

PUBLIC DISCLOSURE

June 13, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

IncredibleBank
Certificate Number: 19772

327 N. 17th Avenue
Wausau, Wisconsin 54401

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

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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 area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
<i>* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.</i>			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to the assessment areas' (AAs) credit needs.
- The bank makes a high percentage of home mortgage and small business loans in the AAs.
- The geographic distribution of loans reflects good penetration throughout the AAs.
- The distribution of loans to borrowers reflects good penetration among borrowers of different income levels and businesses of different sizes.
- The bank is a leader in making community development loans.
- The bank makes extensive use of innovative and/or flexible lending practices in order to serve the AAs credit needs.

The Investment Test is rated Outstanding.

- The bank has an excellent level of qualified community development investments and grants, often in a leadership position.
- The institution exhibits good responsiveness to credit and community economic development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the institution's AAs.
- There have been no changes to branches since the previous evaluation.
- Services (including, where appropriate, business hours) do not vary in a way that inconveniences portions of the AAs, particularly low- and moderate-income geographies and/or individuals.
- The institution is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

IncredibleBank is a \$1.8 billion commercial bank headquartered in Wausau, Wisconsin. River Valley Bancorporation, Inc., also located in Wausau, Wisconsin, is a one-bank holding company that owns 100.0 percent of IncredibleBank's common stock. IncredibleBank received a Satisfactory rating at its previous FDIC Performance Evaluation dated April 15, 2019, based on Large Institution Evaluation Procedures. The bank changed its name from River Valley Bank to IncredibleBank in October 2019.

IncredibleBank operates 15 full service branches, nine of which are in Wisconsin and six in Michigan. The communities in which IncredibleBank has a branch include Wausau (two), Schofield, Rothschild, Middleton, Merrill, Tomahawk, Minocqua, and Eagle River (all in Wisconsin), as well as Ironwood, Houghton, Calumet, Marquette (two), and Iron Mountain (all in Michigan). Automated Teller Machines (ATMs) and drive-up facilities are available at each full service branch. The bank also hosts an internet branch from its main office in Wausau. Since the previous evaluation, the bank closed two Loan Production Offices (LPOs) located in North Carolina. The Wilmington LPO closed in June 2021 and the Charlotte LPO closed in November 2021. The bank originally formed the LPOs when it acquired the National SBA division as two key division leaders resided in those areas. The bank no longer employs the two National SBA leaders that worked out of those areas, and as a result, the bank closed the LPOs. IncredibleBank has not had any merger or acquisition activity since the previous evaluation.

IncredibleBank offers a variety of deposit, credit, and other financial services to address the needs of the AAs. Deposit products consist of a mix of savings, checking, and money market accounts, and certificates of deposit. Products include low minimum balance and low service charge checking and savings accounts. The bank offers a variety of credit products to qualified applicants, including consumer, construction, residential real estate, home improvement, commercial, and personal loans. The bank offers fixed-rate home mortgage loans that it sells in the secondary market, as well as non-deposit investment and insurance products. Alternative delivery services include telephone, internet, text, and mobile banking.

According to March 31, 2022 Call Report data, the bank reported total assets of \$1.8 billion, total loans of \$1.3 billion, and total deposits of \$1.5 billion. The loan portfolio composition remains similar to the last evaluation. The following table shows that commercial and home mortgage lending are the predominant loan products by dollar volume representing 78.4 and 10.6 percent of the loan portfolio, respectively. The bank sells a significant portion of its residential mortgage originations on the secondary market. IncredibleBank's primary lending strategies continue to

focus on small- to medium-sized businesses, as well as loans to individuals for residential real estate purposes. The following table illustrates the bank's loan portfolio distribution.

Loan Portfolio Distribution as of 3/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	49,334	3.8
Secured by Farmland	1,481	0.1
Secured by 1-4 Family Residential Properties	116,801	9.0
Secured by Multifamily (5 or more) Residential Properties	22,057	1.6
Secured by Nonfarm Nonresidential Properties	468,135	35.9
Total Real Estate Loans	657,808	50.4
Commercial and Industrial Loans	553,892	42.5
Agricultural Production and Other Loans to Farmers	34	0.0
Consumer Loans	79,599	6.1
Obligations of State and Political Subdivisions in the U.S.	12,878	1.0
Other Loans	164	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	1,304,375	100.0
<i>Source: Reports of Condition and Income 3/31/2022</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which examiners will evaluate its CRA performance. IncredibleBank designated four separate AAs within the States of Wisconsin and Michigan. Based on the regulations, the FDIC assigns CRA ratings to the bank overall and separate state rates for the activities in the States of Wisconsin and Michigan. Of the bank's four AAs, three are located in Wisconsin: Wausau Metropolitan AA; Northern Region Non-Metropolitan AA; and Madison Metropolitan AA. Michigan contains one AA referred to as the Michigan Non-Metropolitan AA.

Since the previous evaluation, management made various changes to the AAs. IncredibleBank expanded the Wausau Metropolitan AA to include all of Marathon County and added Lincoln County, which was previously in the Northern Region Non-Metropolitan AA. Following the last evaluation, the Wausau-Weston, WI MSA was expanded to include Lincoln County, which resulted in the AA change. Additionally, the bank expanded the Madison Metropolitan AA to include all of Dane County. Lastly, management expanded the Michigan Non-Metropolitan AA to include

Ontonagon County. The following table illustrates the counties and overall deposit balances within the AAs. Refer to the individual AA sections for more details.

Assessment Area Breakdown of Deposits and Branches					
Assessment Area Name	Counties in Assessment Area	Banking Offices		Deposits as of 6/30/21	
		#	%	\$(000s)	%
Wausau Metropolitan AA	Marathon and Lincoln Counties	6	40.0	768,342	51.1
Northern Region Non-Metropolitan AA	Oneida and Vilas Counties	2	13.3	251,543	16.7
Madison Metropolitan AA	Dane County	1	6.7	35,775	2.4
Michigan Non-Metropolitan AA	Alger (partial), Baraga, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Marquette, Ontonagon, Florence (WI), Iron (WI), and Marinette (WI - partial) Counties	6	40.0	449,233	29.8
Totals		15	100.0	1,504,893	100.0
<i>Source: Bank Records; Summary of Deposits 6/30/2021</i>					

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated April 15, 2019, to the current evaluation dated June 13, 2022. Examiners used the Large Institution Examination Procedures, which include three tests: the Lending, Investment, and Service Tests. Refer to the Appendices for a description of these tests.

Examiners performed a full-scope review for each of the four AAs. Examiners selected the Wausau Metropolitan AA, Northern Region Non-Metropolitan AA, and Michigan Non-Metropolitan AA for full-scope reviews as these AAs include the greatest level of lending, deposits, and branches. During the scope of the examination, examiners determined that the Madison Metropolitan AA did not receive a full-scope review at the previous two evaluations. In an effort to ensure that an institution's CRA performance in an infrequently reviewed AA is regularly evaluated, examiners performed a full-scope review of the Madison Metropolitan AA.

The bank's rating within the State of Wisconsin carries greater weight in the overall institution rating, as a majority of the loan and deposit activity occurs within this state when compared to the State of Michigan. Within Wisconsin, the Madison Metropolitan AA received the least weight given the limited activity in the AA, while the Wausau Metropolitan AA received the most weight.

The evaluation does not include any reviews or consideration of activities performed by IncredibleBank affiliates.

Activities Reviewed

Examiners evaluated the bank's home mortgage and small business loans. These products comprise the bank's major product lines, considering the number and dollar volume of loans originated during the evaluation period, as well as the bank's business strategy. Home mortgage and small business loans received equal weight in the evaluation. No other loan types, such as small farm or consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings. The following table depicts the number and dollar volume of loans considered in this evaluation.

Loan Products Reviewed		
Loan Category	#	\$(000s)
Home Mortgage		
2019	938	167,453
2020	1,979	368,453
2021	1,220	230,756
Subtotal	4,137	766,662
Small Business		
2019	665	158,961
2020	2,181	312,696
2021	1,453	254,534
Subtotal	4,299	726,191
Total	8,436	1,492,853
<i>Source: Bank Data</i>		

Examiners considered and presented home mortgage loans reported on the bank's 2019, 2020, and 2021 Home Mortgage Disclosure Act (HMDA) loan application registers. Home mortgage loans include all home purchase, home improvement, home refinance, and multifamily loans reported pursuant to the HMDA requirements. Aggregate data provided a standard of comparison for the bank's home mortgage loans. Examiners also used demographic data from the 2015 American Community Survey (ACS) five-year estimates as a measure of comparison.

Examiners considered and presented all small business loans reported on the bank's 2019, 2020, and 2021 CRA loan application registers. Small business loans are loans made to businesses with a loan size of \$1 million or less. Aggregate data and D&B data provided standards of comparison for the bank's small business loans. The significant increase in small business loans in 2020 and to a lesser extent 2021 is primarily a result of the bank's participation in the Paycheck Protection Program (PPP) administered through the Small Business Administration (SBA). This program is part of the federal government's response to the COVID-19 pandemic.

Under the Lending Test, examiners reviewed both the number and dollar volume of small business and home mortgage loans. While examiners presented both number and dollar volume within the performance evaluation, the bank's performance by number is emphasized, as the performance by number is a better indicator of the number of businesses and homeowners served.

The evaluation includes a review of community development loans, investments, and services since the previous evaluation dated April 15, 2019. Investments that were made before the prior evaluation and that remain outstanding are included at the current book values as prior period investments. Examiners evaluated the quantitative levels of community development loans, investments, and services based on the financial capacity of IncredibleBank, as well as the qualitative impact to the AAs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The bank's performance under the Lending Test is High Satisfactory. Examiners placed more emphasis on the findings in the State of Wisconsin, as this is where the majority of the bank's offices (including the main office) are located and where a majority of the bank's loans and deposits are. Refer to the separate analyses within each AA for more details of the bank's performance.

Lending Activity

Lending levels reflect good responsiveness to the AAs credit needs, taking into account the number and amount of home mortgage and small business loans originated in the AAs. A solid volume of lending occurred for each product reviewed. Throughout all AAs, the bank originated 3,661 home mortgage loans totaling \$657.7 million and 2,710 small business loans totaling \$322.0 million for the evaluation period.

The bank's net loan-to-deposit (LTD) ratio averaged 89.1 percent over the last twelve quarters since the previous evaluation. For the review period, the LTD ratio ranged from a low of 81.4 percent as of March 31, 2022, to a high of 96.5 percent as of September 30, 2020. Examiners compared the bank's average net LTD ratio to four similarly-situated institutions (SSIs) to help evaluate IncredibleBank's performance. Examiners selected comparable institutions based on their size, geographic location, and lending focus. The average net LTD ratio of the SSIs ranged from 60.5 percent to 87.2 percent. It is important to note that the ratios do not fully capture the bank's overall lending, as secondary market activity is not included in the calculation of these ratios.

Assessment Area Concentration

Incredible Bank originated a high percentage of its loans within its AAs. As reflected in the following table, 88.5 percent of the bank's home mortgage loan originations were inside the AAs. During the evaluation period, the number of home mortgage originations increased significantly in 2020 due in part to the favorable rate environment and other market conditions.

Of the small business loans originated during the evaluation period, 63.0 percent were in the bank's AAs. The percentage of small business loans originated in the AAs is much lower in comparison to home mortgage loans due to the bank's national lending program. This includes luxury motor coach loans, healthcare loans, and the national SBA loan program. This also impacts the dollar amount of small business loans outside the AAs, as these loans average a higher dollar amount.

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										
2019	838	89.3	100	10.7	938	147,599	88.1	19,854	11.9	167,453
2020	1,731	87.5	248	12.5	1,979	311,635	84.6	56,818	15.4	368,453
2021	1,092	89.5	128	10.5	1,220	198,434	86.0	32,323	14.0	230,756
Subtotal	3,661	88.5	476	11.5	4,137	657,667	85.8	108,995	14.2	766,662
Small Business										
2019	424	63.8	241	36.2	665	67,434	42.4	91,527	57.6	158,961
2020	1,375	63.0	806	37.0	2,181	143,749	46.0	168,947	54.0	312,696
2021	911	62.7	542	37.3	1,453	110,843	43.5	143,691	56.5	254,534
Subtotal	2,710	63.0	1,589	37.0	4,299	322,026	44.3	404,165	55.7	726,191
Total	6,371	75.5	2,065	24.5	8,436	979,693	65.6	513,160	34.4	1,492,853
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Geographic Distribution

Overall, the geographic distribution of IncredibleBank's loans reflects good penetration throughout the AAs. The bank's performance in the Wausau Metropolitan AA, the Northern Region Non-Metropolitan AA, and the Michigan Non-Metropolitan AA primarily supports this conclusion. Examiners focused on comparison to aggregate data, as it is more reflective of the actual opportunities for lending in the low- and moderate-income tracts, although examiners took into consideration demographic data. A complete discussion of the performance for this criterion is in the separate AA sections of this evaluation.

Borrower Profile

The distribution of loans to borrowers reflects, given the product lines offered by the bank, good penetration among retail customers of different income levels and business customers of different sizes. The bank's performance in the Wausau Metropolitan AA, the Northern Region Non-Metropolitan AA, and the Michigan Non-Metropolitan AA primarily supports this conclusion. Examiners focused on the percentage by number of the home mortgage loans to low- and moderate-income borrowers and small business loans to businesses with gross annual revenues (GARs) of \$1 million or less. Examiners focused on comparison to aggregate data, as it is more reflective of the actual opportunities for lending, although examiners took into consideration demographic data. A complete discussion of the performance for this criterion is in the separate AA sections of this evaluation.

Innovative or Flexible Lending Practices

IncredibleBank makes extensive use of innovative and/or flexible lending practices in order to serve AA credit needs. The bank uses many types of guaranty and small dollar loan programs that offer applicants flexible lending terms. Examples of the innovative and flexible lending programs offered by the bank are as follows:

- United States Department of Agriculture (USDA) Rural Housing – This program assists approved lenders with providing low- and moderate-income families loans to build, rehabilitate, improve, or relocate a dwelling in an eligible rural area. In order to participate in this program, borrowers must meet income eligibility standards. This program has no down payment requirement and offers lower interest rates and very low mortgage insurance.
- Wisconsin Housing and Economic Development Authority (WHEDA) Advantage - WHEDA offers various programs for individuals and businesses. The bank currently works with the WHEDA Advantage Program, which is a program for applicants looking for a home in Wisconsin. Anyone who fits into the income guidelines can use this program, which are more restrictive for first-time homebuyers. This program offers a mortgage with a low down payment requirement, closing cost assistance, and a fixed interest rate. The home price must fall within WHEDA guidelines for the county where the home is located.
- Veterans Affairs (VA) – VA home loans help veterans, active duty personnel, and eligible surviving spouses become homeowners. VA provides a home loan guaranty benefit and other housing related programs to help eligible individuals buy, build, repair, retain, or adapt a home for their personal occupancy. The VA limits the amount of closing costs and eliminates prepayment penalties. Other features include down payments as low as 0 percent, no mortgage insurance requirements, and flexible underwriting.
- Federal Housing Administration (FHA) – The FHA provides mortgage insurance on loans made by FHA approved lenders. FHA insures mortgages on single and multi-family homes, including manufactured homes. Unlike conventional loans that adhere to strict underwriting guidelines, FHA insured loans require little cash investment to close a loan. There is also more flexibility in calculating household income and payment ratios.
- Fannie Mae Home Ready/Freddie Mac Home Possible – These programs offer more options and credit flexibilities to help very low- and moderate-income borrowers attain homeownership. Both programs have low down payment requirements (as little as 3.0 percent) and allow flexible sources of funds, including applying sweat equity to assist in meeting the down payment and closing cost requirements.
- Small Business Administration (SBA) – IncredibleBank is a part of the SBA Preferred Lender Program, which enables the bank to issue, monitor, and service bonds without prior approval by SBA. SBA provides small businesses with an array of guaranteed or subsidized programs that benefit the small business owner by offering more flexible underwriting and terms.
- Paycheck Protection Program (PPP) Loans – PPP loans are SBA-backed loans that help businesses keep their workforce employed during the COVID-19 pandemic. The PPP loan program helped businesses retain employees and enabled many businesses to survive the lockdowns. These loans were not secured, but were fully guaranteed by the Federal government. If certain terms were met, the PPP loans were forgiven and business owners did not have to repay the funds.
- USDA Business and Industry – This program improves the economic health of rural

communities by increasing access to business capital through loan guarantees that enable commercial lenders to provide affordable financing options for businesses in eligible rural areas.

