

PUBLIC DISCLOSURE

February 5, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

AbbyBank
Certificate Number: 19795

401 E Spruce St
Abbotsford, Wisconsin 54405

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas (AAs), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the AAs.
- A majority of loans and other lending-related activities are in the bank's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses and farms of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation. Therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development performance demonstrates adequate responsiveness to the community development needs in its AAs through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs.

DESCRIPTION OF INSTITUTION

AbbyBank is wholly owned by Abby Bancorp, Inc., a one-bank holding company. AbbyBank and its parent are headquartered in Abbotsford, Wisconsin. No merger or acquisition activities have occurred since the previous evaluation. AbbyBank received a Satisfactory rating at its previous FDIC Performance Evaluation, dated March 15, 2021, based on Interagency Intermediate Small Institution Examination Procedures. AbbyBank serves customers in central and eastern Wisconsin through eight offices. The main office is located in Abbotsford and it operates seven branch offices in Wausau, Medford, Weston, Gresham, Shawano, Appleton, and Withee. The Withee office was opened January 8, 2024 inside the bank's existing AA within a middle-income census tract. This office location does not have an ATM; however, all other bank offices do. Three bank facilities are located in moderate-income census tracts (Wausau, Abbotsford, and Shawano) and the remaining offices are located in middle-income census tracts.

AbbyBank offers various loan products, including residential, business, agriculture, and consumer loans. The bank also provides a variety of deposit services, such as checking, savings, individual retirement accounts, and certificates of deposit. Alternative banking services include internet

banking, electronic bill pay, and 24-hour ATMs. By number of originations, the bank's primary credit focus during the review period has been on residential real estate, business, and farm lending.

AbbyBank had assets totaling approximately \$641.2 million as of the December 31, 2023 Call Report. As of the same financial date, AbbyBank had total loans of \$428.1 million, securities totaling \$159.5 million, and deposits totaling \$547.7 million. A breakdown of the loan portfolio, by dollar volume, is presented in the following table.

Loan Portfolio Distribution as of 12/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	\$44,159	10.3
Secured by Farmland	\$71,449	16.7
Secured by 1-4 Family Residential Properties	\$90,500	21.1
Secured by Multifamily (5 or more) Residential Properties	\$24,105	5.6
Secured by Nonfarm Nonresidential Properties	\$148,928	34.8
Total Real Estate Loans	\$379,141	88.6
Commercial and Industrial Loans	\$25,328	5.9
Agricultural Production and Other Loans to Farmers	\$18,560	4.3
Consumer Loans	\$1,502	0.4
Obligations of State and Political Subdivisions in the U.S.	\$3,598	0.8
Other Loans	\$3	0.0
Total Loans	\$428,132	100.0
<i>Source: 12/31/23 Report of Condition and Income. Due to rounding, totals may not equal 100.0%</i>		

Examiners did not identify any financial, legal, or other impediments that would affect the bank's ability to meet the credit needs of the AAs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA regulations require financial institutions to delineate one or more AAs within which performance is evaluated. AbbyBank has designated four AAs that span all or part of 11 Wisconsin counties. The bank operates in the central and the eastern parts of Wisconsin, primarily in the Wausau-Weston Metropolitan Statistical Area (MSA); the Non-MSA counties of Clark (partial), Price (partial), Taylor, Shawano, Menominee, and Waupaca (partial); and part of the Appleton-Oshkosh-Neenah Combined Statistical Area (CSA).

The bank's collective AA boundaries remain unchanged since the last evaluation. However, due to population growth measured in the bank's collective AA between the 2015 American Community Survey (ACS) and the 2020 US census, 15 census tracts were added. Population, family, household formation, and occupied rental units increased between three and six percent between the 2015 ACS and the most recent census. The following table outlines each of the bank's AAs.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Wausau MSA AA	Marathon, Lincoln	42	3
Abbotsford Non-MSA AA	Taylor, Clark (partial), Price (partial)	12	2
Shawano Non-MSA AA	Shawano, Menominee, Waupaca (partial)	16	2
Appleton CSA AA	Calumet, Outagamie, Winnebago (partial)	77	1
<i>Source: Bank Data</i>			

Unemployment rates for the 11 Wisconsin Counties that are part of the bank's collective AAs improved from 2021 to December 2023. Improvements in these counties were in line with state and national improvements to unemployment rates over the same period. The highest unemployment rates are in Menominee (4.2 percent) and Taylor (4.1 percent) Counties. The lowest unemployment rates (both 2.3 percent) are in Outagamie and Winnebago Counties.

Between 2021 and 2023, median income figures throughout the bank's AAs increased by \$10,000 or more. The lowest median income levels are in the Non-MSA areas and the highest median family income figures are in the MSA and CSA areas. Please refer to the individual AA sections for specific demographic details, including unemployment rates and median family income ranges for each AA.

The Wausau MSA AA, Abbotsford Non-MSA AA, and Shawano Non-MSA AA received full-scope reviews during this evaluation. Collectively, the AAs subjected to full-scope reviews include seven of the bank's eight offices and a significant portion of the bank's loan and deposit volume. The Appleton CSA AA received a limited-scope review. The Appleton CSA AA deposit and lending volume are significantly lower than the other AAs. While the Shawano Non-MSA AA's lending and deposit volume is not a significant portion of the bank's lending and deposit volume, this AA has not yet received a full-scope review as it was added just shortly before the prior evaluation. The AAs do not arbitrarily exclude any low- or moderate-income census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated March 15, 2021, to the current evaluation, dated February 5, 2024. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include two tests: (1) the Lending Test; and (2) the Community Development Test. The criteria for these tests are set forth in the appendices.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage loans, followed by small business and small farm loans. This conclusion considers the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. Other loan categories,

such as consumer loans, do not represent a major product line; therefore, these were not selected for review or presented in this evaluation. For this evaluation, more weight is given to home mortgage lending in light of the product's volume which is more than double small business or small farm loans.

