



PUBLIC DISCLOSURE

June 09, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Baraboo National Bank
Charter Number 14397

101 3rd Avenue
Baraboo, WI 53913

Office of the Comptroller of the Currency

Schaumburg Field Office
Two Century Centre
1700 E. Golf Road, Suite 800
Schaumburg, IL 60173-5804

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, 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.

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

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors that support the bank's rating include:

- The geographic distribution of loans within the assessment areas (AAs) demonstrates reasonable dispersion among geographies of different income levels.
- The borrower distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes within the AAs.
- The loan-to-deposit ratio is reasonable relative to the bank's financial condition and performance context.
- A substantial majority of lending is originated within the bank's AAs.
- The bank's community development (CD) performance demonstrates an adequate responsiveness to CD credit needs.

Scope of Evaluation

This Performance Evaluation (PE) assesses the Community Reinvestment Act (CRA) performance of The Baraboo National Bank (BNB). The evaluation covers the period from April 25, 2011 to June 9, 2015. We used the Federal Financial Institutions Examination Council (FFIEC) Intermediate Small Bank procedures to complete our assessment. The Lending Test analyzed the bank's primary loan products, home mortgage and small business, from January 1, 2013 through December 31, 2014. The CD Test covered qualified CD loans, investments, and services during the entire evaluation period.

We performed a full-scope analysis of the bank's two largest AAs, which accounted for 95 percent of the bank's total deposits:

- The Non-Metropolitan Statistical Area (Non-MSA) AA, which combines the Baraboo Non-MSA AA and the Northwoods Non-MSA AA.
- The Columbia County AA, which is part of the Madison WI Metropolitan Statistical Area (MSA).

Due to branch sales, BNB significantly reduced its AAs during the evaluation period. As such, we reviewed each year individually for each full-scope AA, with more weight placed on the Non-MSA AA as the vast majority of the bank's lending activity occurred in that area.

The bank's other AA, the Fond du Lac MSA AA, received a limited-scope review. See the Description of AA section for additional information.

Prior to this evaluation, examiners validated the accuracy of the bank's Home Mortgage Disclosure Act (HMDA) data for 2013 and 2014. Additionally, examiners reviewed a sample of business loans from bank reports to ensure accuracy in order to evaluate small business lending performance. No material errors were noted for either the HMDA or small business loan data. As such, we used all HMDA-reportable data for analysis of home loan products (purchase, improvement, and refinance). To evaluate small business lending, we used bank-provided reports as well as a random sample of business loans. We reviewed the bank's loans, investments, and services that met the regulatory definitions to be considered qualified as CD from a list of bank-provided CD activities.

Under the lending test we evaluated both primary loan products for each full scope area. The residential lending performance was given more weight in our overall conclusions for the bank's CRA performance due to the significantly higher volume of residential lending done during the evaluation period.

Description of Institution

BNB is an intrastate financial institution headquartered in Baraboo, Wisconsin. The bank is a wholly owned subsidiary of Baraboo Bancorporation, Inc., a one-bank holding company also located in Baraboo, Wisconsin. The bank operates primarily as a commercial lender and offers traditional banking products and services. BNB currently has 11 offices throughout central Wisconsin and operates 19 ATM terminals. The bank has branches in Baraboo, Lake Delton, Wonewoc, Portage, Reedsburg, Elcho, and Fond du Lac. All offices are located in middle-income census tracts, except for the Portage branch, which is in a moderate-income geography within the Columbia County AA.

The bank's total assets amounted to \$435 million as of December 31, 2014. Net loans totaled \$284 million or 67 percent of total assets. The loan portfolio composition has remained relatively unchanged since the last evaluation. The portfolio consists of commercial (63 percent), residential (24 percent), construction (7 percent), consumer (4 percent), agricultural (1.5 percent), and other loans (0.5 percent). Since the last performance evaluation, the bank has closed two branches (Rock Springs and Minocqua) and sold four branches (Rhineland, Green Lake, and two in Viroqua). The bank also closed eight ATM terminals. These branches and ATMs were sold or closed for strategic business purposes. None of the closures were in low- or moderate-income areas.