- Payday Alternative Loans (PAL\$) – PAL\$ is a small dollar loan program developed by the bank to help customers in financial crisis and to meet the type of demand currently met by payday loan stores. The loan is generally unsecured for a term of 6-12 months and is limited to \$3,000. IncredibleBank pays the funds directly to the creditor, not the borrower.
- Fresh Start – This small dollar loan program allows customers who are unable to repay the overdraft balance on their checking account all at once (due to extenuating circumstances) to obtain an unsecured loan to bring their checking account balance current.

The following table provides a summary of the bank's flexible lending activity from the previous evaluation in April 2019 through the evaluation date. Examiners provide details specific to each AA within the separate AA sections of this evaluation.

Innovative or Flexible Lending Programs										
Type of Program	2019 (partial)		2020		2021		2022 (YTD)		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
USDA Rural Housing	47	5,583	38	4,753	30	3,648	6	694	121	14,678
WHEDA Advantage	9	1,242	5	546	7	1,011	2	243	23	3,042
VA	23	4,786	7	1,227	14	2,608	4	1,095	48	9,716
FHA	26	4,074	5	630	11	2,013	5	530	47	7,247
Fannie Mae Home Ready/Freddie Mac Home Possible	29	3,173	24	2,265	31	3,898	7	1,013	91	10,349
SBA	82	87,960	112	139,596	99	139,485	29	24,252	322	391,293
PPP	0	0	1,610	227,985	865	53,796	0	0	2,475	281,781
USDA Business and Industry	2	17,688	1	1,500	1	500	0	0	4	19,688
PAL\$	0	0	2	7	4	6	1	1	7	14
Fresh Start	12	10	21	28	16	10	5	3	54	51
Totals	230	124,516	1,825	378,537	1,078	206,975	59	27,831	3,192	737,859
Source: Bank Data										

IncredibleBank does considerable innovative and flexible lending outside of its AAs, including FHA, VA, and USDA loans that help low- and moderate-income individuals and small businesses obtain home ownership and SBA loans. During this evaluation period, the bank originated 1,222 such loans totaling \$512.2 million outside of its AAs. Examiners included these loans in the table above. The separate AA sections of this evaluation contain further discussion of IncredibleBank's innovative and flexible lending programs.

Community Development Loans

IncredibleBank is a leader in making community development loans within its AAs and on a statewide level, which includes its AAs. The bank originated 111 qualified loans totaling \$329.9 million during this evaluation period. This represents a net increase of 38.8 percent by number and 42.6 percent by dollar volume over the last evaluation period, which itself, also showed a significant

increase from the previous evaluation. Additionally, the community development loans extended by IncredibleBank represent 26.3 percent of net loans and 18.7 percent of total assets as of March 31, 2022. This level of community development lending is excellent when compared to SSIs. The majority of the bank's community development loans supported economic development by financing businesses located in tax increment financing (TIF) districts and revitalizing or stabilizing moderate-income or underserved nonmetropolitan middle-income geographies. The bank also originated a significant number of loans under the SBA's PPP program to assist businesses during the COVID-19 pandemic.

The following tables summarize the bank's community development lending activity since the previous evaluation by community development purpose, year, and AA.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (partial)	3	1,255	0	0	10	32,084	14	37,974	27	71,313
2020	2	1,283	1	1,487	12	53,483	11	25,209	26	81,462
2021	3	749	1	2,670	29	75,393	9	31,120	42	109,932
2022 (YTD)	2	16,400	0	0	9	32,282	5	18,473	16	67,155
Total	10	19,687	2	4,157	60	193,242	39	112,776	111	329,862
<i>Source: Bank Records</i>										

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Wausau Metropolitan	1	265	0	0	29	87,880	16	59,959	46	148,104
Northern Region Non-Metropolitan	3	1,420	0	0	4	7,327	9	26,834	16	35,581
Madison Metropolitan	1	768	0	0	4	22,190	1	800	6	23,758
Michigan Non-Metropolitan	4	1,394	2	4,157	7	18,502	8	18,191	21	42,244
Statewide Activities	1	15,840	0	0	16	57,343	5	6,992	22	80,175
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	10	19,687	2	4,157	60	193,242	39	112,776	111	329,862
<i>Source: Bank Records</i>										

IncredibleBank extended 22 community development loans totaling \$80.2 million that benefited a broader, statewide area that included the bank's combined AA. While not allocated to a specific AA, these loans still meet the definition of community development. The bank received credit for these loans, as examiners found the institution to be responsive to the credit needs of borrowers in their AAs. These loans serve to enhance IncredibleBank's overall performance under the Lending Test. Notable examples of statewide loans include:

- \$8.6 million to consolidate debt and purchase land and improvements for a mall in a TIF district

specifically established to redevelop the mall located in Marinette, Wisconsin. The mall is just outside of the bank's AA and included in the broader statewide region. This loan facilitated numerous jobs in the new stores located in the mall.

- \$5 million to finance the expansion of a publishing facility in Stevens Point, Wisconsin, which supported the creation of numerous jobs for low- and moderate-income (LMI) individuals.
- \$1.4 million under the SBA's PPP to meet the payroll needs of a company in a distressed and underserved middle-income census tract during the COVID-19 pandemic. This permitted the company to continue to employ 131 workers including many LMI individuals. This helped to revitalize and stabilize an area south of the bank's Michigan Non-Metropolitan AA and east of the Wausau Metropolitan AA.
- \$15.8 million to purchase and renovate ten apartment complexes with all 195 units being affordable housing. These apartments are located in the City of Milwaukee, Wisconsin; part of the broader statewide area. Based on the 2021 City of Milwaukee Housing Affordability Report, there is a considerable need for affordable housing in the City of Milwaukee.
- \$2.6 million to refinance existing SBA loans for two daycare facilities that lost workers during the COVID-19 pandemic as former employees were able to make more money on unemployment than what they were making for wages. This loan supports permanent job creation and retention for LMI individuals in Stevens Point, Wisconsin.
- \$4 million to purchase a new printing press for a company with 280 employees. This created jobs for additional LMI individuals in the broader statewide area.

Examiners compared the bank's performance with the results of other banks in Wisconsin under the community development lending criterion. The review revealed that IncredibleBank's performance substantially exceeds two out of three of the other banks' performance, as reflected in the following table:

Community Development Lending Performance Relative to Similarly Situated Bank					
Bank / Date of CRA Evaluation	Community Development Loan Performance	Community Development Loans (# and \$)		% Total Assets	% Total Loans
IncredibleBank (6-13-22)	Excellent	111	\$329,862	18.7%	26.3%
First Business Bank (1-21-20)	Satisfactory	76	\$80,327	3.86%	4.67%
Bank Five Nine (1-19-21)	Satisfactory	47	\$84,820	5.97%	8.45%
Waterstone (1-10-22)	Excellent	370	\$523,909	23.50%	34.11%

The separate AA sections of this evaluation contain further discussion of Incredible Bank's community development loans.

INVESTMENT TEST

The bank's performance under the Investment Test is Outstanding. IncredibleBank has an excellent level of qualified community development investments and grants, often in a leadership position. Examiners compared the bank's performance with other Wisconsin banks evaluated under the Investment Test using Interagency Large Institution CRA Examination Procedures. IncredibleBank's performance, based on the numbers, dollars, and ratios, is reflective of excellent performance.

Bank / Date of CRA Evaluation	Investment Performance	Qualified Investments # & \$(000s)		% Total Assets	% Total Equity Capital	% Total Securities
IncredibleBank (6-13-22)	Excellent	344	27,217	1.5	19.2	8.3
Bank Five Nine (1-19-21)	Excellent	176	14,529	1.0	9.9	10.0
WaterStone Bank SSB (1-10-22)	Adequate	125	13,982	0.6	3.5	8.0
First Business Bank (1-21-20)	Adequate	60	9,812	0.5	4.4	4.7
<i>Sources: Bank records and CRA Public Evaluations</i>						

Investment and Grant Activity

IncredibleBank has an excellent level of qualified community development investments and grants within its AAs, often in a leadership position. Since the last evaluation, the bank held 58 investments totaling \$26.4 million, of which 37 for \$19.1 million were new investments and 21 totaling \$7.2 million were for existing investments. The bank also provided 286 qualifying donations totaling \$859,000 to organizations with a community development purpose. The total dollar amount of qualified investments represents 8.3 percent of the bank's total investments, 19.2 percent of total equity capital, and 1.5 percent of total assets as of March 31, 2022. This level of investment is similar to, or better than, the level at the last evaluation, when the bank had \$19.8 million in qualified investments and donations, representing 1.4 percent of total assets, 10.1 percent of the bank's total investments, and 15.8 percent of total equity capital.

The following tables depict the bank's qualified investment and grant activities by community development purpose, year, and AA.

Qualified Investments – Overall										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	1,980	3	1,633	2	691	11	2,931	21	7,235
2019 partial year	0	0	1	498	1	40	0	0	2	538
2020	1	1,371	8	2,849	3	973	0	0	12	5,193
2021	1	1,321	8	3,710	2	514	4	3,565	15	9,110
YTD 2022	1	873	6	2,984	0	0	1	425	8	4,282
Subtotal	8	5,545	26	11,674	8	2,218	16	6,921	58	26,358
Qualified Grants & Donations	1	1	225	706	14	44	46	108	286	859
Total	9	5,546	251	12,380	22	2,262	62	7,029	344	27,217
<i>Source: Bank Data</i>										

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Wausau Metropolitan	1	873	75	398	5	36	12	2,338	93	3,645
Northern Region Non-Metropolitan	0	0	41	74	0	0	24	445	65	519
Madison Metropolitan	4	3,404	25	485	7	92	0	0	36	3,981
Michigan Non-Metropolitan	1	1	86	1,654	6	503	18	1,915	111	4,073
Regional/Statewide Activities	3	1,268	24	9,769	4	1,631	8	2,331	39	14,999
Total	9	5,546	251	12,380	22	2,262	62	7,029	344	27,217
<i>Source: Bank Data</i>										

Included within the bank's total qualified investments are 23 new investments and donations totaling \$9.1 million that benefit regional or statewide activities. While these investments and donations did not benefit a specific AA, they benefit a broader area that encompasses the bank's AAs. These investments significantly enhance the bank's overall performance under the Investment Test and contributed to the Outstanding rating. Examiners considered the out-of-area investments in the analysis, as the bank has been responsive to the community development investment needs in each of the AAs. The separate AA sections of this evaluation contain further discussion regarding the bank's community development investments.

Responsiveness to Credit and Community Development Needs

IncredibleBank exhibits a good responsiveness to credit and community development needs. Despite a significant majority of the current evaluation's investments benefiting statewide or regional areas, the bank invested in 16 community development bonds that specifically benefitted portions of the bank's AAs. Of the 16 bonds, five were for revitalization and stabilization purposes, which helped develop TIF districts to attract new business to specific areas and develop the waterfront in Marquette, Michigan to attract businesses and residents. An additional four bonds were for economic development purposes. For three bonds, the bank provided funds to the Madison Development Corporation – Venture Debt Fund, and four bonds were for providing essential community services to low- and moderate-income residents of the AAs. Donations were predominantly to organizations meeting essential needs such as housing, food, and clothing. In general, community development investment opportunities are limited within the bank's AAs due to either the lack of investment possibilities in certain AAs or strong competition. As a result, IncredibleBank made specific efforts to find investments outside the AAs that benefit a broader area.

Community Development Initiatives

IncredibleBank occasionally uses innovative and/or complex investments to support community development initiatives. These types of investments are limited in availability within the bank's AAs; therefore, the bank expends significant efforts to find investments or develop programs that will be the most beneficial to people and businesses in its AAs.

In 2020, IncredibleBank launched a national partnership with Feeding America, whereby the bank donated \$50 per eligible home, business, motorcoach, and airplane loan closed within a specific timeframe to Feeding America. This was equivalent to 500 meals per eligible loan. The bank guaranteed a minimum donation of \$50,000, but ultimately donated \$95,800 to this organization to help fight hunger within its AAs and beyond.

Also in 2020, the bank donated \$30,000 to a new \$50,000 grant program created by the Marathon County Development Corporation (MCDEVCO) for small businesses across the county. The funds were distributed in \$1,000 increments and were targeted to the smallest businesses with 10 or fewer employees, specifically to help them re-open after the stay-at-home restrictions were lifted.

The bank also continues to donate \$2,000 per year until 2022 to the Medical College of Wisconsin to address the need for physicians in underserved areas of Wisconsin, and they continue to utilize the Paid Time Off for Doers and Dollars for Doers to support and encourage employee engagement in both direct service activities and leadership roles on nonprofit committees and boards.

SERVICE TEST

IncredibleBank's level of performance under the Service Test is High Satisfactory. The bank's performance in the Wausau Metropolitan and Michigan Non-Metropolitan AAs supports this conclusion. The Service Test evaluates an institution's record of helping to meet the credit needs of its AAs by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. Refer to the separate analyses within each AA for more detail regarding the bank's performance.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's AAs. IncredibleBank operates 15 full-service banking offices, with nine in Wisconsin and six in Michigan. The bank's main office is located in a moderate-income census tract in Wausau, Wisconsin, with three additional offices also in moderate-income tracts. While the bank does not have any branches located in low-income tracts, several of the bank offices are conveniently situated to serve these census tracts in the AAs.

All of the bank's offices have drive-up facilities and on premise ATMs. The bank has one additional ATM located in a moderate-income tract in Wausau. The bank is also part of the MoneyPass Network, which provides no-fee ATM usage nationwide. As shown in the following table, none of the bank's offices or ATMs are located in low-income census tracts. However, the bank's AAs have only five low-income census tracts in total, four of which are in the Madison Metropolitan AA and one in the Wausau Metropolitan AA. In comparison, 2.8 percent of other lenders' bank offices and 2.6 percent of the population are in low-income census tracts. The bank has four branches (26.7 percent) and five ATMs (31.3 percent) in moderate-income tracts, as compared to 20.7 percent of other lenders and 13.8 percent of the population. This distribution is reasonable.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Branch Offices of other Lenders		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	10	2.8	24,200	2.6	0	0.0	0	0.0
Moderate	74	20.7	127,458	13.8	4	26.7	5	31.3
Middle	196	54.7	533,392	57.7	7	46.7	7	43.7
Upper	75	21.0	218,691	23.7	4	26.6	4	25.0
NA	3	0.8	20,543	2.2	0	0	0	0
Total	358	100.0	924,284	100.0	15	100.0	16	100.0
Source: 2015 ACS Data; Bank Data								

In addition to the brick and mortar offices and ATMs, the bank offers several alternative delivery systems. These include telephone banking, text banking, on-line banking, and mobile banking. All of these delivery systems and their features are available to customers at no cost, 24 hours a day, seven days a week. Additional information about these delivery systems is included below.