Examiners reviewed all home mortgage data reported pursuant to the Home Mortgage Disclosure Act (HMDA) and originated in the 2021, 2022, and 2023 calendar years. Specifically, in 2021, the bank originated 515 HMDA reportable loans totaling \$86.8 million. In 2022, the bank originated 249 HMDA reportable loans totaling \$70.6 million, and in 2023, the bank originated 176 HMDA reportable loans totaling \$32.9 million. The evaluation analyzes 2021 HMDA data using the 2015 ACS and 2010 Census boundary data. The 2022 HMDA data is analyzed using the 2015-2020 ACS and 2020 Census data. Additionally, performance was compared to HMDA aggregate data for the corresponding years.

Examiners reviewed all small business and small farm loans originated in 2023. Specifically, in 2023, the bank originated 212 small farm loans totaling \$16.3 million and 232 small business loans totaling \$32.9 million. The 2023 small business and small farm lending is representative of the entire evaluation period. The bank is not required to and has not elected to report small business or small farm lending data; therefore, aggregate data is not used as a direct comparator. D&B data for the 2023 calendar year provides a standard of comparison for the small business and small farm loans.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services for the entire review period (March 15, 2021 to February 5, 2024).

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank has a satisfactory record of helping to meet the credit needs of its AAs, including low- and moderate -income neighborhoods, in a manner consistent with its resources and capabilities. Lending levels reflect responsiveness to AA credit needs. This conclusion was determined by evaluating the loan-to-deposit (LTD) ratio, the AA concentration, the geographic distribution of loans, and the borrower profile.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution's size, financial condition, and AA credit needs. The bank's LTD ratio, calculated from Call Report data, averaged 71.0 percent over the 12 calendar quarters from March 31, 2021 to December 31, 2023. The ratio ranged from a low of 65.4 percent as of March 31, 2022, to a high of 77.3 percent as of December 31, 2023.

AbbyBank maintained an average LTD ratio in line with similarly-situated institutions, as shown in the following table. Examiners selected comparable institutions based on geographic location,

lending focus, and size.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 12/31/23 (\$000s)	Average Net LTD Ratio (%)
AbbyBank	641,226	71.0
BLC Community Bank	400,578	90.6
Farmers State Bank of Waupaca	253,242	63.5
Premier Community Bank	488,350	67.9
Intercity State Bank	264,478	102.4
Peoples State Bank	1,423,721	85.2
Prevail Bank	958,078	80.3
Marathon Bank	235,495	92.4
American National Bank Fox Cities	347,063	86.4
Forward Bank	990,321	78.0
<i>Source: Reports of Condition and Income 3/31/2021 – 12/31/23</i>		

Assessment Area Concentration

As shown in the following table, a majority of loans and other lending related activities are in the institution's AAs.

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										
2021	427	82.9	88	17.1	515	65,971	76.0	20,824	24.0	86,795
2022	206	82.7	43	17.3	249	48,953	69.4	21,613	30.6	70,565
2023	148	84.1	28	15.9	176	23,715	72.0	9,204	28.0	32,919
Subtotal	781	83.1	159	16.9	940	138,639	72.9	51,641	27.1	190,280
Small Business 2023	179	77.2	53	22.8	232	24,876	75.5	8,093	24.5	32,969
Small Farm 2023	165	77.8	47	22.2	212	11,799	72.4	4,506	27.6	16,305
Total	1,125	81.3	259	18.7	1,384	175,314	73.2	64,240	26.8	239,554
Source: Bank Data. Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion overall. Geographic distribution is not consistent throughout the bank's AAs. More weight was given to the performance in the Wausau MSA AA, which includes the majority of the bank's loan originations and deposit share. The Abbotsford Non-MSA AA does not include any low- or moderate-income geographies, and a

review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated for the Abbotsford Non-MSA AA.

Borrower Profile

The overall distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low- and moderate -income) and businesses and farms of different sizes. The borrower profile performance is not consistent throughout the bank's AAs. More weight was given to the performance in the Wausau MSA AA and the Abbotsford Non-MSA AA, which together include the substantial majority of the bank's loan originations, deposit share, and physical offices during the review period.

Response to Complaints

AbbyBank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The institution's community development performance demonstrates adequate responsiveness to community development needs in its AAs through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the institution's AAs. Overall, community development activities are comparable to similarly-situated institutions.

Community Development Loans

AbbyBank originated 164 community development loans, totaling approximately \$20.8 million, during the evaluation period. This level of activity represents 3.3 percent of total assets and 4.9 percent of total loans as of December 31, 2023. Community development loans increased from \$12.5 million at the prior evaluation. While on the lower end of the range, this level of community development lending is comparable to similarly-situated institutions who demonstrated satisfactory performance on their most recent performance evaluations.

During the evaluation period the bank made 14 community development loans outside the designated AAs in the wider regional or statewide area, totaling over \$14.8 million. This included two loans for affordable housing totaling \$10 million and seven loans totaling \$121,000 under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). PPP loans were extended to preserve permanent jobs in certain economically distressed areas or to certain economically distressed persons. The two Wisconsin affordable housing projects each had more than 50 percent of their housing units set aside for low- and moderate-income persons.

The following tables show the breakdown of community development loans by AA and by year.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Wausau MSA	1	156	-	-	41	716	4	258	46	1,130
Abbotsford Non-MSA	-	-	-	-	64	1,128	26	1,129	90	2,257
Shawano Non-MSA	-	-	-	-	-	-	9	1,322	9	1,322
Appleton CSA	-	-	-	-	2	744	3	579	5	1,323
Statewide & Regional Activities	2	9,911	-	-	6	155	6	4,781	14	14,847
Total	3	10,067	-	-	113	2,743	48	8,069	164	20,878
<i>Source: Bank Data</i>										

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	-	-	-	-	110	1,886	37	1,105	147	2,991
2022	2	9,911	-	-	2	744	5	1,272	9	11,926
2023	1	156	-	-	1	113	6	5,692	8	5,961
2024 (YTD)	-	-	-	-	-	-	-	-	-	-
Total	3	10,067	-	-	113	2,743	48	8,069	164	20,878
<i>Source: Bank Data</i>										