The bank is under a Consent Order issued January 9, 2013 by the Office of the Comptroller of the Currency (OCC). The Consent Order and the bank's financial

condition during this time have contributed to lower lending levels. At the most recent CRA evaluation dated April 25, 2011, the bank received an overall Outstanding rating.

Description of Assessment Areas

BNB identified four AAs in 2013: Baraboo, Northwoods, Columbia County, and Fond du Lac.

- The Baraboo AA includes all of Sauk, Juneau, Richland, Monroe, Adams, Wood, Marquette, Green Lake, Jackson, Crawford, and Vernon Counties.
- The Northwoods AA includes all of Oneida, Langlade, Menominee, Shawano, Forest, Lincoln, Price, and Vilas Counties.
- The Columbia County AA includes all of Columbia County in the Madison WI MSA # 31540.
- The Fond du Lac AA includes all of Fond du Lac County in the Fond du Lac WI MSA # 22540.

Due to branch sales, the bank significantly reduced its Baraboo AA and Northwoods AAs in 2014.

- The 2014 Baraboo AA includes only Sauk, Juneau, and Adams Counties.
- The 2014 Northwoods AA includes only Langlade County.
- The 2014 Columbia County and Fond du Lac AAs did not change from 2013.

The bank's AAs are reasonable and comply with regulatory requirements. The AAs are located in the bank's primary service area, made up of whole geographies, and do not arbitrarily exclude low- or moderate-income geographies. The Office of Management and Budget revised Metropolitan Areas and CT geographic definitions and boundaries effective January 1, 2014. These changes did not affect BNB's AAs.

Areas Receiving Full-Scope Review

Non-MSA AA (Baraboo and Northwoods combined)

2013

The Non-MSA AA represents the majority of the bank's deposits (88 percent and HMDA lending activity (91 percent). In 2013, this AA consisted of 19 counties and 145 census tracts. The table below provides demographic information on the AA based on 2010 U.S. Census data.

Demographic Information for Full-Scope Area: WI NonMSA 2013 - Combined 19 counties					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	145	0.69	13.10	81.38	4.83
Population by Geography	524,071	0.26	12.69	82.08	4.97
Owner-Occupied Housing by Geography	171,558	0.09	11.80	82.93	5.18
Business by Geography (2013)	39,851	0.05	13.42	81.96	4.57
Family Distribution by Income Level	151,030	19.42	19.66	24.55	36.37
Median Family Income (MFI) FFIEC Adjusted Median Family Income for 2013		57,384 58,600	Median Housing Value Families Below Poverty Level		142,327 8.14%

Source: 2010 U.S. Census and 2013 FFIEC updated MFI

Competition in the Non-MSA AA remains strong. Based on FDIC deposit market share data as of June 30, 2013, there are 78 federally insured financial institutions in the 19 counties of the AA. BNB’s market share of 5.9 percent ranks the bank third by deposits in the market area.

2014

The Non-MSA AA still includes the Baraboo and Northwoods AAs, but the AA changed significantly from 2013. For 2014, the AA only includes four counties and 33 census tracts. The table below shows demographic information on the smaller AA based on 2010 U.S. Census data.

Demographic Information for Full-Scope Area: WI NonMSA 2014 - Combined 4 counties					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	33	0.00	18.18	75.76	6.06
Population by Geography	129,492	0.00	17.98	72.97	9.05
Owner-Occupied Housing by Geography	41,996	0.00	17.00	74.78	8.23
Business by Geography	7,586	0.00	20.68	70.06	9.25
Family Distribution by Income Level	37,228	18.46	19.89	24.88	36.77
Median Family Income FFIEC Adjusted Median Family Income for 2014		57,005 60,600	Median Housing Value Families Below Poverty Level		141,754 7.63%

Source: 2010 US Census and 2014 FFIEC updated MFI

Competition in the Non-MSA AA remains strong given the combination of credit unions and national, regional, community banks in the area. Even with the reduction in census tracts, 24 federally insured financial institutions remain within the bank’s four-county AA. BNB’s market share of 16.3 percent ranks the bank first by deposits in the market area.