Telephone Banking – Provides access to account information 24-hours a day, and allows customers to check deposit or loan account information, transfer funds, and make loan payments.

Text Banking - Allows a consumer or business to check a limited amount of financial history quickly, such as current account balance and the last four items in the account history.

Online Banking – Via the bank’s website, customers can access a multitude of banking services and account information 24 hours-a-day, including checking balances, viewing loan details, paying bills, seeing check images, etc.

Mobile Banking – Enables customers to securely view and manage their finances 24 hours-a-day from nearly anywhere using a phone or tablet. Since the last evaluation, the bank launched Zelle in the mobile app. Zelle is a digital payments network that provides a fast, safe, and easy way to send and receive money. Also since the last evaluation, the bank now offers Mobile Wallet through the mobile app, providing a more secure way to transact.

Changes in Branch Locations

There have been no changes in branch locations since the last examination.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the AAs, particularly low- and moderate-income geographies and/or individuals. While hours of operation are based on individual market needs, the hours do not vary significantly from other local financial institutions operating within the AAs and are generally consistent bank-wide. All offices have standard hours of 8:30am-5:00pm Monday through Friday. Drive-up facilities are also available at all locations and have consistent hours of 8:00am to 5:30pm Monday through Friday, with some offices also having Saturday hours from 9:00am to noon. Business hours are convenient and comparable to other financial institutions.

Each branch location offers a full line of loan and deposit products, including several low-cost or small dollar loan products. Two such products include the Fresh Start Program and PAL\$, both small dollar products. The Innovative and Flexible Lending section of the Lending Test discusses both products in more detail. IncredibleBank also offers three deposit products that are particularly beneficial to low- and moderate-income individuals. These include the IncredibleBank Checking account with no minimum balance, no maintenance fees, and \$50 to open; the Chill Checking student checking account, which requires no minimum to open and has no minimum balance or maintenance fees; and the IncredibleBank Savings account, which requires only \$50 to open, has no minimum balance requirement, and no maintenance fees.

IncredibleBank offers a sweep/overdraft protection program as a lower cost alternative to its Bounce Protection. Sweeps automatically transfer funds from one IncredibleBank account to another account in \$50 increments to cover an overdraft. This feature is free to establish and free for each transfer from a consumer account, but \$20 per transfer for business accounts. This service allows customers to avoid the overdraft fee. Since the previous evaluation, the bank made several fee changes that benefited consumers and businesses. In April 2022, the bank discontinued the \$34 Return Item Fee and in May 2022, management removed the \$20 Sweep Fee for consumers. Additionally, the bank lowered the maximum number of paid item fees for business customers to five or \$125, lowered the maximum number of paid item fees for consumers to two or \$50 per day, and lowered the Paid Item Fee and the Bounce Paid Item Fee to \$25.

Community Development Services

IncredibleBank is a leader in providing community development services throughout its AAs. During the evaluation period, bank directors, officers, and employees provided financial expertise or technical assistance to 66 community development-related organizations, which is the same as the prior evaluation. Bank directors, officers and employees also devoted 3,861 hours to these activities, which is up slightly from the 3,791 hours recorded at the prior evaluation. Despite the pandemic, which significantly reduced opportunities for involvement in community development-related organizations, IncredibleBank maintained a high level of activity consistent with service activity at the last evaluation. The following tables illustrate the bank's qualified community development services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (partial year)	2 25 hours	32 680 hours	14 216 hours	8 163 hours	56 1,084 hours
2020	2 26 hours	24 633 hours	21 343 hours	6 90 hours	53 1,092 hours
2021	2 14 hours	32 771 hours	19 419 hours	6 94 hours	59 1,298 hours
YTD 2022	1 2 hours	26 270 hours	12 64 hours	7 51 hours	46 387 hours
Total	7 67 hours	114 2,354 hours	66 1,042 hours	27 398 hours	214 3,861 hours
<i>Source: Bank Data</i>					

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Wausau MSA AA	4 38 hours	64 1,043 hours	32 607 hours	16 242 hours	116 1,930 hours
Northern Region AA	0 0 hours	6 42 hours	7 128 hours	5 58 hours	18 228 hours
Madison MSA AA	0 0 hours	6 208 hours	11 108 hours	0 0 hours	17 316 hours
Michigan AA	3 29 hours	34 967 hours	9 145 hours	6 98 hours	52 1,239 hours
State/Regional Activities	0 0 hours	4 94 hours	5 52 hours	0 0 hours	9 146 hours
Nationwide Activities	0 0 hours	0 0 hours	2 2 hours	0 0 hours	2 2 hours
Total	7 67 hours	114 2,354 hours	66 1,042 hours	27 398 hours	214 3,861 hours
<i>Source: Bank Data</i>					

Notable examples of community development services include:

- Two bank employees served as presenters in a free webinar for Wisconsin businesses hosted by the Wisconsin Economic Development Association. Participants learned how to access SBD debt relief programs and learned how to prepare their business for long-term financing with their banks.
- Along with Johnson Consulting Group, the bank co-hosted a webinar entitled “SBA Loans: Obtaining and Managing COVID-19 Relief Funds.” The webinar discussed PPP and other CARES Act and SBA loan opportunities available to businesses. A bank employee was also one of two panelists in this webinar.
- Two bank employees launched “Start Something Incredible,” an employee network designed to empower employees to lead initiatives that alleviate hunger in their communities.

Examiners compared IncredibleBank's performance with other Wisconsin banks evaluated under the Interagency Large Institution CRA Examination Procedures. As shown in the following table, the bank's performance far exceeded two of the three other banks, providing support for the excellent performance conclusion.

Bank / Date of CRA Evaluation	Community Development Service Performance	# of Community Development Services	Total Hours Spent on Community Development Services / Average Hours Per Service
IncredibleBank (6-13-22)	Excellent	214	3,861/18.0
First Business Bank (1-21-20)	Excellent	186	5,679 / 30.5
WaterStone Bank SSB (1-10-22)	Adequate	49	1,200/24.5
Bank Five Nine (1-19-21)	Excellent	372	2,379 / 6.4

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

STATE OF WISCONSIN

CRA RATING FOR WISCONSIN: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WISCONSIN

IncredibleBank designated three AAs within the State of Wisconsin. The Wausau Metropolitan AA encompasses 37 census tracts in Marathon and Lincoln counties, while the Northern Region Non-Metropolitan AA encompasses 19 census tracts in Oneida and Vilas counties, and the Madison Metropolitan AA encompasses 107 census tracts in Dane County. Each of the nine banking locations in Wisconsin has an ATM and drive-up facilities.

SCOPE OF EVALUATION – WISCONSIN

Examiners based the rating for the State of Wisconsin on full-scope evaluations of the bank's performance in the Wausau Metropolitan AA, Northern Region Non-Metropolitan AA, and Madison Metropolitan AA. The Wausau Metropolitan AA contributed the most weight to the State of Wisconsin rating followed by the Northern Region Non-Metropolitan AA as these AAs include more of the bank's branches and a substantial portion of deposit and lending activities. The Madison Metropolitan AA contributed the least weight given the limited activities in this AA.

The bank's rating within the State of Wisconsin carries the greatest weight in the overall rating, as a majority of the bank's locations and a majority of loan and deposit activity occurs within this state. According to the June 30, 2021 FDIC Summary of Deposits, 70.2 percent of the bank's total deposits were obtained from the Wisconsin AAs. Additionally, the three Wisconsin AAs included 71.4 percent of the small business loans and 52.8 percent of home mortgage loans originated in the AAs during the evaluation period.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WISCONSIN

LENDING TEST

Lending Activity

Lending levels reflect good responsiveness to AA credit needs. This conclusion was consistent with performance in all three AAs.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the AAs. The bank's performance in the Wausau Metropolitan AA and the Northern Region Non-Metropolitan AA primarily supports this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different sizes. The bank's performance in the Wausau Metropolitan AA and the Northern Region Non-Metropolitan AA primarily supports this conclusion.

Innovative or Flexible Lending Practices

The bank makes extensive use of innovative and/or flexible lending programs in the State of Wisconsin using programs targeted at low- and moderate-income borrowers, as well as small businesses. The following table reflects the bank's use of these programs in Wisconsin.

Innovative or Flexible Lending Programs State of Wisconsin AAs		
Type of Program	Totals	
	#	\$(000s)
USDA Rural Housing	33	4,556
WHEDA Advantage	20	2,686
VA	22	4,665
FHA	15	2,590
Fannie Mae Home Ready/Freddie Mac Home Possible	46	5,746
SBA	29	23,549
PPP	1,147	106,863
PAL\$	4	6
Fresh Start	30	32
Total	1,346	150,693
<i>Source: Bank Records</i>		

Community Development Loans

IncredibleBank is a leader in making community development loans in the State of Wisconsin. Consistent performance exhibited in all three AAs supports this conclusion. Refer to the individual sections for details on each AA.

INVESTMENT TEST

Investment and Grant Activity

IncredibleBank has an excellent level of qualified community development investments and grants. Current period investments within the State of Wisconsin represents 63.0 percent of all investments and donations made inside the bank's AAs. Additionally, the bank funded \$8.9 million in qualifying investments that benefited the greater midwest regional area. Consistent performance in all three AAs supported this conclusion.

Responsiveness to Credit and Community Development Needs

IncredibleBank exhibits good responsiveness to the credit and community economic development needs in the State of Wisconsin. Since the last evaluation, the bank had investments to support all community development purposes, including affordable housing, economic development, community service, and revitalization and stabilization. Examiners noted affordable housing, economic development, and revitalization/stabilization as needs in all three AAs in this state. Further, due to the significant impact of the COVID-19 pandemic on low- and moderate-income families, the bank's investment in and donations to organizations providing basic needs, such as food and clothing, was essential to helping many families in need. While the level of community development investments is consistent between the Wausau Metropolitan and Madison Metropolitan assessment areas, the level of investments in the Northern Region Non-Metropolitan AA lags and is below that of the other Wisconsin AAs. This is due to the greater difficulty obtaining investments in the communities within the Northern Region Non-Metropolitan AA and the level of competition when the opportunities arise.

Community Development Initiatives

IncredibleBank occasionally uses innovative and/or complex investments to support community development initiatives. These types of investments are more limited in availability within the bank's AAs; therefore, the bank expends significant efforts to find investments outside the bank's AAs. This is evidenced by prior period purchases of two certificates of deposit in a minority-owned institution and a low-income credit union.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of IncredibleBank's AAs in Wisconsin. In addition to the main office, the bank has eight branches in the AAs within the State of Wisconsin. As discussed previously, none of the branches are located in low-income geographies; however, three offices are in moderate-income census tracts. One of the branches is on the border of a low-income tract, which allows IncredibleBank to provide individuals and businesses within this tract accessibility to the bank's delivery systems. The bank has ATMs at all locations plus an additional ATM at a business in a moderate-income tract in Wausau, and IncredibleBank has other alternative

delivery systems such as telephone, mobile, online, and text banking. IncredibleBank continues to participate in the MoneyPass network that gives customers access to ATMs not owned by the bank.

Changes in Branch Locations

IncredibleBank did not open or close any branches within the State of Wisconsin since the prior evaluation.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences any portion of the Wisconsin AAs, particularly low- and moderate-income geographies and/or individuals. The same products and services are available at all branches throughout the AAs. All branches have drive-up services and 24-hour ATMs, and most have Saturday hours. Branch hours are convenient and comparable to other local financial institutions.

Community Development Services

IncredibleBank is a leader in providing community development services within the State of Wisconsin. Examiners based this conclusion on available opportunities and considered the bank's presence in the AAs. Qualified services in the State of Wisconsin represent 70.6 percent of the bank's total qualified services by number and 64.1 percent by hours. The following table shows a breakdown of the community development services since the previous evaluation.

Community Development Services – Wisconsin					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (partial year)	1 11 hours	22 402 hours	11 174 hours	6 113 hours	40 700 hours
2020	1 13 hours	18 395 hours	13 269 hours	5 84 hours	37 761 hours
2021	1 12 hours	20 377 hours	17 370 hours	4 66 hours	42 825 hours
YTD 2022	1 2 hours	16 119 hours	9 30 hours	6 37 hours	32 188 hours
Total	4 38 hours	76 1,293 hours	50 843 hours	21 300 hours	151 2,474 hours
<i>Source: Bank Data</i>					

WAUSAU METROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WAUSAU METROPOLITAN ASSESSMENT AREA

This AA includes the main office and five brick and mortar branches. IncredibleBank offers a full range of products and services at these locations. According to the June 30, 2021 FDIC Summary of Deposits, this AA accounted for 51.1 percent of the bank’s deposits. Additionally, the Wausau Metropolitan AA included 40.2 percent of the small business loans and 31.0 percent of home mortgage loans originated in the AAs during the evaluation period. Refer to discussions under the Service Test for details regarding the bank’s operations.

Economic and Demographic Data

The assessment area includes all 37 census tracts in Lincoln and Marathon counties (Wausau-Weston, WI MSA). Based on the 2015 ACS five-year estimates, the census tracts have the following income designations:

- 1 low-income census tract;
- 5 moderate-income census tracts;
- 27 middle-income census tracts; and
- 4 upper-income census tracts

The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Wausau Metropolitan						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	37	2.7	13.5	73.0	10.8	0.0
Population by Geography	163,463	1.8	10.9	71.4	15.8	0.0
Housing Units by Geography	75,080	1.9	11.3	72.4	14.3	0.0
Owner-Occupied Units by Geography	48,787	0.7	9.3	73.2	16.9	0.0
Occupied Rental Units by Geography	17,480	5.1	18.2	68.0	8.7	0.0
Vacant Units by Geography	8,813	2.8	8.9	76.8	11.6	0.0
Businesses by Geography	9,425	5.4	10.4	68.8	15.4	0.0
Farms by Geography	659	0.2	3.3	83.9	12.6	0.0
Family Distribution by Income Level	44,450	18.1	18.8	23.3	39.8	0.0
Household Distribution by Income Level	66,267	23.0	16.5	19.2	41.3	0.0
Median Family Income MSA - 48140 Wausau-Weston, WI MSA		\$65,079	Median Housing Value			\$143,055
			Median Gross Rent			\$680
			Families Below Poverty Level			7.0%
Source: 2015 ACS and 2021 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.						

According to 2021 D&B data, service industries represent the largest portion of businesses at 37.4 percent; followed by retail trade at 15.0 percent; non-classifiable establishments at 8.9 percent; and construction at 8.3 percent. In addition, 65.4 percent of assessment area businesses have four or fewer employees, and 85.1 percent operate from a single location.