Qualified Investments

As noted in the following tables, the bank's total qualified investments of approximately \$17.2 million, or 2.7 percent of assets and 10.8 percent of securities as of December 31, 2023, include significant affordable housing investments and donations. During the review period, AbbyBank made 39 new qualified investments totaling approximately \$11.8 million. Additionally, \$5.4 million prior period investments remained in the bank's investment portfolio as of the evaluation date. The level of community development investments as a percentage of total securities is on the higher end of the range of similarly-situated institutions. The following tables show the breakdown of qualified investments by year and by AA.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (Partial)	4	5,403	--	--	--	--	--	--	4	5,403
2022	3	9,689	--	--	--	--	--	--	3	9,689
2023	1	800	--	--	1	1,000	--	--	2	1,800
2024 (YTD)	--	--	--	--	1	250	--	--	1	250
Subtotal	8	15,892	0	0	2	1,250	0	0	10	17,142
Grants & Donations	3	9	29	33	--	-	1	1	33	42
Total	11	15,901	29	33	2	1,250	1	1	43	17,184
<i>Source: Bank Data; Rounding may affect totals.</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Wausau MSA	3	804	10	11	--	--	--	--	13	815
Abbotsford Non-MSA	1	5	7	4	--	--	--	--	8	9
Shawano Non-MSA	--	--	8	11	--	--	--	--	8	11
Appleton CSA	1	1,129	4	6	--	--	1	1	6	1,136
Statewide & Regional Activities	6	13,963	--	--	2	1,250	--	--	8	15,213
Total	11	15,901	29	33	2	1,250	1	1	43	17,184
<i>Source: Bank Data</i>										

As noted in the table above, \$15.2 million in qualified investments were made outside of the bank's AAs. Notable investments include a \$250,000 certificate of deposit from a low-income credit union, a \$1 million dollar investment in a certified small business investment corporation, and several investments totaling \$9.3 million in affordable housing securities where more than 50 percent of the housing project's units are designated as affordable housing.

Community Development Services

The bank provided 264 hours of community development services during the review period, all of which were within its AAs. Consistent with the last evaluation, the bulk of this time was with projects that had a mission to provide services to low- and moderate-income individuals or the majority of those benefiting from these projects were low- or moderate-income persons or low- and moderate-income communities. Community development service activities are within the range of those provided by similarly-situated institutions. The following tables show the breakdown of community development services by year and AA.

Community Development Services by Year					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	# Hrs	# Hrs	# Hrs	# Hrs	# Hrs
2021 (Partial)	--	1	4	--	5
2022	20	122	29	1	172
2023	6	52	29	--	87
2024 (YTD)	--	--	--	--	--
Total	26	175	62	1	264
<i>Source: Bank Data</i>					

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	# Hrs	# Hrs	# Hrs	# Hrs	# Hrs
Wausau MSA	--	26	1	--	27
Abbotsford Non-MSA	26	40	60	1	127
Shawano Non-MSA	--	34	1	--	35
Appleton CSA	--	75	--	--	75
Total	26	175	62	1	264
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any evidence of discriminatory or other illegal credit practices.

WAUSAU MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WAUSAU MSA AA

The Wausau MSA AA includes all of Marathon and Lincoln Counties in Wisconsin. This AA includes 42 census tracts. There are nine moderate-income census tracts in the AA. Two of the bank's three offices in the AA, the Wausau office and the Abbotsford office, are located in moderate-income census tracts. The third AA office, the Weston office, is located in a middle-income census tract.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Wausau MSA AA.

Demographic Information of the Assessment Area Assessment Area: Wausau MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	0.0	21.4	71.4	7.1	0.0
Population by Geography	166,428	0.0	20.3	71.6	8.1	0.0
Housing Units by Geography	76,857	0.0	21.1	72.3	6.6	0.0
Owner-Occupied Units by Geography	49,661	0.0	17.2	75.0	7.8	0.0
Occupied Rental Units by Geography	18,991	0.0	33.4	61.5	5.1	0.0
Vacant Units by Geography	8,205	0.0	15.8	81.0	3.2	0.0
Businesses by Geography	14,864	0.0	21.3	69.4	9.4	0.0
Farms by Geography	890	0.0	16.2	75.1	8.8	0.0
Family Distribution by Income Level	44,950	17.8	19.1	25.1	38.0	0.0
Household Distribution by Income Level	68,652	21.9	17.4	19.3	41.3	0.0
Median Family Income MSA - 48140 Wausau-Weston, WI MSA		\$77,632	Median Housing Value			\$157,209
			Median Gross Rent			\$753
			Families Below Poverty Level			5.4%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

As shown in the following table, unemployment rates improved from 2021 to December 2023, consistent with state and national improvements to unemployment rates over the same period.

Unemployment Rates			
Area	2021	2022	Dec-23
	%	%	%
Marathon County	3.0	2.5	2.4
Lincoln County	3.7	3.1	3.1
Wisconsin	3.8	2.9	2.7
National Average	5.3	3.6	3.5
Source: Bureau of Labor Statistics			

The following table shows the median family income and corresponding borrower income segment designations for the Wausau MSA AA. These figures are considered when analyzing the bank's record of originating home mortgage loans, particularly to low- and moderate-income borrowers.

Median Family Income Ranges - Wausau-Weston, WI MSA Median Family Income (48140)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$76,800)	<\$38,400	\$38,400 to <\$61,440	\$61,440 to <\$92,160	≥\$92,160
2022 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
2023 (\$86,900)	<\$43,450	\$43,450 to <\$69,520	\$69,520 to <\$104,280	≥\$104,280
Source: FFIEC				

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenue (GAR) level. According to D&B data there are 14,864 businesses and 890 farms in the AA.

In the Wausau MSA AA, service industries represent the largest portion of businesses at 31.5 percent; followed by retail trade (11.5 percent); finance, insurance, and real estate (10.2 percent); and construction (7.2 percent). In addition, 62 percent of area businesses have four or fewer employees, and 90 percent operate from a single location.