In both 2103 and 2014, owner–occupied housing represented roughly 57 percent of the housing stock. Major industries within the AA include tourism (Wisconsin Dells), retail

trade, and agriculture. Our community contact interviews indicated that the economy continues to show positive trends in line with broad-based recovery rates. Identified credit needs by the community contacts we made during this valuation continue to be for affordable housing and small business lending. Unemployment rates continue to decline. Per the Bureau of Labor Statistics, the annual unemployment rate in Wisconsin fell from 6.8 percent in 2013 to 5.5 percent in 2014.

Columbia County AA

2013 and 2014

The Columbia County AA represents the bank’s second largest market by deposits (8 percent and includes all of Columbia County within the Madison WI MSA. The AA consists of 12 census tracts. The 2014 AA did not change in terms of census tracts from 2013. The demographic data in the table below is based on 2010 census data, unless otherwise noted.

Demographic Information for Full-Scope Area: Madison MSA - Columbia County 2013-2014					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	12	0.00	25.00	75.00	0.00
Population by Geography	56,833	0.00	28.28	71.72	0.00
Owner-Occupied Housing by Geography	17,315	0.00	20.47	79.53	0.00
Business by Geography in 2013	3,680	0.00	33.91	66.09	0.00
Business by Geography in 2014	3,182	0.00	34.85	65.15	0.00
Family Distribution by Income Level for 2013	15,728	23.95	22.76	26.61	26.67
Family Distribution by Income Level for 2014	15,728	23.31	22.20	26.52	27.97
Median Family Income (2010)		78,201	Median Housing Value (2010)		176,892
FFIEC Adjusted Median Family Income for 2013		80,900	Families Below Poverty Level (2010)		4.87%
FFIEC Adjusted Median Family Income for 2014		81,200			

Source: 2010 U.S. Census, 2013 and 2014 FFIEC updated MFI

Owner-occupied housing accounted for 67 percent of the housing stock. Major industries include tourism (State Capital), retail trade, and agriculture. The local economy continues to improve. Per the Bureau of Labor Statistics, the 2013 annual unemployment in Columbia County totaled 6.5 percent compared to the statewide unemployment rate of 6.8 percent.

Areas Receiving Limited-Scope Review

Fond du Lac AA

2013 and 2014

The Fond du Lac AA represents the smallest market by deposits (4 percent) and includes all of Fond du Lac County in the Fond du Lac WI MSA. The AA consists of 20 census tracts. The 2014 AA did not change in terms of census tracts from 2013. The 2014 demographic data in the table below is based on 2010 census data, unless otherwise noted.

Demographic Information for Limited-Scope Area: Fond du Lac MSA 2014					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts/BNAs)	20	0.00	15.00	80.00	5.00
Population by Geography	101,633	0.00	12.31	79.11	8.58
Owner-Occupied Housing by Geography	29,363	0.00	6.15	85.44	8.42
Business by Geography (2014)	5,035	0.00	18.29	75.51	6.20
Family Distribution by Income Level	27,406	17.50	18.65	26.85	37.01
Median Family Income FFIEC Adjusted Median Family Income for 2014		64,173 66,800	Median Housing Value Families Below Poverty Level		144,929 6.30%

Source: 2010 US Census and 2014 FFIEC updated MFI

Owner-occupied housing accounted for 67 percent of the housing stock. Major industries include tourism, retail trade, and agriculture. The local economy continues to improve, with slightly higher than broad-based recovery rates.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the lending test is Satisfactory.

The bank's overall loan-to-deposit ratio is reasonable. BNB originates a substantial majority of its loans inside its designated AAs. The borrower and geographic distribution for residential loans is reasonable. The borrower and geographic penetration for small business loans is also reasonable.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is reasonable given the bank's financial condition, competitive landscape, and lending opportunities within the AAs. As of March 31, 2015, BNB's average quarterly loan-to deposit ratio since the last evaluation totaled

77 percent. This is above the peer average of 74 percent. BNB is ranked sixth of sixteen when compared to peer banks within the AAs. Peer banks' average loan-to-deposit ratios ranged from 49 to 101 percent. Proximity was the primary basis when determining peer banks. Asset size for the peer bank group ranged from \$1,374 million to \$33 million.