Examiners rely on the 2020 and 2021 FFIEC-estimated median family (MFI) levels to analyze the home mortgage loans under the Borrower Profile criterion. The FFIEC bases its annual estimates on the most recent U.S. Census or ACS data, and factors in inflation and other economic variables to arrive at an MFI that more closely reflects current economic conditions. The following table presents the low-, moderate-, middle-, and upper-income levels for the MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Wausau-Weston, WI MSA Median Family Income (48140)				
2020 (\$74,600)	<\$37,300	\$37,300 to <\$59,680	\$59,680 to <\$89,520	≥\$89,520
2021 (\$76,800)	<\$38,400	\$38,400 to <\$61,440	\$61,440 to <\$92,160	≥\$92,160
<i>Source: FFIEC</i>				

Competition

The AA is a competitive market for financial services. According to the FDIC Deposit Market Share data as of June 2021, there were 21 financial institutions operating 62 full-service branch locations in the AA. Of these institutions, IncredibleBank ranked second with 15.3 percent market share.

There is a high level of competition for home mortgage loans in the AA. Based on 2020 HMDA aggregate data, 272 lenders originated 8,596 home mortgage loans in the AA. Of those lenders, IncredibleBank ranked third with 6.5 percent of the home mortgage market share. The top two lenders accounted for 25.7 percent of the market share.

Aggregate small business loan data from 2020 illustrates a high level of competition for small business loans. In 2020, 60 lenders required to report small business loan data reported 2,517 small business loan originations in the AA. Of those lenders, IncredibleBank ranked first with 22.3 percent of the small business market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs. Examiners used previously collected information from a representative of a local economic development agency that serves Marathon County. The contact stated that there continues to be a need for affordable housing, particularly for those persons that have reached the stage of needing assisted living housing and for younger individuals and families looking to purchase their first home. The contact stated that banks are generally meeting the needs of the community; however, there is additional need for outreach and credit programs for the low- and moderate-income individuals and families.

Credit and Community Development Needs and Opportunities

Considering demographic and economic data and information from bank management and the community contact, examiners determined that small business and home mortgage lending including affordable housing represent the primary credit needs of the AA. Although there is a high level of competition for such loans, both loan products are in great demand. On the business side, most communities within the AA have TIF districts established to help attract businesses to the communities, indicating a continued need for economic development and revitalization and stabilization.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WAUSAU METROPOLITAN ASSESSMENT AREA

LENDING TEST

Lending Activity

IncredibleBank's lending levels reflect good responsiveness to AA credit needs when taking into account the number and dollar amount of home mortgage and small business loans originated in this AA. The bank originated 246 home mortgage loans in 2019, 562 in 2020, and 327 in 2021. IncredibleBank's market rank was fifth and third in 2019 and 2020, respectively. Peer data for 2021 is not yet available. For small business loans, the bank originated 186, 556, and 347 loans in 2019, 2020, and 2021, respectively. Per peer data, IncredibleBank ranked fourth of all CRA reporters in this AA in 2019 and first in 2020. Peer data for 2021 is not yet available.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the AA. The bank's performance in small business lending supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans demonstrates adequate penetration throughout the AA. The following table shows the bank's lending performance in the single low-income census tract and the moderate-income tracts is generally consistent with or slightly below aggregate and demographic data.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Wausau Metropolitan						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.7	0.9	4	1.6	533	1.3
2020	0.7	0.7	2	0.4	358	0.4
2021	0.7	--	0	0.0	0	0.0
Moderate						
2019	9.3	10.0	16	6.5	2,038	4.9
2020	9.3	7.5	29	5.2	4,070	4.2
2021	9.3	--	20	6.1	2,192	3.8
Middle						
2019	73.2	68.9	180	73.2	29,569	70.7
2020	73.2	70.7	417	74.2	70,281	73.3
2021	73.2	--	247	75.5	43,336	75.7
Upper						
2019	16.9	20.2	46	18.7	9,695	23.2
2020	16.9	21.1	114	20.3	21,194	22.1
2021	16.9	--	60	18.3	11,696	20.4
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	246	100.0	41,835	100.0
2020	100.0	100.0	562	100.0	95,903	100.0
2021	100.0	--	327	100.0	57,225	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 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 demonstrates good penetration throughout the AA. The following table shows the bank's small business lending performance in the low-income census tract had some minor fluctuations but was generally comparable to demographics and aggregate data. The bank's lending in the moderate-income census tracts slightly exceeded aggregate performance and was in-line with demographics.

Geographic Distribution of Small Business Loans						
Assessment Area: Wausau Metropolitan						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	5.6	3.4	5	2.7	816	2.4
2020	5.6	4.7	39	7.0	3,966	5.7
2021	5.4	--	19	5.5	862	1.9
Moderate						
2019	10.6	7.3	17	9.1	2,931	8.7
2020	10.4	9.6	67	12.0	7,454	10.7
2021	10.4	--	34	9.8	3,756	8.2
Middle						
2019	68.7	75.1	144	77.4	27,194	80.6
2020	69.4	72.0	397	71.4	48,632	69.7
2021	68.8	--	266	76.7	35,641	78.3
Upper						
2019	15.1	14.2	20	10.8	2,778	8.2
2020	14.6	13.6	53	9.5	9,707	13.9
2021	15.4	--	28	8.1	5,280	11.6
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	186	100.0	33,719	100.0
2020	100.0	100.0	556	100.0	69,759	100.0
2021	100.0	--	347	100.0	45,539	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different sizes. The bank's home mortgage and small business lending performance supports this conclusion.

Home Mortgage Loans

IncredibleBank's performance in originating home mortgage loans to borrowers of different income levels is good. As reflected in the following table, the bank's lending to low-income borrowers is

generally consistent with aggregate data, although it trailed demographic data. Lending to moderate-income borrowers was slightly below aggregate data and demographics in 2019; however, performance improved in 2020 and 2021 and was in-line with demographics and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Wausau Metropolitan						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	18.1	7.7	20	8.1	1,494	3.6
2020	18.1	7.0	31	5.5	2,578	2.7
2021	18.1	--	31	9.5	2,929	5.1
Moderate						
2019	18.8	19.9	33	13.4	4,054	9.7
2020	18.8	18.2	103	18.3	12,831	13.4
2021	18.8	--	58	17.7	7,366	12.9
Middle						
2019	23.3	22.2	63	25.6	9,511	22.7
2020	23.3	22.8	133	23.7	20,704	21.6
2021	23.3	--	96	29.4	15,711	27.5
Upper						
2019	39.8	37.8	97	39.4	21,191	50.7
2020	39.8	39.4	243	43.2	50,382	52.5
2021	39.8	--	123	37.6	27,820	48.6
Not Available						
2019	0.0	12.4	33	13.4	5,585	13.4
2020	0.0	12.6	52	9.3	9,407	9.8
2021	0.0	--	19	5.8	3,399	5.9
Totals						
2019	100.0	100.0	246	100.0	41,836	100.0
2020	100.0	100.0	562	100.0	95,903	100.0
2021	100.0	--	327	100.0	57,225	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The bank's distribution of small business loans reflects good penetration of loans to businesses with GARs of \$1 million or less. Despite the bank's performance lagging the business demographic data, it was comparable to aggregate data and increased to 55.3 percent in 2021.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Wausau Metropolitan						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	78.6	49.3	87	46.8	8,219	24.4
2020	78.1	45.1	228	41.0	10,542	15.1
2021	78.1	--	192	55.3	8,018	17.6
>\$1,000,000						
2019	7.4	--	95	51.1	25,080	74.4
2020	7.3	--	124	22.3	27,917	40.0
2021	7.3	--	111	32.0	34,115	74.9
Revenue Not Available						
2019	14.1	--	4	2.2	420	1.2
2020	14.5	--	204	36.7	31,300	44.9
2021	14.6	--	44	12.7	3,406	7.5
Totals						
2019	100.0	100.0	186	100.0	33,719	100.0
2020	100.0	100.0	556	100.0	69,759	100.0
2021	100.0	--	347	100.0	45,539	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

IncredibleBank makes extensive use of innovative or flexible lending to address the credit needs of low- or moderate-income individuals or geographies and small businesses. In addition to a number of government guaranteed programs for individuals and small businesses, IncredibleBank offers small-dollar loan products for those customers who have a need. The PAL\$ product, which is a long-time, bank developed product, is available to customers facing a financial emergency. It is a lower-priced alternative to payday lending products. Examiners discussed details of the innovative/flexible lending program previously in this evaluation. The following table details the bank's innovative or flexible lending activities in this AA.

Innovative or Flexible Lending Programs – Wausau Metropolitan AA										
Type of Program	2019 (partial)		2020		2021		2022 (YTD)		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
USDA Rural Housing	9	1,163	7	1,041	7	974	0	0	23	3,178
WHEDA Advantage	8	1,170	2	151	5	775	2	243	17	2,339
VA	6	1,363	1	287	4	724	1	375	12	2,749
FHA	5	891	2	329	5	978	1	142	13	2,340
Fannie Mae Home Ready/Freddie Mac Home Possible	9	1,233	10	986	12	1,775	2	285	33	4,279
SBA	8	8,307	4	1,132	3	2,340	1	567	16	12,346
PPP	0	0	428	57,513	229	22,925	0	0	657	80,438
PAL\$	0	0	0	0	4	6	0	0	4	6
Fresh Start	5	4	14	19	5	3	0	0	24	26
Totals	50	14,131	468	61,458	274	30,500	7	1,612	799	107,701
<i>Source: Bank Data</i>										

Community Development Loans

IncredibleBank is a leader in originating community development loans in this AA. Since the last evaluation, the bank extended 46 loans totaling \$148.1 million. This represents 8.3 percent of total assets and 11.8 percent of net loans, as well as 44.9 percent of the bank's total qualified lending activity. This volume is consistent with the size of IncredibleBank's operations in the Wausau Metropolitan AA. Of the 46 loans, 29 were for the purpose of economic development, 16 were to revitalize or stabilize the AA, and one was for affordable housing. The following table shows the bank's community development lending activity in this AA.

Community Development Lending – Wausau Metropolitan AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (partial)	0	0	0	0	6	13,837	4	15,416	10	29,253
2020	1	265	0	0	6	27,220	3	8,160	10	35,645
2021	0	0	0	0	14	39,754	4	17,910	18	57,664
YTD 2022	0	0	0	0	3	7,069	5	18,473	8	25,542
Total	1	265	0	0	29	87,880	16	59,959	46	148,104
<i>Source: Bank Records</i>										

Notable examples of community development loans within this AA include:

- \$7 million line of credit to a company in Merrill, Wisconsin that supported the retention of jobs for LMI individuals in a local TIF district.
- \$4 million to build a car wash in a Wausau TIF district that created permanent jobs for several LMI individuals.
- \$3 million to improve commercial real estate in a local TIF district that allowed the

- company to retain LMI jobs and create an additional 20 new jobs.
- \$5.6 million that refinanced and added additional money for new equipment to a company that supports essential road and sewer infrastructures statewide.

INVESTMENT TEST

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants. Since the last evaluation in April 2019, IncredibleBank made 93 qualified community development investments and grants, totaling \$3.6 million in the Wausau Metropolitan AA. This level of qualified investments and donations is significantly higher than the amount at the previous evaluation. The bank continues to hold two bonds totaling \$530,000, which were originated prior to the current evaluation. The bonds financed development in a TIF district and various community development activities in the Wausau area. The qualified investment activity in this AA represents 29.8 percent of the bank's total investment activity within its four AAs.

The bank continues to maintain relationships with several community development organizations in order to better meet the community development needs in the AA. Additionally, several members of the bank's staff, management team, and Directorate are involved in organizations to which the bank makes charitable grants and donations. Many of these organizations focus on providing essential services such as food, clothing, and shelter to low- and moderate-income residents of the AA. The following table summarizes the bank's investment and grant activity by year and community development purpose.

Qualified Investments – Wausau Metropolitan Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	2	530	2	530
2019 Partial Year	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	2	1,760	2	1,760
YTD 2022	1	873	0	0	0	0	0	0	1	873
Subtotal	1	873	0	0	0	0	4	2,290	5	3,163
Qualified Grants & Donations	0	0	75	398	5	36	8	48	88	482
Total	1	873	75	398	5	36	12	2,338	93	3,645
<i>Source: Bank Data</i>										

Notable examples of community development investments and donations made by the bank within this AA during the evaluation period include:

- In 2022, the bank invested \$873,000 in an affordable housing bond geared towards senior housing in the greater Wausau area. The investment was backed by a mortgage on a property in which 84.0 percent of the units were income restricted for individuals with 60 percent or less of the median family income. Affordable housing has been identified as a

need in this AA.

- In 2020, the bank donated \$30,000 to the MCDEVCO's COVID-19 Grant Fund. The \$50,000 grant program benefitted small businesses across Marathon County. Funds were distributed in \$1,000 increments and targeted the area's smallest businesses with ten or fewer employees, specifically to help them re-open after the stay-at-home order was lifted.
- In 2021 and 2022, the bank donated \$50,000, for a total donation of \$100,000, to Community Partners Campus. This is a new non-profit organization to help build a collaborative, shared space for housing organizations that have a mission driven purpose to serve disadvantaged individuals and families in the greater Wausau area with basic needs, in a single location. Tenants will focus on providing food, clothing, shelter, medical, mental health, and social well-being for those in need.

Responsiveness to Credit and Community Development Needs

The bank's investment performance exhibits good responsiveness to credit and community development needs. Of the bank's qualifying current period investments, most are dedicated to revitalization and stabilization, while significant activity is also allocated to affordable housing and community services for low- and moderate-income populations.

As discussed previously, this AA maintains a number of areas targeted for redevelopment that are in need of revitalization. Two bonds totaling \$1.7 million were for the purpose of revitalizing and stabilizing specific areas within the AA. Affordable housing has also been identified as a need in this AA, and the bank's affordable housing bond for seniors helps meet that need. Lastly, the bank made 88 donations totaling \$482,000 in this AA. Of those donations, the bank's contribution to MCDEVCO and Community Partners Campus support economic development of the Wausau area, as well as basic needs for the most economically disadvantaged individuals and families in the AA.

Community Development Initiatives

IncredibleBank occasionally uses innovative and/or complex investments to support community development initiatives. The bank's donation to MCDEVCO was to help launch an innovative program to help the smallest businesses impacted by the COVID-19 pandemic. IncredibleBank was one of only three financial institutions contributing to the fund. Further, the bank continues to donate to the Share Your Holidays initiative annually. IncredibleBank is one of several donors that challenge community members to match \$75,000 (up from \$35,000 in 2019 and 2020) in donations to the Neighbors Place and Salvation Army food pantries. IncredibleBank donates \$5,000. They also host the online donation portal and community members can make in-person donations at any Wausau Area IncredibleBank branch. This event raises a substantial amount of money for the food pantries (approximately \$146,000 in 2021) and raises community awareness of the hunger needs in central Wisconsin as well as a substantial amount of non-perishable food items. Lastly, the bank continues to utilize the PTO for Doers and Dollars for Doers, both internally created programs, to encourage community involvement of its employees.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are readily accessible to all portions of this AA. IncredibleBank has six full-service banking offices in this AA, which includes the main office and a second location in a moderate-income tract in Wausau. Each banking location has drive-up facilities and four of the six offices have Saturday hours. Each office has an on premise ATM. One additional bank-owned ATM is available at a business located in a moderate-income tract. IncredibleBank also provides access to a surcharge free ATM network, which makes access to ATMs easier inside and outside of the AA.