Competition

There is significant competition in the Wausau MSA AA. According to the June 30, 2023 Summary of Deposit Market Share report, there are 18 financial institutions operating 55 offices in the AA, primarily in the City of Wausau. AbbyBank ranks 5th with 7.0 percent of the \$5.1 billion in AA deposits. Peer data provides insight into the demand and competition for home mortgage loans in the AA. According to 2022 peer mortgage data, 290 lenders reported 6,677 home mortgage loans within the Wausau MSA AA. Of these, AbbyBank ranked 13th maintaining 1.9 percent of the home mortgage market share.

Community Contacts

As part of the evaluation process, examiners contact community members active in the bank's AAs to assist in identifying credit and community development needs. This information helps determine

whether local financial institutions are responsive to these needs and shows what credit and community development opportunities are available.

Examiners contacted an organization in the AA focused on economic development. The contact noted that a number of businesses working in Marathon had to streamline their operations as a result of the pandemic. According to the contact, the area's main credit needs are for small businesses and small farms that do not have the necessary capital to qualify for traditional credit to facilitate growth.

Credit and Community Development Needs and Opportunities

Based on discussions with management and community contacts, small business, small farm, and mortgage lending continue to remain in demand.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WAUSAU MSA AA

LENDING TEST

AbbyBank demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance within the Wausau MSA AA supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Wausau MSA AA. Examiners focused on the comparison to aggregate and D&B data and the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. The 2020 census data resulted in updated census tract designations of the area. No census tracts in the AA were designated as low-income in 2022 and 2023.

As shown in the following table, the bank's performance in both the low- and moderate-income census tracts slightly lagged aggregate performance in 2021. The bank's performance improved and exceeded the moderate-income benchmark by five percentage points in 2022 and nearly nine percentage points in 2023. This reflects reasonable performance that is strengthening.

Geographic Distribution of Home Mortgage Loans Assessment Area: Wausau MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.7	0.9	1	0.5	100	0.3
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2021	9.3	9.4	8	4.4	1,370	4.1
2022	17.2	17.2	21	22.3	2,599	15.6
2023	17.2	--	19	26.0	2,003	16.9
Middle						
2021	73.2	71.3	146	79.8	26,766	80.5
2022	75.0	75.4	65	69.1	12,863	77.1
2023	75.0	--	46	63.0	8,681	73.4
Upper						
2021	16.9	18.4	28	15.3	5,019	15.1
2022	7.8	7.4	8	8.5	1,213	7.3
2023	7.8	--	8	11.0	1,147	9.7
Totals						
2021	100.0	100.0	183	100.0	33,255	100.0
2022	100.0	100.0	94	100.0	16,675	100.0
2023	100.0	--	73	100.0	11,831	100.0
Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the Wausau MSA AA. As shown in the following table, the bank's 2023 performance in the moderate-income census tracts slightly exceeds the business demographic, reflecting reasonable performance. There were no low-income census tracts in this AA for 2023.

Geographic Distribution of Small Business Loans Assessment Area: Wausau MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	21.3	14	26.4	2,573	25.2
Middle	69.4	34	64.2	6,895	67.5
Upper	9.4	5	9.4	749	7.3
Total	100.0	53	100.0	10,217	100.0
Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Small Farm Loans

The geographic distribution of small farms loans also reflects reasonable dispersion in the AA. As shown in the following table, the bank's 2023 performance exceeds the demographic by 4.6 percentage points.

Geographic Distribution of Small Farm Loans					
Assessment Area: Wausau MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate	16.2	11	20.8	249	6.0
Middle	75.1	41	77.4	3,896	93.0
Upper	8.8	1	1.9	42	1.0
Total	100.0	53	100.0	4,187	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes. The bank's reasonable performance in home mortgage, small business, and small farm lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and aggregate comparisons. They also focused on the percentage by number of small farm and small business loans compared to businesses with GARs of \$1million or less. More weight and consideration was placed on the bank's home mortgage performance.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low - and moderate-income borrowers, is reasonable. As presented in the table that follows, the bank's performance with respect to the low- and moderate-income borrower segments is generally in line with expectations and reflects reasonable performance. Specifically, bank performance in the low-income segment exceeds the aggregate slightly in 2021; trails the aggregate figure in 2022 by less than 3 percentage points; and trails the adjusted demographic figure in 2023 by 5.6 percentage points. For analysis purposes, examiners adjusted the 2023 demographic figure for the low-income borrower segment to account for the 5.4 percent of impoverished families in the AA. An impoverished family would typically not qualify for a traditional mortgage absent significant subsidies. Bank performance in the moderate-income borrower segment exceeds aggregate in 2021 and the demographic in 2023, but lags aggregate by 5.3 percentage points in 2022. Overall, performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Wausau MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	18.1	9.0	17	9.3	1,613	4.9
2022	17.8	12.0	9	9.6	768	4.6
2023	17.8	--	5	6.8	331	2.8
Moderate						
2021	18.8	21.0	45	24.6	4,958	14.9
2022	19.1	24.4	18	19.1	1,970	11.8
2023	19.1	--	14	19.2	1,355	11.5
Middle						
2021	23.3	23.6	43	23.5	6,788	20.4
2022	25.1	24.6	20	21.3	2,872	17.2
2023	25.1	--	13	17.8	1,678	14.2
Upper						
2021	39.8	32.0	64	35.0	13,850	41.6
2022	38.0	27.8	35	37.2	7,447	44.7
2023	38.0	--	36	49.3	6,914	58.4
Not Available						
2021	0.0	14.4	14	7.7	6,045	18.2
2022	0.0	11.3	12	12.8	3,619	21.7
2023	0.0	--	5	6.8	1,553	13.1
Totals						
2021	100.0	100.0	183	100.0	33,255	100.0
2022	100.0	100.0	94	100.0	16,675	100.0
2023	100.0	--	73	100.0	11,831	100.0
Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. The bank's 2023 performance trails demographics by 21.3 percentage points. However, D&B figures do not reflect actual demand which has been lower than D&B figures throughout the state. Many small business owners turn to personal revolving credit products in the short term and seek more traditional credit facilities for infrastructure and capital expansion projects. In this context performance is reasonable notwithstanding the material difference between D&B benchmarks and the bank's performance.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Wausau MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.5	34	64.2	3,897	38.1
>\$1,000,000	4.3	19	35.8	6,320	61.9
Revenue Not Available	10.2	--	--	--	--
Total	100.0	53	100.0	10,217	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms with GARs of \$1 million or less. As shown in the table that follows, the performance was consistent with D&B figures.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Wausau MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	97.2	51	96.2	4,082	97.5
>\$1,000,000	2.1	2	3.8	105	2.5
Revenue Not Available	0.7	--	--	--	--
Total	100.0	53	100.0	4,187	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

AbbyBank's community development performance demonstrates adequate responsiveness to community development needs in its Wausau MSA AA through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

AbbyBank made 46 community development loans totaling \$1.1 million in the Wausau MSA AA during the review period. This is a twofold increase in the number of Wausau MSA AA community development loans over the evaluation period.