Lending in Assessment Area

BNB originates a substantial majority of its loans to borrowers inside the AA. The bank originated 89 percent by number and 85 percent by dollar amount within the AA. See Table 1 below for details.

Table 1 -- Lending in AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	
Home Purchase	166	83.00	34	17.00	200	30,295	86.92	4,556	13.08	34,851
Home Improvement	103	97.17	3	2.83	106	8,679	94.51	504	5.49	9,183
Home Refinance	423	92.15	36	7.85	459	46,258	88.38	6,084	11.62	52,342
Small Business	187	83.11	38	16.89	225	65,501	80.28	16,082	19.72	81,583
Total	879	88.79	111	11.21	990	150,733	84.70	27,226	15.30	177,959

Source: 2013-2014 Home Mortgage Disclosure Act data and bank records (verified by examiners)

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

The distribution of loans reflects reasonable penetration among borrowers of different income and businesses of different sizes.

Full-Scope Areas

Non-MSA AA

Residential Lending

BNB's distribution of residential home loan products for both years demonstrates reasonable penetration among borrowers of different income levels. More weight was given to home refinance conclusions due to the higher volume of such loans originated during the assessment period, followed by home purchase loans

2013

The lending distribution in 2013 is reasonable. Residential loan originations to low-income borrowers for home purchase, home improvement, and home refinance are lower than the percentage of AA low-income families. However, the bank's performance is reasonable considering the percentage of families living below the poverty level. Generally, homeownership is not a viable option for families living below the poverty line.

Residential loan originations to moderate-income borrowers for home purchase are lower than the percentage of moderate-income families in the AA . However, home improvement and home refinance lending exceeds the demographic comparator. See Table 2 below for details.

Table 2 -- Borrower Distribution of Residential Real Estate Loans in Non-MSA AA - 2013								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	19.42	5.88	19.66	14.12	24.55	22.35	36.37	57.65
Home Improvement	19.42	9.52	19.66	25.40	24.55	19.05	36.37	46.03
Home Refinance	19.42	10.00	19.66	23.45	24.55	23.79	36.37	42.76

Source: Home Mortgage Disclosure Act data and U.S. Census Data

2014

The lending distribution in 2014 is reasonable. Residential loan originations to low-income borrowers for home purchase and home improvement are lower than the percentage of AA low-income families. However, the bank’s performance is reasonable when taking into account the percentage of families living below the poverty level . The bank’s residential refinancing lending to low-income borrowers meets the demographic comparator.

Residential loan originations to moderate-income borrowers for home purchase are lower than the percentage of moderate-income families in the AA . However, residential home improvement and home refinance lending exceeds the demographic comparator. See Table 3 below for details.

Table 3 -- Borrower Distribution of Residential Real Estate Loans in Non-MSA AA - 2014								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	18.46	10.00	19.89	12.00	24.88	34.00	36.77	44.00
Home Improvement	18.46	13.33	19.89	33.33	24.88	16.67	36.77	17.21
Home Refinance	18.46	18.42	19.89	23.68	24.88	23.68	36.77	34.21

Source: Home Mortgage Disclosure Act data and U.S. Census Data

Small Business Lending

BNB’s distribution of business loans within the AA reflects reasonable penetration of loans to small businesses.

2013

BNB originated 80.00 percent by number and 88.25 percent by dollar to small businesses in the AA. This performance is satisfactory given that nearly 20 percent of small businesses did not report revenue data. See Table 4 below for details.

Table 4 -- Borrower Distribution of Loans to Businesses-Non-MSA AA - 2013				
Non-Farm Business Revenues	≤ \$1,000,000	> \$1,000,000	Unavailable / Unknown	Total
% of AA Non-Farm Businesses	75.87	4.33	19.81	100
% of Bank Loans in AA by #	80.00	20.00	0.00	100
% of Bank Loans in AA by \$	88.25	11.75	0.00	100

Source: Sample of originations (verified by examiners)

2014

BNB originated 65.00 percent by number and 71.94 percent by dollar to small businesses in the AA. While these percentages are lower than the demographic comparator of 73.82 percent, the performance is considered reasonable. See Table 5 below for details.

