of the community are being met by local financial institutions.

We reviewed several community contacts that were performed for the Milwaukee MSA. Several contacts identified affordable housing, home improvement lending, and alternate credit programs in general as important needs in the community. There is a need for combined purchase-rehab loans for homes in LMI areas. The housing stock in Milwaukee is old and aging poorly.

Appendix C: Tables of Performance Data

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; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

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

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - 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 aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - 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/AA. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s AA.

Table R. Assessment Area Distribution of Loans to Farms by Gross Annual Revenue - 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. The table also presents aggregate peer data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - 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. 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - 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. The table also presents aggregate peer data for the years the data is available.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2015-16

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
First Fed Milwaukee MSA AA 2016	232	46,130	100.0	30,942	3.1	2.6	1.3	8.9	6.5	6.8	40.2	36.2	37.1	47.7	54.7	54.8	0.0	0.0	0.0
Total	232	46,130	100.0	30,942	3.1	2.6	1.3	8.9	6.5	6.8	40.2	36.2	37.1	47.7	54.7	54.8	0.0	0.0	0.0

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "... data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower 2015-16

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
First Fed Milwaukee MSA AA 2016	232	46,130	100.0	30,942	17.9	3.0	4.9	16.5	14.7	15.1	21.6	23.7	21.2	44.0	44.4	44.8	0.0	14.2	14.0
Total	232	46,130	100.0	30,942	17.9	3.0	4.9	16.5	14.7	15.1	21.6	23.7	21.2	44.0	44.4	44.8	0.0	14.2	14.0

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "... data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2015-16						
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Busi- nesses	% Bank Loans	Aggre- gate	% Busi- nesses	% Bank Loans	Aggre- gate	% Busi- nesses	% Bank Loans	Aggre- gate	% Busi- nesses	% Bank Loans	Aggre- gate	% Busi- nesses	% Bank Loans	Aggre- gate
First Fed Milwaukee MSA AA 2016	21	7,346	100.0	16,863	5.3	14.3	3.9	11.5	14.3	8.0	37.6	38.1	34.4	45.5	33.3	53.8	0.0	0.0	0.0
Total	21	7,346	100.0	16,863	5.3	14.3	3.9	11.5	14.3	8.0	37.6	38.1	34.4	45.5	33.3	53.8	0.0	0.0	0.0

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "..." data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues													2015-16			
Assessment Area:	Total Loans to Small Businesses			Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM			Businesses with Revenues > 1MM			Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Busi- nesses	% Bank Loans	% Busi- nesses	% Bank Loans	Aggre- gate	% Busi- nesses	% Bank Loans	% Busi- nesses	% Bank Loans	% Busi- nesses	% Bank Loans	% Busi- nesses
First Fed Milwaukee MSA AA 2016	21	7,346	100.0	16,863	76.7	76.2	76.7	76.2	42.1	42.1	10.5	23.8	12.8	0.0		
Total	21	7,346	100.0	16,863	76.7	76.2	76.7	76.2	42.1	42.1	10.5	23.8	12.8	0.0		

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "..." data not available.
Due to rounding, totals may not equal 100.0