Forty-one of the 46 community development loans totaling \$716,000 went towards preserving permanent jobs for low- or moderate-income individuals. Four loans totaling \$258,000 went towards revitalizing and stabilizing low- and moderate-income areas. One loan totaling \$156,000 went towards an affordable housing project where more than half of the project beneficiaries were low- or moderate-income individuals.

Qualified Investments

The bank made 13 community development investments totaling \$815,000 in the Wausau MSA AA during the review period. The bank made an \$800,000 investment in a project that qualified for low-income housing income tax credits. Additionally, the bank provided donations to 2 homeless shelters and 10 community services organizations benefiting low- and moderate-income persons.

Community Development Services

During the evaluation period, bank employees volunteered 27 hours of financial expertise or technical assistance to community development-related organizations.

ABBOTSFORD NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ABBOTSFORD NON-MSA AA

The Abbotsford Non-MSA AA includes 12 census tracts in 3 counties (all of Taylor, and portions of Price and Clark). There are no low- or moderate-income census tracts in the AA. However, three census tracts in Price County have been designated distressed or underserved middle-income tracts and FEMA declared Clark County a disaster area (FEMA 4459) for a 36-month period ending in late 2022. The bank’s two offices in the AA, Medford and Withee, are in middle-income tracts.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Abbotsford Non-MSA AA.

Demographic Information of the Assessment Area Assessment Area: Abbotsford Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	12	0.0	0.0	100.0	0.0	0.0
Population by Geography	41,293	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	21,640	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	13,127	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	3,917	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	4,596	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	3,720	0.0	0.0	100.0	0.0	0.0
Farms by Geography	425	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	11,462	20.6	22.9	22.5	34.0	0.0
Household Distribution by Income Level	17,044	24.0	18.9	20.3	36.7	0.0
Median Family Income Non-MSAs - WI		\$71,740	Median Housing Value			\$130,255
			Median Gross Rent			\$682
			Families Below Poverty Level			6.7%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

Consistent with the counties in the bank’s other AAs, unemployment rates have improved since the prior evaluation. Refer to the following table.

Unemployment Rates			
Area	2021	2022	Dec-23
	%	%	%
Clark County	3.3	2.6	2.8
Price County	4.3	3.4	3.5
Taylor County	3.4	3.4	4.1
Wisconsin	3.8	2.9	2.7
National Average	5.3	3.6	3.5
<i>Source: Bureau of Labor Statistics</i>			

The median family income and corresponding borrower income segment designations for the statewide nonmetropolitan areas are used when analyzing the Abbotsford Non-MSA AA home mortgage borrower profile performance. The Abbotsford Non-MSA AA poverty rate (6.7 percent) is the second highest of the bank's AAs. Those in poverty are included in the low-income segment.

Median Family Income Ranges - WI NA Median Family Income (99999)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$69,600)	<\$34,800	\$34,800 to <\$55,680	\$55,680 to <\$83,520	≥\$83,520
2022 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
2023 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. According to D&B data there are 3,720 businesses and 425 farms in the AA.

In the Abbotsford Non-MSA AA, service industries represent the largest portion of businesses at 25.6 percent; followed by retail trade (10.9 percent); transportation and communication (9.3 percent); and finance, insurance and real estate (6.7 percent). In addition, 65.4 percent of area businesses have four or fewer employees, and 90.7 percent operate from a single location.

Competition

There is modest competition in the Abbotsford Non-MSA AA. According to the June 30, 2023 Summary of Deposit Market Share report, there are 10 financial institutions operating 24 offices in the Clark, Price, and Taylor Counties. AbbyBank ranks 6th with 7.1 percent of the \$1.4 billion in AA deposits. Peer data provides insight into the demand and competition for home mortgage loans in the AA. According to 2022 peer mortgage data, 150 lenders reported 1,454 home mortgage loans within the Abbotsford Non-MSA AA. Of these, AbbyBank ranked 3rd maintaining 9.2 percent of the home mortgage market share.

Community Contacts

Examiners contacted an organization in the AA focused on economic development. The contact noted that, within Clark County, is perhaps the largest agricultural employer in Wisconsin. Major industries continued to experience growth throughout the pandemic. The contact noted significant need for new, affordable housing; financing for small businesses, small farms, and in rural communities; and internet connectivity infrastructure investments and financing.

Credit and Community Development Needs and Opportunities

Based on discussions with community contacts and bank management, small business, small farm, and mortgage lending credit products remain in demand.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ABBOTSFORD NON-MSA AA

LENDING TEST

AbbyBank demonstrated reasonable performance under the Lending Test in this AA. Borrower Profile performance within the Abbotsford Non-MSA AA supports this conclusion. More weight and consideration was placed on home mortgage performance.

Geographic Distribution

The AA does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses and farms of different sizes. The bank's reasonable performance of home mortgage, small business, and small farm lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and aggregate comparisons. They also focused on the percentage by number of small farm and small business loans to businesses with GARs of \$1million or less. More weight and consideration was placed on the bank's mortgage performance.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low - and moderate-income borrowers, is reasonable. The bank's performance with respect to the low-income borrower segment is consistent with aggregate in 2021 and below aggregate in 2022 by single-digit percentage points. Low-income borrower segment performance trails the adjusted demographic figure in 2023 by 13.9 percentage points. For analysis purposes, examiners adjusted the percentage of low-income families to account for the 6.7 percent of impoverished families in the

AA. An impoverished family would typically not qualify for a traditional mortgage absent significant subsidies.