Table 5 -- Borrower Distribution of Loans to Businesses-Non-MSA AA - 2014				
Non-Farm Business Revenues	≤ \$1,000,000	> \$1,000,000	Unavailable / Unknown	Total
% of AA Non-Farm Businesses	73.82	6.02	20.16	100
% of Bank Loans in AA by #	65.00	35.00	0.00	100
% of Bank Loans in AA by \$	71.94	28.06	0.00	100

Source: Sample of originations (verified by examiners)

Columbia County AA

Residential Lending

BNB’s distribution of residential home loan products for both years demonstrates overall reasonable penetration within the AA.

2013

Overall, residential lending to low- and moderate-income borrowers is reasonable. For 2013, we placed most weight on home refinance lending as 64 percent of residential loan originations were refinancings.

BNB had no home purchase loan originations to low-income borrowers in 2013. The percentage of home improvement loan originations is lower than the percentage of low-income families in the AA. However, refinance originations to low-income borrowers exceed the percentage of low-income families in the AA.

Originations to moderate-income borrowers for home purchase loans exceed the percentage of moderate-income families in the AA. Home improvement originations to moderate-income borrowers are significantly below the percentage of moderate-income families in the AA. Originations of home refinance loans to moderate-income borrowers are near the percentage of moderate-income families in the AA. See Table 6 below for details.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23.95	0.00	22.76	25.61	26.61	37.50	26.67	37.50
Home Improvement	23.95	14.29	22.76	14.29	26.61	28.57	26.67	42.86
Home Refinance	23.95	37.04	22.76	22.22	26.61	3.70	26.67	37.04

Source: Home Mortgage Disclosure Act data and U.S. Census Data

2014

BNB’s performance for residential lending in 2014 is considered reasonable. For 2014, home purchases and home refinances received equal weight, with no weight given to the only home improvement loan in this AA.

Originations for home purchase loans exceed the percentage of low-income families in the AA and is considered excellent, while the bank’s home refinance lending to low-income borrowers is below the percentage of moderate-income families in the AA but still considered reasonable. Originations to moderate-income borrowers for home purchase and home refinance loans are significantly below the demographics and considered poor. See Table 7 below for details.

Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	23.31	33.33	22.20	8.33	26.52	33.33	27.97	25.00
Home Improvement	23.31	0.00	22.20	0.00	26.52	100.00	27.97	0.00
Home Refinance	23.31	14.29	22.20	7.14	26.52	7.14	27.97	71.43

Source: Home Mortgage Disclosure Act data and U.S. Census Data

Small Business Lending

BNB's distribution of business loans within the Columbia County AA reflects poor penetration.

2013

The borrower distribution of business loans reflects poor penetration in the Columbia County AA. Loans to businesses with revenues of \$1 million or less are significantly below the percentage of non-farm businesses with revenues less than \$1 million in this AA (75.38 percent). See Table 8 below for details.

Table 8 -- Borrower Distribution of Loans to Businesses-Columbia County AA - 2013				
Non-Farm Business Revenues	≤ \$1,000,000	> \$1,000,000	Unavailable / Unknown	Total
% of AA Non-Farm Businesses	75.38	4.67	19.95	100
% of Bank Loans in AA by #	40.00	45.00	15.00	100
% of Bank Loans in AA by \$	21.49	67.34	11.16	100

Source: Sample (verified by examiners)

2014

The borrower distribution of business loans reflects poor penetration to businesses of different sizes. The number of loans extended to businesses with revenues of \$1 million or less is below the percentage of non-farm businesses with revenues less than \$1 million in this AA (74.98 percent). See Table 9 below for details.