As reflected in the following table, two of the bank's offices (main office and Wausau Grand Avenue) are located in moderate-income geographies in the AA. While the remaining four branches are in middle-income geographies, two of the offices (Weston and Rothschild) are easily accessible to individuals and businesses in the low- and moderate-income geographies. While there are no branches in the low-income tracts, the 33.3 percent concentration of offices in the moderate-income tracts significantly exceeds the concentration of demographics and offices of other banks in the moderate-income tracts. Alternative delivery systems, including online, text, telephone, and mobile banking are readily available to customers throughout this AA.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: Wausau Metropolitan								
Tract Income Level	Branch Offices of other Lenders		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	7	10.0	2,959	1.8	0	0.0	0	0.0
Moderate	13	18.6	17,818	10.9	2	33.3	3	42.9
Middle	44	62.9	116,780	71.4	4	66.7	4	57.1
Upper	6	8.5	25,906	15.8	0	0.0	0	0
NA	0	0	0	0	0	0.0	0	0
Total	70	100.0	163,463	100.0	6	100.0	7	100.0
<i>Source: 2015 ACS Data; Bank Data</i>								

Changes in Branch Locations

The bank has not opened or closed any branches in this AA since the prior evaluation.

Reasonableness of Business Hours and Services

The bank's services and business hours do not vary in a way that inconveniences portions of the AA, particularly to low- or moderate-income geographies or individuals. All of the offices offer drive-up facilities, on premise ATMs, and extended weekday hours. Four of the six offices have Saturday hours. Business hours are convenient and comparable to other local financial institutions.

Community Development Services

IncredibleBank is a leader in providing community development services in the Wausau Metropolitan AA. Bank directors, officers, and employees worked with numerous organizations each year since the last evaluation to provide community development services. Overall, the 116 services and 1,930 hours represent the largest contribution of time and expertise of all qualified service activities performed by the bank at 54.2 and 50.0 percent, respectively. This is a significant dedication of service resources relative to the bank's operations in this AA. The following table depicts the number of services and hours by year and community development category.

Community Development Services					
Assessment Area: Wausau Metropolitan					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 partial year	1 11 hours	19 351 hours	7 132 hours	5 99 hours	32 593 hours
2020	1 13 hours	14 277 hours	9 179 hours	4 57 hours	28 526 hours
2021	1 12 hours	18 339 hours	9 275 hours	4 66 hours	32 692 hours
YTD 2022	1 2 hours	13 76 hours	7 21 hours	3 20 hours	24 119 hours
Total	4 38 hours	64 1,043 hours	32 607 hours	16 242 hours	116 1,930 hours
<i>Source: Bank Data</i>					

Notable examples of IncredibleBank's community development services in this AA include:

- A bank employee is on the Board of an organization that assists start-up and existing businesses with a range of services including advisors, educators, and capital in order to establish practices that lead to the success of the business.
- Several employees participated with an organization that provides financial literacy education to low- and moderate-income children.
- A bank employee is on the Board of a non-profit that provides services to low- and moderate- income children in the AA.
- A bank employee is on the Finance Committee of a local housing authority.
- A bank employee is a member of a non-profit organization that developed a CRA network connecting development organizations with community and economic development projects eligible for CRA credit to potential funders.

NORTHERN REGION NON-METROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NORTHERN REGION NON-METROPOLITAN ASSESSMENT AREA

IncredibleBank operates two branches in this AA and provides the same full range of services and products offered at all branches. The Minocqua branch in Oneida County is located in a middle-income geography, while the Eagle River Branch in Vilas County is located in a moderate-income geography. According to the June 30, 2021 FDIC Summary of Deposits, this AA accounted for 16.6 percent of the bank’s deposits. Additionally, the Northern Region Non-Metropolitan AA included 26.3 percent of the small business loans and 17.1 percent of home mortgage loans originated in the AAs during the evaluation period. Refer to discussions under the Service Test for details regarding the bank’s operations.

Economic and Demographic Data

The AA includes all 19 census tracts in Oneida and Vilas counties (non-metropolitan). Based on 2015 ACS five-year estimates, the census tracts have the following income designations:

- 5 moderate-income census tracts;
- 13 middle-income census tracts; and
- 1 upper-income census tract.

The AA includes three middle-income census tracts in Vilas County that are designated as remote and rural underserved geographies. The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Northern Region Non-Metropolitan						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	19	0.0	26.3	68.4	5.3	0.0
Population by Geography	57,008	0.0	34.4	62.2	3.4	0.0
Housing Units by Geography	55,659	0.0	28.1	69.8	2.1	0.0
Owner-Occupied Units by Geography	20,595	0.0	30.3	66.4	3.3	0.0
Occupied Rental Units by Geography	5,095	0.0	58.2	39.8	2.0	0.0
Vacant Units by Geography	29,969	0.0	21.5	77.2	1.3	0.0
Businesses by Geography	4,865	0.0	40.6	56.6	2.8	0.0
Farms by Geography	178	0.0	21.9	71.9	6.2	0.0
Family Distribution by Income Level	16,379	20.3	22.0	22.2	35.4	0.0
Household Distribution by Income Level	25,690	25.0	19.2	18.9	36.9	0.0
Median Family Income Non-MSAs – WI		\$60,742	Median Housing Value			\$192,964
			Median Gross Rent			\$701
			Families Below Poverty Level			8.0%
Source: 2015 ACS and 2021 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.						

According to 2021 D&B data, service industries represent the largest portion of businesses and farms at 37.9 percent; followed by retail trade at 17.1 percent; construction at 11.6 percent; and non-classifiable establishments at 9.7 percent. In addition, 65.4 percent of AA businesses have four or fewer employees, and 87.3 percent operate from a single location.

The following table presents the low-, moderate-, middle-, and upper-income levels for the non-metropolitan areas of Wisconsin.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
WI NA Median Family Income (99999)				
2020 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
2021 (\$69,600)	<\$34,800	\$34,800 to <\$55,680	\$55,680 to <\$83,520	≥\$83,520
Source: FFIEC				

Competition

The AA is a competitive market for financial services. According to the FDIC Deposit Market Share data as of June 2021, there were 10 financial institutions operating 27 full-service branch

locations in the AA. Of these institutions, IncredibleBank ranked third with 13.8 percent market share.

There is a high level of competition for home mortgage loans in the AA. Based on 2020 HMDA aggregate data, 335 lenders originated 4,889 home mortgage loans in the AA. Of those lenders, IncredibleBank ranked fifth with 5.9 percent of the home mortgage market share. The top three lenders accounted for 27.5 percent of the market share.

Aggregate small business loan data from 2020 illustrates a high level of competition for small business loans. In 2020, 50 lenders required to report small business loan data reported 1,858 small business loan originations in the AA. Of those lenders, Incredible Bank ranked first with 20.1 percent of the small business market share.

Credit and Community Development Needs and Opportunities

Home mortgage and small business loans represent the primary credit needs of the AA. Flexible financing for small business loans, particularly those for start-up businesses, and home mortgage loans are in demand. The volume of housing units, the concentration of businesses with GARs of \$1 million or less, and the large number of businesses with four or fewer employees support the opportunity for such lending activity. Community development needs include affordable housing, economic development, and revitalization and stabilization.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NORTHERN REGION NON-METROPOLITAN ASSESSMENT AREA

LENDING TEST

Lending Activity

IncredibleBank's lending levels reflect good responsiveness to AA credit needs when taking into account the number and dollar amount of home mortgage and small business loans originated in this AA. The bank originated 155 home mortgage loans in 2019, 285 in 2020, and 186 in 2021. IncredibleBank's market rank was sixth and fifth in 2019 and 2020, respectively. For small business loans, the bank originated 99, 373, and 241 loans in 2019, 2020, and 2021, respectively. Per peer data, IncredibleBank ranked fifth of all CRA reporters in this AA in 2019 and first in 2020.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the AA. The bank's performance in home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans demonstrates good penetration throughout the AA. The following table shows the bank's lending performance in the moderate-income tracts is comparable to aggregate data and generally consistent with demographics.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Northern Region Non-Metropolitan						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Moderate						
2019	30.3	24.8	39	25.2	7,314	24.4
2020	30.3	26.2	78	27.4	15,867	25.9
2021	30.3	--	49	26.3	10,044	25.9
Middle						
2019	66.4	72.3	114	73.5	21,901	73.0
2020	66.4	71.2	204	71.6	44,458	72.6
2021	66.4	--	135	72.6	28,566	73.6
Upper						
2019	3.3	2.9	2	1.3	784	2.6
2020	3.3	2.7	3	1.1	888	1.5
2021	3.3	--	2	1.1	198	0.5
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	155	100.0	29,999	100.0
2020	100.0	100.0	285	100.0	61,213	100.0
2021	100.0	--	186	100.0	38,808	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 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 demonstrates good penetration throughout the AA. The following table shows the bank's lending performance in the moderate-income tracts is

similar to aggregate data with 2019 lending matching aggregate data and 2020 slightly trailing it. The bank's performance remained consistent in 2021.

Geographic Distribution of Small Business Loans						
Assessment Area: Northern Region Non-Metropolitan						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Moderate						
2019	40.1	34.3	34	34.3	3,058	22.8
2020	40.4	33.7	110	29.5	6,977	28.7
2021	40.6	--	75	31.1	4,786	21.8
Middle						
2019	57.0	64.5	65	65.7	10,331	77.2
2020	56.7	65.1	263	70.5	17,361	71.3
2021	56.6	--	165	68.5	17,120	78.1
Upper						
2019	2.9	1.2	0	0.0	0	0.0
2020	2.9	1.3	0	0.0	0	0.0
2021	2.8	--	1	0.4	21	0.1
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	99	100.0	13,389	100.0
2020	100.0	100.0	373	100.0	24,338	100.0
2021	100.0	--	241	100.0	21,927	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different sizes. The bank's home mortgage and small business lending performance supports this conclusion.

Home Mortgage Loans

IncredibleBank's performance in originating home mortgage loans to borrowers of different income levels is good. As reflected in the following table, although the bank's lending to low-income borrowers trailed demographics, it exceeded aggregate data. The lending performance to moderate-income borrowers also exceeded aggregate data, but trailed demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Northern Region Non-Metropolitan						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	20.3	4.9	11	7.1	1,164	3.9
2020	20.3	4.2	16	5.6	1,675	2.7
2021	20.3	--	16	8.6	1,569	4.0
Moderate						
2019	22.0	12.9	25	16.1	2,908	9.7
2020	22.0	12.0	38	13.3	5,324	8.7
2021	22.0	--	30	16.1	3,911	10.1
Middle						
2019	22.2	16.9	35	22.6	5,655	18.9
2020	22.2	17.8	71	24.9	11,839	19.3
2021	22.2	--	43	23.1	7,726	19.9
Upper						
2019	35.4	49.0	66	42.6	15,932	53.1
2020	35.4	55.2	135	47.4	37,193	60.8
2021	35.4	--	88	47.3	23,043	59.4
Not Available						
2019	0.0	16.3	18	11.6	4,340	14.5
2020	0.0	10.8	25	8.8	5,182	8.5
2021	0.0	--	9	4.8	2,559	6.6
Totals						
2019	100.0	100.0	155	100.0	29,999	100.0
2020	100.0	100.0	285	100.0	61,213	100.0
2021	100.0	--	186	100.0	38,808	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The bank's distribution of small business loans reflects good penetration of loans to businesses with revenues of \$1 million or less. Despite the bank's performance lagging the business demographic data, it was consistent with or better than aggregate data and increased from 2020 to 2021.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Northern Region Non-Metropolitan						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	82.9	59.6	70	70.7	7,045	52.6
2020	82.3	55.0	194	52.0	8,143	33.5
2021	82.2	--	163	67.6	8,943	40.8
>\$1,000,000						
2019	5.4	--	28	28.3	6,264	46.8
2020	5.3	--	53	14.2	7,217	29.7
2021	5.2	--	53	22.0	11,924	54.4
Revenue Not Available						
2019	11.7	--	1	1.0	80	0.6
2020	12.4	--	126	33.8	8,978	36.9
2021	12.6	--	25	10.4	1,060	4.8
Totals						
2019	100.0	100.0	99	100.0	13,389	100.0
2020	100.0	100.0	373	100.0	24,338	100.0
2021	100.0	--	241	100.0	21,927	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

IncredibleBank makes extensive use of innovative or flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies and small businesses. The following table details the bank's innovative or flexible lending activities in this AA.

Innovative or Flexible Lending Programs – Northern Region Non-Metropolitan AA										
Type of Program	2019 (partial)		2020		2021		2022 (YTD)		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
USDA Rural Housing	6	910	1	82	3	386	0	0	10	1,378
WHEDA Advantage	1	72	1	148	0	0	0	0	2	220
VA	4	853	2	283	3	605	1	175	10	1,916
FHA	1	190	1	60	0	0	0	0	2	250
Fannie Mae Home Ready/Freddie Mac Home Possible	5	507	3	269	4	634	0	0	12	1,410
SBA	2	1,711	2	622	2	2,410	0	0	6	4,743
PPP	0	0	279	12,933	149	6,543	0	0	428	19,476
Fresh Start	2	2	2	1	1	1	1	1	6	5
Totals	21	4,245	291	14,398	162	10,579	2	176	476	29,398
<i>Source: Bank Data</i>										

The bank utilizes a number of government guaranteed programs to help meet the credit needs of individuals and small businesses. In addition, the bank maintains two small dollar loan programs designed to help individuals when they are in financially vulnerable positions. One such program is the Fresh Start Program, which allows customers that have already overdrawn their accounts the opportunity to pay back the amount over a period of time, while maintaining their checking account.

Community Development Loans

IncredibleBank is a leader in originating community development loans in this AA. Since the last evaluation, the bank extended 16 loans totaling \$35.6 million. This represents 2.0 percent of total assets and 2.8 percent of total loans, as well as 10.8 percent of the bank's total qualified lending activity. This volume is consistent with the size of IncredibleBank's operations in the Northern Region Non-Metropolitan AA. Of the 16 loans, nine were for the purpose of revitalizing or stabilizing, four were for the purpose of economic development, and three were for affordable housing. The following table shows the bank's community development lending activity in this AA.

Community Development Lending – Northern Region Non-Metropolitan AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (partial)	1	277	0	0	1	1,172	3	6,256	5	7,705
2020	1	1,018	0	0	0	0	2	8,868	3	9,886
2021	1	125	0	0	2	4,900	4	11,710	7	16,735
YTD 2022	0	0	0	0	1	1,255	0	0	1	1,255
Total	3	1,420	0	0	4	7,327	9	26,834	16	35,581
<i>Source: Bank Records</i>										

Notable examples of community development loans within this AA include:

- \$2.4 million line of credit to the City of Eagle River to finance road improvements and sewer systems located in moderate-income census tracts. This facilitates the improvements of essential infrastructures in a moderate-income census tract.
- \$5.7 million loan to the City of Minocqua to refinance debt used to construct the fire department and do road improvements in a township that includes a portion of a moderate-income census tract and services LMI residents. This provides revitalization and stabilization to the area.
- \$1.0 million loan to a company in Minocqua, Wisconsin to purchase a 20-unit apartment complex and provide affordable housing for LMI residents.

INVESTMENT TEST

Investment and Grant Activity

IncredibleBank has an adequate level of qualified community development investments and donations, although rarely in a leadership position. Since the last evaluation, the bank made 65 qualified development investments, grants, and donations totaling \$519,000. The total represents 4.2 percent of the total qualified activity specifically invested in the four AAs. This level of investment activity, while low, is greater by dollar volume than the level at the last evaluation and similar to the percentage of total qualified investments in the four AAs. In 2022, the bank purchased a \$425,000 bond, the purpose of which was to pay for the Town of Boulder Junction's broadband project. This new communication infrastructure project serves the needs of a rural, underserved middle-income CT. The remaining qualified investments consisted of donations made to various qualifying organizations in the bank's AA.