Bank performance in the moderate-income borrower segment exceeded the benchmark each year, reflecting borrower segment performance slightly above aggregate and demographic.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Abbotsford Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.5	7.3	15	7.1	1,171	4.4
2022	20.6	10.6	6	6.3	449	3.5
2023	20.6	--	5	8.9	555	7.6
Moderate						
2021	22.3	23.1	54	25.7	4,914	18.3
2022	22.9	27.2	27	28.1	2,952	23.0
2023	22.9	--	15	26.8	1,454	19.9
Middle						
2021	25.2	21.5	52	24.8	6,514	24.2
2022	22.5	22.5	19	19.8	2,427	18.9
2023	22.5	--	12	21.4	971	13.3
Upper						
2021	32.0	32.7	84	40.0	13,949	51.8
2022	34.0	26.7	36	37.5	5,865	45.7
2023	34.0	--	23	41.1	3,782	51.9
Not Available						
2021	0.0	15.4	5	2.4	375	1.4
2022	0.0	13.0	8	8.3	1,137	8.9
2023	0.0	--	1	1.8	529	7.3
Totals						
2021	100.0	100.0	210	100.0	26,924	100.0
2022	100.0	100.0	96	100.0	12,829	100.0
2023	100.0	--	56	100.0	7,291	100.0
Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. The bank's 2023 performance within this segment trails D&B figure by just 0.8 percentage points.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Abbotsford Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	84.9	74	84.1	5,051	75.8
>\$1,000,000	4.2	11	12.5	1,518	22.8
Revenue Not Available	10.9	3	3.4	93	1.4
Total	100.0	88	100.0	6,662	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms with GARs of \$1 million or less. As shown in the table that follows, performance in this segment trailed the 2023 D&B figure by 3.4 percentage points.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Abbotsford Non-MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	96.9	101	93.5	5,577	80.0
>\$1,000,000	2.4	7	6.5	1,396	20.0
Revenue Not Available	0.7	--	--	--	--
Total	100.0	108	100.0	6,973	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

AbbyBank's community development performance demonstrates adequate responsiveness to community development needs in its Abbotsford Non-MSA AA through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

AbbyBank made 90 community development loans totaling \$2.3 million in this AA during the review period. This is a twofold increase in the number of community development loans over the review period. Of the community development loans, 64 loans totaling \$1.1 million went towards preserving permanent jobs for low- or moderate-income individuals. Additionally, 26 loans totaling \$1.1 million went towards revitalizing and stabilizing low- and moderate-income areas.

Qualified Investments

The bank made eight community development investments totaling \$9,000 in the AA during the review period. The bank made a \$5,000 donation to a homeless shelter and seven donations totaling \$4,000 to community service organizations benefiting low- and moderate-income persons.

Community Development Services

During the evaluation period, bank employees volunteered 127 hours of financial expertise or technical assistance to community development-related organizations.

SHAWANO NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SHAWANO NON-MSA AA

The Shawano Non-MSA AA includes all of Menominee and Shawano Counties, and part of Waupaca County. This AA includes 16 census tracts. There are four moderate-income census tracts in the AA. Both offices in the AA, the Gresham and Shawano offices, are located in middle-income census tracts.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the Shawano Non-MSA AA.

Demographic Information of the Assessment Area Assessment Area: Shawano Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	25.0	75.0	0.0	0.0
Population by Geography	53,883	0.0	22.5	77.5	0.0	0.0
Housing Units by Geography	27,518	0.0	20.6	79.4	0.0	0.0
Owner-Occupied Units by Geography	16,953	0.0	18.1	81.9	0.0	0.0
Occupied Rental Units by Geography	5,465	0.0	38.2	61.8	0.0	0.0
Vacant Units by Geography	5,100	0.0	10.1	89.9	0.0	0.0
Businesses by Geography	4,098	0.0	21.0	79.0	0.0	0.0
Farms by Geography	442	0.0	6.6	93.4	0.0	0.0
Family Distribution by Income Level	14,739	22.7	19.4	22.2	35.6	0.0
Household Distribution by Income Level	22,418	24.5	16.1	20.1	39.3	0.0
Median Family Income Non-MSAs - WI		\$71,740	Median Housing Value			\$135,787
			Median Gross Rent			\$655
			Families Below Poverty Level			9.7%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

Consistent with the counties in the bank’s other AAs, unemployment rates have improved since the prior evaluation. Refer to the following table.

Unemployment Rates			
Area	2021	2022	Dec-23
	%	%	%
Shawano County	3.8	2.9	2.9
Menominee County	8.5	5.5	4.2
Waupaca County	3.6	3.0	2.8
Wisconsin	3.8	2.9	2.7
National Average	5.3	3.6	3.5
Source: Bureau of Labor Statistics			

The following table shows the median family income and corresponding borrower income segment designations for the statewide nonmetropolitan areas, which were considered when analyzing the Shawano Non-MSA AA home mortgage borrower profile performance. The Shawano Non-MSA AA's poverty rate of 9.7 percent is the highest of the bank's four AAs. These impoverished families are part of the low-income borrower segments.

Median Family Income Ranges - WI NA Median Family Income (99999)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$69,600)	<\$34,800	\$34,800 to <\$55,680	\$55,680 to <\$83,520	≥\$83,520
2022 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
2023 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800
Source: FFIEC				

The analysis of small business and small farm loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. According to D&B data there are 4,098 businesses and 442 farms in the AA.

In the Shawano Non-MSA AA, service industries represent the largest portion of businesses at 28.2 percent; followed by retail trade (10.8 percent); agriculture, forestry & fishing (9.7 percent); and finance, insurance, and real estate (7.5 percent). In addition, 62 percent of area businesses have four or fewer employees, and 89.9 percent operate from a single location.