Table 9 -- Borrower Distribution of Loans to Businesses-Columbia County AA - 2014				
Non-Farm Business Revenues	≤ \$1,000,000	> \$1,000,000	Unavailable / Unknown	Total
% of AA Non-Farm Businesses	74.98	5.50	19.52	100
% of Bank Loans in AA by #	56.25	43.75	0.00	100
% of Bank Loans in AA by \$	77.37	22.62	0.00	100

Source: Sample (verified by examiners)

Limited-Scope Area

Fond du Lac AA

Based on our limited-scope review of the Fond du Lac AA, the bank's performance under the borrower distribution test is not inconsistent with the bank's overall Satisfactory lending test performance.

Geographic Distribution of Loans

The geographic distribution of loans reflects reasonable dispersion among geographies of different income levels. Greater consideration was given to 2013 conclusions due to higher loan volume and a larger quantity of low- and moderate-income geographies in the bank's larger 2013 AA.

Overall, we did not see evidence of unreasonable exclusion from lending within any low- and moderate-income tracts. There were no unexplained lending gaps within the bank's AAs.

Full Scope Areas **Non-MSA AA**

Residential Lending

The geographic distribution of residential home loans demonstrates reasonable dispersion among geographies of different income levels within the Non-MSA AA.

2013

The geographic distribution of home mortgage loans represents a reasonable dispersion among different income geographies. The bank did not have any residential lending in the AA's only low-income census tract, which contained only 0.09 percent of the AA's owner-occupied housing units. Residential loans originated in moderate-income census tracts for home purchase, home improvement, and home refinance are somewhat lower than the comparator percentage. See Table 10 below for details.

Table 10 - Geographic Distribution of Residential Real Estate Loans in Non-MSA AA - 2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.09	0.00	11.80	10.99	82.93	75.82	5.18	13.19
Home Improvement	0.09	0.00	11.80	9.38	82.93	76.56	5.18	14.06
Home Refinance	0.09	0.00	11.80	7.97	82.93	74.42	5.18	17.61

Source: Home Mortgage Disclosure Act data and U.S. Census Data

2014

The geographic distribution of home mortgage loans represents a very poor dispersion among different income geographies. There are no low- income census tracts within the Non-MSA AA for 2014.

Originations in moderate-income census tracts for home purchase, home improvement, and home refinance are significantly lower than the comparator percentage. See Table 11 below for details.

Table 11 - Geographic Distribution of Residential Real Estate Loans in Non-MSA AA-2014								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	NA	NA	17.00	1.96	74.78	84.31	8.23	13.73
Home Improvement	NA	NA	17.00	0.00	74.78	90.00	8.23	10.00
Home Refinance	NA	NA	17.00	5.19	74.78	81.82	8.23	12.99

Source: Home Mortgage Disclosure Act data and U.S. Census Data

Small Business Lending

The geographic distribution of business loans demonstrates reasonable dispersion among geographies of different income levels within the Non-MSA AA.

2013

The geographic distribution of small business loans demonstrates excellent dispersion among different income geographies in the bank’s Non-MSA AA. The bank did not have any small business lending in the AA’s only low-income geography as it contained only 0.05 percent of the AA’s small businesses. The bank’s small business loans originated in moderate-income census tracts exceeds the demographic comparator (13.42 percent). See Table 12 below for details.

Table 12 - Geographic Distribution of Loans to Businesses in Non-MSA AA - 2013								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business	0.05	0.00	13.42	14.81	81.96	74.07	4.57	11.11

Source: Bank-provided originations list (sample was verified by examiners)

2014

Business lending in 2014 reflects poor performance. The bank’s business lending in moderate-income is significantly below the demographic comparator. See Table 13 below for details.

Table 13 - Geographic Distribution of Loans to Businesses in Non-MSA – 2014								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business	NA	NA	20.68	5.88	70.06	90.20	9.25	3.92

Source: Bank-provided originations list (sample was verified by examiners)

Columbia County AA

As there are no low-income census tracts in the Columbia County AA, our analysis is based on lending in the moderate-income geographies.

Residential Lending

The geographic distribution of residential home loans for both years demonstrates excellent dispersion among geographies of different income levels within the Columbia County AA.