Of the four AAs, the ability to obtain community development investments is the most difficult in the Northern Region Non-Metropolitan AA due to strong competition in the markets in which the bank has a branch as well as the small size of the communities and an overall lack of opportunities. As in the other AAs, the bank maintains relationships with several community development organizations in order to better meet the community development needs in the AA. Several members of the bank's staff, management team, and Directorate are involved in organizations to which the bank makes charitable grants and donations. The following table provides additional details regarding the bank's qualified investment activity for the evaluation period.

Qualified Investments – Northern Region Non-Metropolitan Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
2019 Partial Year	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	0	0	1	425	1	425
Subtotal	0	0	0	0	0	0	1	425	1	425
Qualified Grants & Donations	0	0	41	74	0	0	23	20	64	94
Total	0	0	41	74	0	0	24	445	65	519
<i>Source: Bank Data</i>										

Notable examples of community development investments made within this AA during the evaluation period include:

- In 2020, the bank donated \$5,000 to Feed Our Rural Kids. This organization provides nutritional support to school aged children within the Northland Pines School district during the summer months and breaks from school when kids do not have access to weekend backpack programs. These were funds the bank applied for and received from the FHLB Targeted Impact Fund to help populations hardest hit by COVID-19.
- Each year, IncredibleBank matches community contributions up to \$3,000 to support services for youth on either the federal free or reduced lunch program. The bank also matches community contributions up to \$3,000 to the same organization for the food pantry.

Responsiveness to Credit and Community Development Needs

The bank's investment performance exhibits adequate responsiveness to credit and community development needs. The bank's one current period investment is targeted at providing infrastructure improvements, specifically broadband access, to a rural community in northern Wisconsin. Also, prior to the last performance evaluation, the bank invested in an affordable housing bond, which did partially benefit the Northern Region Non-Metropolitan AA. Because the bank cannot identify how much of the current balance is still secured by properties in this AA, the entire balance of the bond was identified as benefiting the statewide area. Further, through several donations, the bank continues to demonstrate responsiveness to community development needs in this AA. Annually, the bank provides a \$3,000 matching donation to support an area food pantry and provides a matching donation to the same organization that benefits kids receiving free or reduced lunch. These donations are responsive to the needs of the most economically disadvantaged families and individuals in the AA.

Community Development Initiatives

IncredibleBank occasionally uses innovative and/or complex investments and donations to support community development initiatives. The investment and donations made during this review period are of the variety that are typical of community banks in the AA.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's AA. IncredibleBank has two full service banking offices in this AA, including branches in Minocqua (Oneida County) and Eagle River (Vilas County). Due to the addition of Lincoln County to the Wausau MSA, the Merrill and Tomahawk branches, which used to be part of this AA, are now included in the Wausau Metropolitan AA for analysis. Both locations have drive-up facilities, on premise ATMs, and Saturday hours. The bank also provides access to a surcharge-free ATM network making it easier to access ATMs inside and outside of the AA. Alternative delivery systems, including online, text, telephone, and mobile banking, are readily available to customers throughout this AA.

The bank's Eagle River branch is located in a moderate-income tract, while the Minocqua location is in a middle-income tract, but adjacent to a second moderate-income tract and near a third moderate-income tract. As reflected in the following table, the concentration of branches in the moderate-income tracts, at 50.0 percent, is consistent with the concentration of other bank locations in moderate-income tracts, and higher than the percentage of the population in those geographies. Two of the moderate-income tracts in this AA are approximately 25 miles from the nearest bank branch. While both branches are accessible to businesses and individuals in these moderate-income tracts, these groups are likely served by the five branches of other institutions located in Rhinelander.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: Northern Region Non-Metropolitan								
Tract Income Level	Branch Offices of other Lenders		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	18	60.0	19,628	34.4	1	50.0	1	50.0
Middle	12	40.0	35,459	62.2	1	50.0	1	50.0
Upper	0	0.0	1,921	3.4	0	0.0	0	0.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total	30	100.0	57,008	100.0	2	100.0	2	100.0
<i>Source: 2015 ACS Data; Bank Data</i>								

Changes in Branch Locations

IncredibleBank has not opened or closed any branches in this AA

Reasonableness of Business Hours and Services

The bank's services and business hours do not vary in a way that inconveniences any portion of the AA, particularly moderate-income geographies or low- or LMI individuals. Both offices offer drive-up facilities, on premise ATMs, Saturday hours, and extended weekday hours. Business

hours are considered convenient and comparable to other local financial institutions.

Community Development Services

IncredibleBank has provided an adequate level of services in this AA. Since the prior evaluation, the bank provided 228 hours of community development services to 18 organizations, which represents 8.4 and 5.9 percent of the bank's total qualified activity, respectively. This performance is significantly lower than the 42 organizations and 1,053 hours recorded at the prior evaluation. Part of the decrease in services is due to the Merrill and Tomahawk branches now being analyzed under the Wausau Metropolitan AA. These two offices accounted for 21 services and 330 hours during this evaluation period. Additionally, the Eagle River Market Manager left the bank in early 2020 and it has been a long process for the new market manager to become as involved in the community given various restrictions resulting from the COVID-19 pandemic. The following table illustrates the number of services and hours by year and community development purpose.

Community Development Services					
Assessment Area: Northern Region Non-Metropolitan					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (partial year)	0 0 hours	2 29 hours	2 19 hours	1 14 hours	5 62 hours
2020	0 0 hours	2 10 hours	2 58 hours	1 27 hours	5 95 hours
2021	0 0 hours	1 2 hours	3 51 hours	0 0 hours	4 53 hours
YTD 2022	0 0 hours	1 1 hour	0 0 hours	3 17 hours	4 18 hours
Total	0 0 hours	6 42 hours	7 128 hours	5 58 hours	18 228 hours
<i>Source: Bank Data</i>					

Notable examples of the bank's community development services in this AA include:

- A bank employee serves on the Fundraising Committee of an organization that provides essential services to low-income seniors in Vilas County. The organization's building needed to be demolished, and the group has worked to rebuild the center to resume operations and revitalize a blighted parcel. The center is located in a moderate-income tract.
- Two bank employees continue to serve on the Board and various committees of a downtown revitalization organization. These efforts attract residents and visitors to the downtown area, helping the local economy. Small business counseling is also available through this program.
- A bank officer served on the board, finance and building committees of the Walter E. Olsen Memorial Library Foundation. The foundation is the primary fundraising entity for the expansion of the library that will provide free educational services in a moderate-income geography and to the underserved middle-income census tracts of Vilas County.
- A bank employee was a committee member of a collaborative group of banks in Eagle River that raised funds to support various organizations throughout Vilas County that provide food to low- and moderate-income individuals and families.

MADISON METROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MADISON METROPOLITAN ASSESSMENT AREA

This AA includes one branch in a Madison suburb (Middleton) that is located in an upper-income census tract. IncredibleBank offers a full range of products and services at this location. According to the June 30, 2021 FDIC Summary of Deposits, this AA accounted for 2.4 percent of the bank’s deposits. Additionally, the Madison Metropolitan AA included 4.9 percent of the small business loans and 4.7 percent of home mortgage loans originated in the AAs during the evaluation period. Refer to discussions under the Service Test for details regarding the bank’s operations.

Economic and Demographic Data

The AA includes all 107 census tracts in Dane County (Madison, WI MSA). Based on 2015 ACS five-year estimates, the census tracts have the following designations:

- 4 low-income census tracts;
- 17 moderate-income census tracts;
- 51 middle-income census tracts;
- 29 upper-income census tracts; and
- 6 census tracts with no income designation.

The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Madison Metropolitan						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	107	3.7	15.9	47.7	27.1	5.6
Population by Geography	510,198	4.2	12.3	51.1	28.9	3.6
Housing Units by Geography	220,503	3.6	13.6	52.2	28.2	2.3
Owner-Occupied Units by Geography	122,677	0.8	8.8	57.5	32.9	0.0
Occupied Rental Units by Geography	88,437	7.5	20.0	45.1	22.1	5.3
Vacant Units by Geography	9,389	3.2	17.0	50.7	24.3	4.7
Businesses by Geography	39,622	2.5	13.3	49.0	33.0	2.2
Farms by Geography	1,657	0.7	5.4	56.5	37.0	0.4
Family Distribution by Income Level	122,178	19.1	16.6	22.6	41.7	0.0
Household Distribution by Income Level	211,114	23.0	16.5	18.4	42.1	0.0
Median Family Income MSA - 31540 Madison, WI MSA		\$81,321	Median Housing Value			\$238,128
			Median Gross Rent			\$944
			Families Below Poverty Level			6.5%
Source: 2015 ACS and 2021 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.						

According to 2021 D&B data, service industries represent the largest portion of businesses at 44.9 percent; followed by non-classifiable establishments 12.4 percent; retail trade at 11.8 percent; and finance, insurance, and real estate at 10.1 percent. In addition, 64.4 percent of AA businesses have four or fewer employees, and 87.4 percent operate from a single location.

The following table presents the low-, moderate-, middle-, and upper-income levels for the MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Madison, WI MSA Median Family Income (31540)				
2020 (\$96,600)	<\$48,300	\$48,300 to <\$77,280	\$77,280 to <\$115,920	≥\$115,920
2021 (\$99,000)	<\$49,500	\$49,500 to <\$79,200	\$79,200 to <\$118,800	≥\$118,800
<i>Source: FFIEC</i>				

Competition

The AA is a highly competitive market for financial services. According to the FDIC Deposit Market Share data as of June 2021, there were 35 financial institutions operating 145 full-service

branch locations in the AA. Of these institutions, IncredibleBank ranked 33rd with 0.2 percent market share.

There is a high level of competition for home mortgage loans in the AA. Based on 2020 HMDA aggregate data, 418 lenders originated 40,488 home mortgage loans in the AA. Of those lenders, IncredibleBank ranked 50th with 0.2 percent of the home mortgage market share. The top three lenders accounted for 47.9 percent of the market share.

Aggregate small business loan data from 2020 illustrates a high level of competition for small business loans. In 2020, 119 lenders required to report small business loan data reported 7,848 small business loan originations in the AA. Of those lenders, Incredible Bank ranked 21st with 0.8 percent of the small business market share. The top three lenders accounted for 38.7 percent of the small business lending market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit needs. Examiners used information from a contact at an economic development organization that serves south-central Wisconsin, including Dane County.

The contact stated that Dane County's primary industries are government, education, hospitals, and biotechnology. She noted that Dane County weathered the pandemic better than surrounding areas and recovered faster as well. The contact commented that there is high demand for housing, which has led to increases in prices. She noted that new construction homes in Dane County generally exceed \$400,000, which is not affordable for most people. Additionally, the contact stated that there is a need for more small business funding, including startup funding and equity for businesses to close funding for projects. The contact said that primary needs include economic development for small businesses, more affordable housing, and services/support for the homeless.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans represent a primary credit need for the assessment area. There is a particular need for covering the funding gaps that start-ups and other small businesses experience. The significant percentage of businesses with GARs of \$1 million or less and the percentage of businesses with four or fewer employees support this conclusion. Additionally, there is a significant community development need for affordable housing in the assessment area. The median housing values for the area and the low availability of housing stock support this conclusion. Other community development needs include economic development, revitalization and stabilization, and community services to LMI individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MADISON METROPOLITAN ASSESSMENT AREA

LENDING TEST

Lending Activity

IncredibleBank's lending levels reflect good responsiveness to AA credit needs when taking into account the number and dollar amount of home mortgage and small business loans originated in this AA. The bank originated 36 home mortgage loans in 2019, 91 in 2020, and 44 in 2021.

IncredibleBank's market rank was 63rd and 50th in 2019 and 2020, respectively. For small business loans, the bank originated 24, 59, and 50 loans in 2019, 2020, and 2021, respectively. Per peer data, IncredibleBank ranked 27th of all CRA reporters in this AA in 2019 and 21st in 2020.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the AA. The bank's performance in home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans demonstrates adequate penetration throughout the AA. The following table shows the bank's lending performance in the low-income tracts is comparable to demographic and aggregate data. The lending performance in moderate income-tracts is also generally similar to demographic and aggregate data, but with the bank's lending showing a downward trend.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Madison Metropolitan						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.8	0.9	0	0.0	0	0.0
2020	0.8	0.6	0	0.0	0	0.0
2021	0.8	--	0	0.0	0	0.0
Moderate						
2019	8.8	8.4	5	13.9	1,411	13.2
2020	8.8	7.2	6	6.6	1,375	5.6
2021	8.8	--	2	4.5	746	6.5
Middle						
2019	57.5	55.7	14	38.9	3,936	36.8
2020	57.5	54.7	48	52.7	11,900	48.4
2021	57.5	--	23	52.3	5,031	43.6
Upper						
2019	32.9	35.0	17	47.2	5,344	50.0
2020	32.9	37.5	37	40.7	11,320	46.0
2021	32.9	--	19	43.2	5,775	50.0
Not Available						
2019	0.0	0.1	0	0.0	0	0.0
2020	0.0	0.1	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	36	100.0	10,692	100.0
2020	100.0	100.0	91	100.0	24,596	100.0
2021	100.0	--	44	100.0	11,551	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 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 demonstrates adequate penetration throughout the AA. The following table shows the bank's lending performance in the low-income tracts is slightly below, but comparable to aggregate and demographic data. Lending in moderate-income tracts falls below both demographics and aggregate data for all years, but is especially low for 2019 and 2021. While examiners would typically consider the disparity between the bank's results and the comparative data to be poor, the proximity of the bank's office to several moderate-income tracts mitigates the concerns. The bank's office is located in an upper-income census tract in a suburb of Madison. The location is in relatively close proximity to only two of the 17 moderate-

income census tracts. Additionally, there are several other financial institutions with locations in or nearby the moderate-income tracts.

Geographic Distribution of Small Business Loans						
Assessment Area: Madison Metropolitan						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	2.4	1.6	0	0.0	0	0.0
2020	2.4	1.9	0	0.0	0	0.0
2021	2.5	--	0	0.0	0	0.0
Moderate						
2019	13.4	12.1	1	4.2	50	1.1
2020	13.4	14.2	6	10.2	806	8.1
2021	13.3	--	1	2.0	189	2.0
Middle						
2019	48.4	50.0	7	29.2	2,295	52.7
2020	48.6	48.1	26	44.1	5,219	52.5
2021	49.0	--	16	32.0	3,712	39.4
Upper						
2019	33.5	34.7	16	66.7	2,008	46.1
2020	33.3	34.1	25	42.4	3,325	33.4
2021	33.0	--	31	62.0	5,211	55.2
Not Available						
2019	2.3	1.6	0	0.0	0	0.0
2020	2.3	1.8	2	3.4	593	6.0
2021	2.2	--	2	4.0	320	3.4
Totals						
2019	100.0	100.0	24	100.0	4,353	100.0
2020	100.0	100.0	59	100.0	9,943	100.0
2021	100.0	--	50	100.0	9,432	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, adequate penetration among retail customers of different income levels and business customers of different sizes. The bank's home mortgage lending performance primarily supports this conclusion.