Competition

There is moderate competition in the Shawano Non-MSA AA. According to the June 30, 2023 Summary of Deposit Market Share report, there are 12 financial institutions operating 32 offices in Menominee, Shawano, and Waupaca Counties. AbbyBank ranks 11th with 2.2 percent of the \$1.7 billion in AA deposits. Peer data provides insight into the demand and competition for home mortgage loans in the AA. According to 2022 peer mortgage data, 181 lenders reported 2,419 home mortgage loans within the AA. Of these, AbbyBank ranked 20th maintaining 0.7 percent of the home mortgage market share.

Credit and Community Development Needs and Opportunities

Based on discussions with community contacts and management, small business, small farm, and mortgage lending continue to be in demand.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SHAWANO NON-MSA AA

LENDING TEST

AbbyBank demonstrated reasonable performance under the Lending Test. Geographic Distribution and Borrower Profile performance within the AA supports this conclusion. Home mortgage and small business lending performance support the rating, with more weight and consideration placed on home mortgage performance. Small farm loans were not considered a primary lending product for this AA; therefore, analysis of small farm loans under the Lending Test is not presented in this evaluation. Specifically, the bank originated only two small farm loans in this AA. Given the low volume, examiners cannot draw meaning conclusions regarding performance for this product.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Shawano Non-MSA AA. Examiners focused on the comparison to aggregate and D&B data and the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. Despite the lack of activity in low-income tracts in 2021, performance is reasonable as there is very little demand. As shown in the following table, except for 2023 moderate-income tract performance, the bank's performance in both the low- and moderate-income census tracts generally met or exceeded benchmark expectations.

Geographic Distribution of Home Mortgage Loans Assessment Area: Shawano Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	1.0	0.1	0	0.0	0	0.0
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Moderate						
2021	16.9	14.9	4	20.0	369	13.1
2022	18.1	19.7	4	36.4	647	34.5
2023	18.1	--	1	9.1	92	3.1
Middle						
2021	82.1	85.0	16	80.0	2,449	86.9
2022	81.9	80.3	7	63.6	1,228	65.5
2023	81.9	--	10	90.9	2,882	96.9
Totals						
2021	100.0	100.0	20	100.0	2,818	100.0
2022	100.0	100.0	11	100.0	1,874	100.0
2023	100.0	--	11	100.0	2,974	100.0
Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion in the AA. As shown in the following table, the bank did not originate any small business loans in the moderate-income census tracts, trailing the D&B demographic by 21 percentage points.

Geographic Distribution of Small Business Loans Assessment Area: Shawano Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	21.0	--	--	--	--
Middle	79.0	13	100.0	2,593	100.0
Total	100.0	13	100.0	2,593	100.0
Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and aggregate comparisons. They also focused on the percentage by number of small business loans to businesses with GARs of \$1million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Lending to low-income borrowers trails aggregate in 2021 and 2022; however, the disparity is reasonable. Moderate-income performance significantly trails 2021 aggregate; however, performance improves in 2022 and is relatively consistent with aggregate for the corresponding year. The bank did not originate any home mortgage loans to low- or moderate-income borrowers in 2023. Despite this, overall performance is reasonable when considering the full review period.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Shawano Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	21.9	8.8	1	5.0	70	2.5
2022	22.7	13.6	1	9.1	11	0.6
2023	22.7	--	0	0.0	0	0.0
Moderate						
2021	20.4	22.8	2	10.0	135	4.8
2022	19.4	27.8	3	27.3	490	26.1
2023	19.4	--	0	0.0	0	0.0
Middle						
2021	23.8	24.2	4	20.0	715	25.4
2022	22.2	23.9	1	9.1	282	15.0
2023	22.2	--	3	27.3	317	10.6
Upper						
2021	34.0	34.3	9	45.0	1,540	54.6
2022	35.6	27.1	4	36.4	570	30.4
2023	35.6	--	6	54.5	1,133	38.1
Not Available						
2021	0.0	9.9	4	20.0	359	12.7
2022	0.0	7.6	2	18.2	522	27.8
2023	0.0	--	2	18.2	1,524	51.3
Totals						
2021	100.0	100.0	20	100.0	2,818	100.0
2022	100.0	100.0	11	100.0	1,874	100.0
2023	100.0	--	11	100.0	2,974	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. The bank's 2023 performance within this segment trails D&B figure

by 22.7 percentage points. However, D&B figures do not reflect actual demand which has been lower than D&B figures throughout the state. Many small business owners turn to personal revolving credit products in the short term and seek more traditional credit facilities for infrastructure and capital expansion projects. In this context performance is reasonable notwithstanding the material difference between D&B benchmarks and the bank's performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Shawano Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	84.2	8	61.5	1,046	40.3
>\$1,000,000	4.4	5	38.5	1,547	59.7
Revenue Not Available	11.4	--	--	--	--
Total	100.0	13	100.0	2,593	100.0
<i>Source: 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

AbbyBank's community development performance demonstrates adequate responsiveness to community development needs in its Shawano Non-MSA AA through community development loans, qualified investments, and community development services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for community development in the AA.

Community Development Loans

AbbyBank made nine community development loans totaling \$1.3 million in the Shawano Non-MSA AA during the review period. This volume compares favorably with the last evaluation where AA volume totaled eight loans for \$799,000.

Qualified Investments

The bank made eight donations totaling \$11,000 in the AA during the review period to organizations or specific projects where the primary beneficiaries are low- or moderate-income persons.

Community Development Services

During the evaluation period, bank employees volunteered 35 hours of financial expertise or technical assistance to community development-related organizations.

APPLETON CSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN APPLETON CSA AA

The Appleton CSA AA consists of 77 census tracts across three counties. Specifically, all tracts in Calumet and Outagamie County, and 19 tracts from Winnebago County. There are 2 low-income tracts and 16 moderate-income tracts in the AA. Select demographic information for the AA is shown in the following table.