2013

The geographic distribution of home mortgage loans represents excellent dispersion among different income geographies. For 2013, we placed most weight on home refinance lending as 64 percent of residential loan originations were refinancings. Loan originations in moderate-income census tracts for home purchase and home refinance significantly exceeded the demographic comparator. The bank did not make any home improvement loans in moderate-income census tracts during 2013. See Table 14 below for details.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	NA	NA	20.47	37.50	79.53	62.50	NA	NA
Home Improvement	NA	NA	20.47	0.00	79.53	100.00	NA	NA
Home Refinance	NA	NA	20.47	42.86	79.53	57.14	NA	NA

Source: Home Mortgage Disclosure Act data and U.S. Census Data

2014

The geographic distribution of home mortgage loans represents excellent dispersion among different income geographies. For 2014, home purchases and home refinances received equal weight, with no weight given to the only home improvement loan in this AA. Originations in moderate-income census tracts for home purchase and home refinance exceeded the demographic comparator. See Table 15 below for details.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	NA	NA	20.47	50.00	79.53	50.00	NA	NA
Home Improvement	NA	NA	20.47	0.00	79.53	100.00	NA	NA
Home Refinance	NA	NA	20.47	28.57	79.53	71.42	NA	NA

Source: Home Mortgage Disclosure Act data and U.S. Census Data

Small Business Lending

The geographic distribution of business loans for both years demonstrates excellent dispersion among geographies of different income levels within the Columbia County AA.

2013

The geographic distribution of business loans is excellent. The bank’s small business lending in moderate-income geographies exceeded the demographic comparator. See Table 16 below for details.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business	NA	NA	33.91	63.16	66.09	36.84	NA	NA

Source: Bank-provided originations list (sample was verified by examiners)

2014

The geographic distribution of business loans is excellent in this AA. The bank’s small business lending exceeds the demographic comparator. See Table 17 below for details.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business	NA	NA	34.85	43.75	65.15	56.25	NA	NA

Source: Bank-provided originations list (sample was verified by examiners)

Limited-Scope Area

Fond du Lac AA

Based on our limited scope review of the Fond du Lac AA, the bank's performance under the geographic distribution test is not inconsistent with the bank's overall Satisfactory lending test performance.

Responses to Complaints

The bank did not receive any complaints regarding its CRA performance during the current evaluation period.

COMMUNITY DEVELOPMENT TEST

BNB's performance under the CD test is **Satisfactory**.

BNB demonstrates an overall adequate responsiveness to community development needs through qualified CD loans, investments, and services.

Number and Amount of Community Development Loans

The volume and amount of qualified CD lending is adequate. The bank originated 13 CD loans totaling \$8.9 million dollars during the current CD evaluation period. The majority of the CD loans were seven qualified Small Business Administration loans totaling for \$4.3 million. Other qualified lending included construction for a resale store with a primary purpose helping low- to moderate-income persons with employment opportunities as well as providing a needed service in the AA, an operating line of credit for a business incubator association, construction lending for an affordable housing building company, and several Guaranteed Rural Housing program loans.

Number and Amount of Qualified Investments

The level and amount of qualified investments reflects an adequate responsiveness to CD needs. The bank made qualified CD investments through donations totaling \$25 thousand to 30 different CD organizations. Bank employees also participate in a monthly charity fundraiser to benefit local charities. These donations supported affordable housing efforts, community services targeted to low- and moderate-income individuals, and small business economic development.

Extent to Which the Bank Provides CD Services

BNB's level of CD services demonstrates an adequate responsiveness to CD needs. Eight bank officers actively participated in 13 local organizations during the current evaluation period. Several officers served in leadership roles as directors for organizations aimed at providing food, trade training, scholarships, home improvement

assistance, and un/under-insured medical assistance to low - to moderate - income persons/geographies. The bank provides a wide variety of personal and commercial banking solutions at the majority of its full-service branches. One branch is located in a moderate-income census tract.

Responsiveness to CD Needs

BNB demonstrates an adequate responsiveness to the available development needs of its community through qualified CD loans, investments, and services.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.