Home Mortgage Loans

IncredibleBank's performance in originating home mortgage loans to borrowers of different income levels is adequate. As reflected in the following table, the bank's lending to low-income borrowers trailed demographics and was slightly below aggregate data in 2019 and 2020 but improved to 9.1 percent in 2021. The lending performance to moderate-income borrowers was comparable to aggregate and demographic data in 2019 and 2020 but fell to 9.1 percent in 2021.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Madison Metropolitan						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	19.1	6.7	1	2.8	140	1.3
2020	19.1	5.6	4	4.4	591	2.4
2021	19.1	--	4	9.1	453	3.9
Moderate						
2019	16.6	19.3	7	19.4	1,398	13.1
2020	16.6	18.9	16	17.6	3,376	13.7
2021	16.6	--	4	9.1	854	7.4
Middle						
2019	22.6	25.9	11	30.6	3,107	29.1
2020	22.6	25.4	19	20.9	5,327	21.7
2021	22.6	--	12	27.3	2,735	23.7
Upper						
2019	41.7	40.0	15	41.7	5,156	48.2
2020	41.7	41.7	48	52.7	14,561	59.2
2021	41.7	--	20	45.5	6,495	56.2
Not Available						
2019	0.0	8.1	2	5.6	891	8.3
2020	0.0	8.4	4	4.4	741	3.0
2021	0.0	--	4	9.1	1,015	8.8
Totals						
2019	100.0	100.0	36	100.0	10,692	100.0
2020	100.0	100.0	91	100.0	24,596	100.0
2021	100.0	--	44	100.0	11,551	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The bank's distribution of small business loans reflects poor penetration of loans to businesses with revenues of \$1 million or less. As reflected in the following table, the bank's performance steadily increased during the evaluation period; however, it is significantly below both aggregate lending data and demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Madison Metropolitan						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	82.2	49.9	4	16.7	587	13.5
2020	82.2	38.7	16	27.1	1,496	15.0
2021	82.1	--	20	40.0	1,973	20.9
>\$1,000,000						
2019	6.4	--	18	75.0	3,677	84.5
2020	6.2	--	18	30.5	4,502	45.3
2021	6.1	--	26	52.0	7,134	75.6
Revenue Not Available						
2019	11.4	--	2	8.3	89	2.0
2020	11.6	--	25	42.4	3,945	39.7
2021	11.8	--	4	8.0	325	3.4
Totals						
2019	100.0	100.0	24	100.0	4,353	100.0
2020	100.0	100.0	59	100.0	9,943	100.0
2021	100.0	--	50	100.0	9,432	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

IncredibleBank made extensive use of innovative or flexible lending programs and practices to address the credit needs of low- and moderate-income individuals or geographies. Since the previous evaluation, the number of loans originated under these programs in this AA increased from five to 71, and the dollar volume increased by approximately \$13.0 million. The majority of the bank's applicable loans were part of the PPP, as shown in the following table.

Innovative or Flexible Lending Programs – Madison Metropolitan AA										
Type of Program	2019 (partial)		2020		2021		2022 (YTD)		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
WHEDA Advantage	0	0	0	0	1	127	0	0	1	127
Fannie Mae Home Ready/Freddie Mac Home Possible	0	0	1	57	0	0	0	0	1	57
SBA	2	360	3	5,430	2	670	0	0	7	6,460
PPP	0	0	37	4,025	25	2,924	0	0	62	6,949
Totals	2	360	41	9,512	28	3,721	0	0	71	13,593
<i>Source: Bank Data</i>										

Community Development Loans

IncredibleBank is a leader in originating community development loans in this AA. Since the last evaluation, the bank extended six loans totaling \$23.8 million. This represents 1.3 percent of total assets and 1.9 percent of total loans, as well as 7.2 percent of the bank's total qualified lending activity. This volume is consistent with the size of IncredibleBank's operations in the Madison Metropolitan AA. Of the six loans, four were for the purpose of economic development, one was for revitalizing or stabilizing, and one was for affordable housing. Since the previous evaluation, the number of community development loans in this AA increased from one to six and the dollar volume increased by approximately \$9.3 million. The following table shows the bank's community development lending activity in this AA.

Community Development Lending – Madison Metropolitan AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (partial)	1	768	0	0	0	0	1	800	2	1,568
2020	0	0	0	0	3	8,835	0	0	3	8,835
2021	0	0	0	0	0	0	0	0	0	0
YTD 2022	0	0	0	0	1	13,355	0	0	1	13,355
Total	1	768	0	0	4	22,190	1	800	6	23,758
<i>Source: Bank Records</i>										

Notable examples of community development loans within this AA include:

- \$4.9 million SBA loan to refinance equipment debt. The savings provided support during economic hardship caused by the COVID-19 pandemic, including support for job retention for LMI individuals.
- \$13.4 million loan extension that funded the construction of a 136-room hotel in Verona with a restaurant and bar. The hotel employs 17 individuals, a majority of which is LMI.

INVESTMENT TEST

Investment and Grant Activity

The bank has a significant level of qualified community development investments and grants in this AA. IncredibleBank made 36 qualified community development investments and grants totaling \$4.0 million in the Madison Metropolitan AA. This level of qualified investments and donations is significantly higher than the \$1.3 million the bank at the previous evaluation. The bank continues to hold two bonds totaling \$712,000, which were originated prior to the current evaluation. Both bonds are for affordable housing purposes. The qualified investment activity in this AA represents 32.6 percent of the bank's total investment activity assigned to an AA.

As with the other two AAs in the State of Wisconsin, the bank continues to maintain relationships with several community development organizations to better meet the community development needs in the AA. Several members of the bank's staff are involved in organizations to which the bank makes charitable donations and grants. The following table summarizes the bank's investment and grant activity by year and community development purpose.

Qualified Investments –Madison Metropolitan AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	712	0	0	0	0	0	0	2	712
2019 Partial year	0	0	0	0	1	40	0	0	1	40
2020	1	1,371	0	0	1	33	0	0	2	1,404
2021	1	1,321	0	0	1	14	0	0	2	1,335
YTD 2022	0	0	1	465	0	0	0	0	1	465
Subtotal	4	3,404	1	465	3	87	0	0	8	3,956
Qualified Grants & Donations	0	0	24	20	4	5	0	0	28	25
Total	4	3,404	25	485	7	92	0	0	36	3,981
<i>Source: Bank Data</i>										

Notable investments and donations within this AA include:

- In 2020 and 2021, the bank purchased two affordable housing bonds (one each year) totaling \$2.7 million. Both bonds were secured by home mortgage loans to low- and moderate-income borrowers in Dane County. Examiners identified affordable housing as a community credit need in this AA.
- In 2019, 2020, and 2021, IncredibleBank provided \$40,000, \$32,500, and \$14,379, respectively, to the Madison Development Corporation Venture Debt Fund. This fund provides critical financing to emerging growth companies in Dane County.

Responsiveness to Credit and Community Development Needs

IncredibleBank demonstrates good responsiveness to credit and community development needs within this AA. Opportunities for community development investments are greater in this AA due

to the larger size of Madison and the surrounding communities in Dane County. However, competition from nationwide and regional banks for these investments is strong.

Community Development Initiatives

IncredibleBank occasionally uses innovative and/or complex investments to support community development initiatives. The investments purchased in this market are varieties typically held by community banks, including loan funds, mortgage-backed securities, and donations.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to all portions of this AA. This AA includes all 107 CTs in Dane County. IncredibleBank has one branch in this AA, in an upper-income tract in a suburb of Madison and is in relatively close proximity to two of the 17 moderate-income tracts and one of the four low-income tracts. This office has a drive-up, on premise ATM, and Saturday hours. The usual array of alternative delivery systems including online, text, telephone, and mobile banking are readily available to customers throughout this AA. The bank also provides access to a surcharge-free ATM network making it easier to access ATMs inside and outside of the AA.

Changes in Branch Locations

IncredibleBank has not opened or closed any branches in this AA

Reasonableness of Business Hours and Services

The bank's services and business hours do not vary in a way that inconveniences portion of the AA, particularly moderate-income geographies or low- or moderate-income individuals. The single office in this AA offers a drive-up facility, on premise ATM, Saturday hours, and extended weekday hours. Business hours are convenient and comparable to other local financial institutions.

Community Development Services

Considering the extent of bank operations in this AA, IncredibleBank provides an adequate level of community development services. Since the prior evaluation, the bank provided 316 hours of community development services to 17 organizations, representing 7.9 and 8.2 percent of the bank's total qualified activities, respectively. This level of activity is similar to the 18 organizations at the prior evaluation and is up from the 222.5 hours recorded at the last evaluation. The following table illustrates the number of services and hours by year and community development purpose.

Community Development Services Assessment Area: Madison Metropolitan					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (partial year)	0 0 hours	1 22 hours	2 23 hours	0 0 hours	3 45 hours
2020	0 0 hours	2 108 hours	2 32 hours	0 0 hours	4 140 hours
2021	0 0 hours	1 36 hours	5 44 hours	0 0 hours	6 80 hours
YTD 2022	0 0 hours	2 42 hours	2 9 hours	0 0 hours	4 51 hours
Total	0 0 hours	6 208 hours	11 108 hours	0 0 hours	17 316 hours
<i>Source: Bank Data</i>					

Notable examples of community development services in this AA include:

- A bank employee is on the Board of a workforce development organization that develops partnerships with business, education, and workforce partners to ensure responsiveness to the evolving needs of businesses, workers and the communities they serve. This organization also works with at-risk youth to help them gain the skills needed to obtain and maintain jobs.
- A bank employee is a Loan Committee member of an economic development organization's Venture Debt Program.
- A bank employee is on the Board of an organization that provides free therapy to abused or neglected children. One hundred percent of youth come from LMI households.

STATE OF MICHIGAN

CRA RATING FOR MICHIGAN: OUTSTANDING

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MICHIGAN

IncredibleBank designated one AA within the State of Michigan, the Michigan Non-Metropolitan AA. IncredibleBank operates six branches in this AA. Each office provides the full range of products and services offered by the bank. Refer to the Service Test for details regarding the bank's operations in this AA.

Economic and Demographic Data

The Michigan Non-Metropolitan AA includes all 73 census tracts in Baraga, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Marquette, Ontonagon, Florence (WI), and Iron (WI) counties. It also includes two census tracts in Alger County (MI) and one census tract in Marinette County (WI). Because of their proximity to the state line and two branch offices, the bank's inclusion of the Wisconsin census tracts in the Michigan Non-Metropolitan AA is not considered to extend substantially beyond the state's border. Based on the 2015 ACS five-year estimates, the census tracts have the following income designations:

- 9 moderate-income census tracts;
- 45 middle-income census tracts;
- 12 upper-income census tracts; and
- 10 census tracts with no income designation.

The AA includes 17 distressed or underserved non-metropolitan middle-income geographies. This includes two census tracts in Alger County, two census tracts in Baraga County, six census tracts in Gogebic County, one census tract in Keweenaw County, two census tracts in Ontonagon County, two census tracts in Florence County, and two census tracts in Iron County (WI). The following table illustrates select demographic characteristics of the AA.

Demographic Information of the Assessment Area						
Assessment Area: Michigan Non-Metropolitan						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	76	0.0	11.8	59.2	15.8	13.2
Population by Geography	193,615	0.0	14.1	62.2	22.5	1.2
Housing Units by Geography	117,389	0.0	12.4	69.9	17.5	0.2
Owner-Occupied Units by Geography	59,306	0.0	11.1	68.5	20.3	0.0
Occupied Rental Units by Geography	19,253	0.0	24.0	48.7	26.8	0.5
Vacant Units by Geography	38,830	0.0	8.8	82.4	8.5	0.3
Businesses by Geography	12,727	0.0	11.2	63.1	25.2	0.5
Farms by Geography	430	0.0	8.1	71.2	20.7	0.0
Family Distribution by Income Level	47,214	18.6	17.9	23.0	40.5	0.0
Household Distribution by Income Level	78,559	26.4	16.8	18.1	38.7	0.0
Median Family Income Non-MSAs – MI		\$53,628	Median Housing Value			\$109,923
Median Family Income Non-MSAs – WI		\$60,742	Median Gross Rent			\$604
			Families Below Poverty Level			9.7%
Source: 2015 ACS and 2021 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.						

According to 2021 D&B data, service industries represent the largest portion of businesses and farms at 40.9 percent; followed by retail trade at 14.4 percent; non-classifiable establishments at 10.5 percent; and finance, insurance, and real estate at 7.6 percent. In addition, 64.0 percent of assessment area businesses have four or fewer employees, and 85.3 percent operate from a single location.

The following table presents the low-, moderate-, middle-, and upper-income levels for the non-metropolitan areas of Michigan and Wisconsin.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
MI NA Median Family Income (99999)				
2020 (\$60,900)	<\$30,450	\$30,450 to <\$48,720	\$48,720 to <\$73,080	≥\$73,080
2021 (\$62,900)	<\$31,450	\$31,450 to <\$50,320	\$50,320 to <\$75,480	≥\$75,480
WI NA Median Family Income (99999)				
2020 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
2021 (\$69,600)	<\$34,800	\$34,800 to <\$55,680	\$55,680 to <\$83,520	≥\$83,520
<i>Source: FFIEC</i>				

Competition

The AA is a competitive market for financial services. According to the FDIC Deposit Market Share data as of June 2021, there were 15 financial institutions, operating 78 full-service branch locations in the AA. Of these institutions, IncredibleBank ranked second, with 12.6 percent market share.

There is a high level of competition for home mortgage loans in the AA. Based on 2020 HMDA aggregate data, 302 lenders originated 5,384 home mortgage loans in the AA. Of those lenders, IncredibleBank ranked second with 14.7 percent of the home mortgage market share. The top lender accounted for 18.7 percent of the market share.

Aggregate small business loan data from 2020 illustrates a high level of competition for small business loans. In 2020, 61 lenders required to report small business loan data reported 2,656 small business loan originations in the AA. Of those lenders, Incredible Bank ranked second with 14.7 percent of the small business market share. The top lender accounted for 16.3 percent of the small business lending market share.

Credit and Community Development Needs and Opportunities

Considering demographic and economic data, examiners determined that small business and home mortgage loans represent primary credit needs for the AA. Despite the competition for such loans, both loan products are in great demand. On the business side, many census tracts in this AA are either moderate-income or underserved/distressed middle-income geographies, with loans needed to revitalize or stabilize the areas. Further, due to the more rural and somewhat more depressed economic conditions, Rural Housing, first time homebuyer, and low down payment home mortgage loans are in high demand. Throughout the entire AA, the Michigan AA originates 67.8 percent of the bank's Rural Development loans, equating to 82 loans totaling \$9.3 million.

SCOPE OF EVALUATION – MICHIGAN

Examiners based the rating for the State of Michigan on the full-scope evaluation of the bank's performance in the Michigan Non-Metropolitan AA. The bank's rating within the State of Michigan carries slightly less weight in the overall bank rating. Six of the bank's 15 offices are located in the State of Michigan. As of the June 30, 2021 FDIC Summary of Deposits, 29.8 percent of the bank's total deposits were obtained from customers in the Michigan AA. Additionally, of the loans originated in the AAs during the evaluation period, the Michigan Non-Metropolitan AA included 28.6 percent of the small business loans and 47.2 percent of home mortgage loans.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MICHIGAN

LENDING TEST

Lending Activity

The bank's lending levels reflect excellent responsiveness to the credit needs in this AA, taking into account the number and amount of home mortgage and small business loans originated in this AA. Of the loans originated in the AAs, IncredibleBank originated nearly half of the combined home mortgage loans and over a fourth of small business loans in this AA.