Demographic Information of the Assessment Area						
Assessment Area: Appleton CSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	77	2.6	20.8	58.4	18.2	0.0
Population by Geography	315,942	1.7	15.5	59.5	23.3	0.0
Housing Units by Geography	130,977	1.6	17.2	60.9	20.3	0.0
Owner-Occupied Units by Geography	89,236	0.7	14.3	60.4	24.6	0.0
Occupied Rental Units by Geography	36,482	3.6	24.1	62.2	10.1	0.0
Vacant Units by Geography	5,259	3.1	19.1	61.2	16.7	0.0
Businesses by Geography	26,995	3.4	13.6	60.4	22.5	0.0
Farms by Geography	1,155	1.0	8.9	62.9	27.2	0.0
Family Distribution by Income Level	81,779	18.0	19.1	24.3	38.6	0.0
Household Distribution by Income Level	125,718	22.1	17.1	20.2	40.6	0.0
Median Family Income MSA - 11540 Appleton, WI MSA		\$86,686	Median Housing Value			\$180,561
Median Family Income MSA - 36780 Oshkosh-Neenah, WI MSA		\$79,200	Median Gross Rent			\$795
			Families Below Poverty Level			5.1%
Source: 2020 U.S. Census and 2023 D&B Data. Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Consistent with the counties in the bank’s other AAs, unemployment rates have improved since the prior evaluation. Refer to the following table.

Unemployment Rates			
Area	2021	2022	Dec-23
	%	%	%
Calumet County	2.9	2.3	2.7
Outagamie County	3.2	2.5	2.3
Winnebago County	3.3	2.5	2.3
Wisconsin	3.8	2.9	2.7
National Average	5.3	3.6	3.5
Source: Bureau of Labor Statistics			

The CSA AA has the highest median family income figures of all the bank's AAs. The CSA area combines the Appleton and Oshkosh MSA's median family income figures. Refer to the following table for specific information.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Appleton, WI MSA Median Family Income (11540)				
2021 (\$85,600)	<\$42,800	\$42,800 to <\$68,480	\$68,480 to <\$102,720	≥\$102,720
2022 (\$95,900)	<\$47,950	\$47,950 to <\$76,720	\$76,720 to <\$115,080	≥\$115,080
2023 (\$95,900)	<\$47,950	\$47,950 to <\$76,720	\$76,720 to <\$115,080	≥\$115,080
Oshkosh-Neenah, WI MSA Median Family Income (36780)				
2021 (\$77,500)	<\$38,750	\$38,750 to <\$62,000	\$62,000 to <\$93,000	≥\$93,000
2022 (\$85,000)	<\$42,500	\$42,500 to <\$68,000	\$68,000 to <\$102,000	≥\$102,000
2023 (\$85,000)	<\$42,500	\$42,500 to <\$68,000	\$68,000 to <\$102,000	≥\$102,000
<i>Source: FFIEC</i>				

CONCLUSIONS ON PERFORMANCE CRITERIA IN APPLETON CSA AA

LENDING TEST

The institution's lending performance in the Appleton CSA AA is below the lending performance in the AAs that were reviewed using full-scope examination procedures; however, it does not change the conclusions for the Wausau MSA, Abbotsford Non-MSA, or Shawano Non-MSA AAs. Small farm loans were not considered a primary lending product for this AA; therefore, analysis under the Lending Test is not presented in this evaluation. Specifically, the bank originated only two small farm loans in this AA. Given the low volume, examiners cannot draw meaning conclusions regarding performance for this product. Examiners also noted low home mortgage lending volumes in 2022 and 2023. Please refer to the Appendix for the Geographic Distribution and Borrower Profile data.

COMMUNITY DEVELOPMENT TEST

The community development performance in the Appleton CSA AA is consistent with the community development performance overall.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

PERFORMANCE DATA FOR LIMITED-SCOPE REVIEWS

APPLETON CSA AA

Geographic Distribution

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans Assessment Area: Appleton CSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.7	1.4	0	0.0	0	0.0
2023	0.7	--	1	12.5	125	7.7
Moderate						
2021	8.8	8.0	1	7.1	225	7.5
2022	14.3	15.1	0	0.0	0	0.0
2023	14.3	--	1	12.5	246	15.2
Middle						
2021	73.3	72.5	10	71.4	2,186	73.5
2022	60.4	57.9	5	100.0	17,574	100.0
2023	60.4	--	5	62.5	1,088	67.2
Upper						
2021	17.9	19.5	3	21.4	564	19.0
2022	24.6	25.6	0	0.0	0	0.0
2023	24.6	--	1	12.5	160	9.9
Totals						
2021	100.0	100.0	14	100.0	2,974	100.0
2022	100.0	100.0	5	100.0	17,574	100.0
2023	100.0	--	8	100.0	1,620	100.0

Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%

Small Business Loans

Geographic Distribution of Small Business Loans Assessment Area: Appleton CSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.4	--	--	--	--
Moderate	13.6	3	12.0	808	15.0
Middle	60.4	16	64.0	3,954	73.2
Upper	22.5	6	24.0	642	11.9
Total	100.0	25	100.0	5,404	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Appleton CSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	18.0	9.3	2	14.3	155	5.2
2022	18.0	10.9	0	0.0	0	0.0
2023	18.0	--	0	0.0	0	0.0
Moderate						
2021	18.8	21.8	3	21.4	430	14.5
2022	19.1	24.9	0	0.0	0	0.0
2023	19.1	--	0	0.0	0	0.0
Middle						
2021	24.6	23.9	4	28.6	681	22.9
2022	24.3	24.8	1	20.0	154	0.9
2023	24.3	--	3	37.5	608	37.6
Upper						
2021	38.7	32.4	4	28.6	1,274	42.8
2022	38.6	28.8	3	60.0	1,020	5.8
2023	38.6	--	3	37.5	736	45.5
Not Available						
2021	0.0	12.6	1	7.1	435	14.6
2022	0.0	10.5	1	20.0	16,400	93.3
2023	0.0	--	2	25.0	275	17.0
Totals						
2021	100.0	100.0	14	100.0	2,974	100.0
2022	100.0	100.0	5	100.0	17,574	100.0
2023	100.0	--	8	100.0	1,620	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Appleton CSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	85.1	9	36.0	1,732	32.1
>\$1,000,000	4.5	15	60.0	3,599	66.6
Revenue Not Available	10.3	1	4.0	73	1.4
Total	100.0	25	100.0	5,404	100.0
<i>Source: 2022 & 2023 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.