The bank originated 401 home mortgage loans in 2019, 793 in 2020, and 535 in 2021. IncredibleBank's market rank was first and second in 2019 and 2020, respectively. For small business loans, the bank originated 115, 387, and 273 loans in 2019, 2020, and 2021, respectively. Per peer data, IncredibleBank ranked seventh of all CRA reporters in this AA in 2019 and second in 2020.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the AA. The bank's performance in home mortgage and small business lending supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans demonstrates good penetration throughout the AA. The following table shows the bank's lending performance in the moderate-income census tracts is slightly below demographics, but is comparable to aggregate data.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Michigan Non-Metropolitan						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Moderate						
2019	11.1	8.6	30	7.5	3,942	6.1
2020	11.1	7.1	52	6.6	5,293	4.1
2021	11.1	--	48	9.0	5,918	6.5
Middle						
2019	68.5	66.2	204	50.9	25,200	38.7
2020	68.5	60.2	363	45.8	50,544	38.9
2021	68.5	--	276	51.6	39,327	43.3
Upper						
2019	20.3	25.2	167	41.6	35,930	55.2
2020	20.3	32.7	378	47.7	74,087	57.0
2021	20.3	--	211	39.4	45,605	50.2
Not Available						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	401	100.0	65,072	100.0
2020	100.0	100.0	793	100.0	129,924	100.0
2021	100.0	--	535	100.0	90,850	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 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 demonstrates good penetration throughout the AA. Although 2019 lending was below demographics and aggregate data, the bank's performance trended upward and improved in the following years. Specifically, in 2020 and 2021, the bank's performance was comparable to, or better than, demographics and aggregate data.

Geographic Distribution of Small Business Loans						
Assessment Area: Michigan Non-Metropolitan						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	0.0	0.0	0	0.0	0	0.0
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Moderate						
2019	13.1	11.6	7	6.1	672	4.2
2020	13.0	11.7	50	12.9	4,662	11.7
2021	11.2	--	38	13.9	3,370	9.9
Middle						
2019	61.8	60.9	77	67.0	10,575	66.2
2020	61.4	56.0	172	44.4	15,855	39.9
2021	63.1	--	137	50.2	19,096	56.3
Upper						
2019	24.5	27.4	31	27.0	4,726	29.6
2020	25.1	32.3	165	42.6	19,192	48.3
2021	25.2	--	98	35.9	11,479	33.8
Not Available						
2019	0.7	0.1	0	0.0	0	0.0
2020	0.6	0.0	0	0.0	0	0.0
2021	0.5	--	0	0.0	0	0.0
Totals						
2019	100.0	100.0	115	100.0	15,973	100.0
2020	100.0	100.0	387	100.0	39,709	100.0
2021	100.0	--	273	100.0	33,945	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different sizes. The bank's small business lending performance primarily supports this conclusion.

Home Mortgage Loans

IncredibleBank's performance in originating home mortgage loans to borrowers of different income levels is adequate. As reflected in the following table, the bank's lending to low-income borrowers

trails demographics, but is generally comparable to aggregate data. The lending performance to moderate-income borrowers is generally consistent with both demographics and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Michigan Non-Metropolitan						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2019	18.6	7.4	17	4.2	1,065	1.6
2020	18.6	5.1	32	4.0	2,283	1.8
2021	18.6	--	25	4.7	1,844	2.0
Moderate						
2019	17.9	17.0	63	15.7	6,302	9.7
2020	17.9	14.5	116	14.6	12,385	9.5
2021	17.9	--	88	16.4	9,736	10.7
Middle						
2019	23.0	22.7	103	25.7	13,612	20.9
2020	23.0	22.0	167	21.1	23,150	17.8
2021	23.0	--	160	29.9	22,209	24.4
Upper						
2019	40.5	40.7	199	49.6	39,603	60.9
2020	40.5	46.4	439	55.4	86,452	66.5
2021	40.5	--	234	43.7	50,193	55.2
Not Available						
2019	0.0	12.3	19	4.7	4,490	6.9
2020	0.0	12.0	39	4.9	5,654	4.4
2021	0.0	--	28	5.2	6,867	7.6
Totals						
2019	100.0	100.0	401	100.0	65,072	100.0
2020	100.0	100.0	793	100.0	129,924	100.0
2021	100.0	--	535	100.0	90,850	100.0
Source: 2015 ACS; Bank Data, 2019 & 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The bank's distribution of small business loans reflects good penetration of loans to businesses with GARs of \$1 million or less. Overall, the bank's performance compared reasonably to aggregate data with some fluctuations. In 2019, the bank's performance exceeded aggregate data by 5.8 percent. In 2020, the bank's performance slightly trailed aggregate data by 5.9 percent; however,

2021 showed improvement as the bank's lending increased to 53.8 percent. The bank's performance compared to demographics is lagging. However, examiners give less weight to this comparison, as this figure does not represent the percentage of businesses seeking financing. Additionally, many of the smallest businesses have a greater tendency to finance business needs with alternative forms of credit (such as credit cards and home equity lines), affecting the demand for traditional commercial financing. Overall, the bank's performance reflects good penetration.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Michigan Non-Metropolitan						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2019	77.9	52.5	67	58.3	7,727	48.4
2020	79.1	52.4	180	46.5	10,730	27.0
2021	79.6	--	147	53.8	9,514	28.0
>\$1,000,000						
2019	6.4	--	43	37.4	7,806	48.9
2020	6.0	--	70	18.1	14,272	35.9
2021	5.7	--	94	34.4	21,799	64.2
Revenue Not Available						
2019	15.7	--	5	4.3	440	2.8
2020	15.0	--	137	35.4	14,707	37.0
2021	14.7	--	32	11.7	2,632	7.8
Totals						
2019	100.0	100.0	115	100.0	15,973	100.0
2020	100.0	100.0	387	100.0	39,709	100.0
2021	100.0	--	273	100.0	33,945	100.0
Source: 2019, 2020 & 2021 D&B Data; Bank Data; 2019 & 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

IncredibleBank made extensive use of innovative or flexible lending programs and practices to address the credit needs of low- and moderate-income individuals or geographies. Since the previous evaluation, the number of loans originated under these programs in this AA increased from 350 to 624, and the dollar volume increased by \$19.5 million.

In particular, the bank makes extensive use of the USDA Rural Housing Program, originating 82 loans during the evaluation period totaling \$9.3 million. This program helps low- and moderate-income borrowers finance homes in eligible rural areas.

Innovative or Flexible Lending Programs – Michigan Non-Metropolitan AA										
Type of Program	2019 (partial)		2020		2021		2022 (YTD)		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
USDA Rural Housing	30	3,241	28	3,323	18	2,018	6	694	82	9,276
VA	13	2,570	4	657	6	1,093	2	545	25	4,865
FHA	17	2,570	2	241	5	794	4	388	28	3,993
Fannie Mae Home Ready/Freddie Mac Home Possible	14	1,254	8	757	14	1,367	4	442	40	3,820
SBA	0	0	2	978	0	0	1	1,255	3	2,233
PPP	0	0	264	24,647	158	14,382	0	0	422	39,029
USDA Business and Industry	1	9,688	1	1,500	1	500	0	0	3	11,688
PAL\$	0	0	1	4	0	0	1	1	2	5
Fresh Start	4	5	3	2	9	5	3	1	19	13
Totals	79	19,328	313	32,109	211	20,159	21	3,326	624	74,922
<i>Source: Bank Data</i>										

Community Development Loans

IncredibleBank is a leader in originating community development loans in this AA. Since the last evaluation, the bank extended 21 loans totaling \$42.2 million, which is similar to the number of community development loans in this AA at the prior evaluation. This represents 2.4 percent of total assets and 3.4 percent of net loans, as well as 12.8 percent of the bank's total qualified lending activity. This volume is generally consistent with the size of IncredibleBank's operations in the Michigan Non-Metropolitan AA. Of the 21 loans, eight were for the purpose of revitalizing or stabilizing, seven were for economic development, two were for community services, and four were for affordable housing. The following table shows the bank's community development lending activity in this AA.

Community Development Lending – Michigan Non-Metropolitan AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019 (partial)	1	210	0	0	1	475	3	11,263	5	11,948
2020	0	0	1	1,487	1	3,197	4	5,428	6	10,112
2021	2	624	1	2,670	4	13,240	1	1,500	8	18,034
YTD 2022	1	560	0	0	1	1,590	0	0	2	2,150
Total	4	1,394	2	4,157	7	18,502	8	18,191	21	42,244
<i>Source: Bank Records</i>										

Notable examples of community development loans within this AA include:

- \$1.6 million to purchase a commercial strip mall, which supports permanent job retention for LMI individuals.
- \$3.2 million to construct a parking structure in a local TIF district dedicated to supporting a

vibrant downtown economy while rehabilitating a former brownfield site.

INVESTMENT TEST

Investment and Grant Activity

IncredibleBank has an excellent level of qualified community development investments and donations in this AA. The bank made 111 qualified community development investments and grants, totaling \$4.1 million. This level of qualified investments and donations is higher than the \$2.4 million at the previous evaluation. With the exception of one bond for \$70,000 purchased before the prior evaluation, all investments and donations are new during this review period. Overall, this level of community development investment activity represents 33.3 percent of the total qualified activity maintained in IncredibleBank's AAs.

Bank officers and employees maintain relationships with several community development organizations to which the bank makes charitable donations and grants. These relationships help the bank to better determine the community development needs of the communities within which the bank has branches. The following table provides additional details regarding the qualified investment activity in this AA by year and community development purpose.

Qualified Investments – Michigan Non-Metropolitan Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	1	70	1	70
2019 Partial Year	0	0	1	498	0	0	0	0	1	498
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	1	450	1	500	2	1,805	4	2,755
YTD 2022	0	0	1	588	0	0	0	0	1	588
Subtotal	0	0	3	1,536	1	500	3	1,875	7	3,911
Qualified Grants & Donations	1	1	83	118	5	3	15	40	104	162
Total	1	1	86	1,654	6	503	18	1,915	111	4,073
<i>Source: Bank Data</i>										

Notable examples of community development investments and donations include:

- In 2021, the bank made a \$500,000 investment through Solomon Hess SBA Loan Fund in an SBA loan for one business in this AA.
- In 2021, the bank purchased a \$765,000 bond, which supported development of an underutilized waterfront in a moderate-income CT in the bank's AA.
- The bank made three serial donations of \$10,000 each focused on a sled-dog race that attracts more than 5,000 visitors annually to Calumet, Eagle River and Copper Harbor, Michigan. The race starts and ends in downtown Calumet a moderate-income tract with overnight stops in Eagle River and Copper Harbor both of which are located in a distressed middle-income tract. The event generates hotel stays and tourism spending that makes a

substantial impact on the local economy.

Responsiveness to Credit and Community Development Needs

IncredibleBank demonstrated excellent responsiveness to credit and community development needs within this AA. Opportunities for community development investments exist in this AA, but they are relatively limited. Further, competition from national or regional banks for these investments is strong.

Community Development Initiatives

IncredibleBank occasionally uses innovative and/or complex investments to support community development initiatives. The investments extended in this market are of the variety typically held by community banks, including loan funds and donations.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the bank's AA. IncredibleBank has six full-service banking offices in this AA in Calumet (Houghton County), Houghton (Houghton County), Ironwood (Gogebic County), Iron Mountain (Dickinson County) and two in Marquette (Marquette County). Each location has drive-up facilities and an on premise ATM, and five of the six locations have Saturday hours. IncredibleBank also provides access to a surcharge-free ATM network, which broadens availability inside and outside of the AA. Alternative delivery systems including mobile, online, telephone, and text banking are readily available to all customers 24 hours-a-day, seven days-a-week at no cost to the bank's customers.

As reflected in the following table, one branch in this AA (Calumet) is located in a moderate-income tract. Three offices are located very near or adjacent to a moderate-income tract. The remaining two offices are located in middle-income CTs, but are reasonably accessible to individuals and businesses in the low- and moderate-income tracts.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: Michigan Non-Metropolitan								
Tract Income Level	Branch Offices of other Lenders		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	13	13.1	27,316	14.1	1	16.7	1	16.7
Middle	65	65.7	120,410	62.2	2	33.3	2	33.3
Upper	20	20.2	43,539	22.5	3	50.0	3	50.0
NA	1	1.0	2,350	1.2	0	0.0	0	0.0
Total	99	100.0	193,615	100.0	6	100.0	6	100.0
<i>Source: 2015 ACS Data; Bank Data</i>								

Changes in Branch Locations

The bank has not opened or closed any branches in this AA

Reasonableness of Business Hours and Services

IncredibleBank's services and business hours do not vary in a way that inconveniences portions of its AA, particularly low- and moderate-income geographies or low- or moderate-income individuals. All of the offices have drive-up facilities, on premise ATMs, and extended weekday hours. Business hours are convenient and comparable to other local financial institutions.

Community Development Services

The bank is a leader in providing community development services in the Michigan Non-Metropolitan AA. Bank directors, officers, and employees have worked with multiple organizations during the evaluation period to provide these services. Since the prior evaluation, the bank provided community development services to 52 organizations, totaling 1,239 hours. This level of activity is an increase from the previous evaluation when bank employees provided services to 50 organizations, totaling 965 hours. This activity represents 25.6 percent of community development service activities by number and 33.2 percent by hours. The following table shows the number of services and hours by year and community development purpose.

Community Development Services					
Assessment Area: Michigan Non-Metropolitan					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019 (partial year)	1 14 hours	10 278 hours	2 24 hours	2 50 hours	15 366 hours
2020	1 13 hours	6 238 hours	3 54 hours	1 6 hours	11 311 hours
2021	1 2 hours	9 308 hours	2 49 hours	2 28 hours	14 387 hours
YTD 2022	0 0 hours	9 143 hours	2 18 hours	1 14 hours	12 175 hours
Total	3 29 hours	34 967 hours	9 145 hours	6 98 hours	52 1,239 hours
<i>Source: Bank Data</i>					

Notable examples of community development services since the prior evaluation include:

- A bank employee was a presenter at a financial literacy expo and discussed the use of Health Savings Accounts for long-term savings and budgeting.
- Two bank employees were on the Board of an economic development organization in Marquette County.
- A bank employee was on the Board of a Housing Commission, which owned one public housing facility with 89 units for low- and moderate-income families.
- A bank employee was on the Board of a family resource center for LMI families.

APPENDICES

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

IncredibleBank	
Scope of Examination: Full scope reviews were performed on the following assessment areas within the noted rated areas: State of Wisconsin: Wausau Metropolitan Assessment Area Northern Region Non-Metropolitan Assessment Area Madison Metropolitan Assessment Area State of Michigan: Michigan Non-Metropolitan Assessment Area	
Time Period Reviewed:	4/15/19 to 6/13/22
Products Reviewed: Home mortgage loans: [time period reviewed (1/1/19 – 12/31/21)] Small business loans: [time period reviewed (1/1/19 – 12/31/21)]	

List of Assessment Areas and Type of Evaluation			
Rated Area/ Assessment Area	Type of Evaluation	Branches Visited	Other Information
Wisconsin:			
Wausau Metropolitan	Full-Scope	None	None
Northern Region Non-Metropolitan	Full-Scope	None	None
Madison Metropolitan	Full-Scope	None	None
Michigan:			
Michigan Non-Metropolitan	Full-Scope	None	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Wisconsin	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Michigan	Outstanding	Outstanding	High Satisfactory	Outstanding

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. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank 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 bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank'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 bank's assessment area(s) or a broader statewide or regional area including the bank'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 bank'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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.