

PUBLIC DISCLOSURE

July 6, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Great Midwest Bank, S.S.B.
Certificate Number: 29657

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Brookfield, Wisconsin 53005

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and credit needs of the AAs.
- The bank made the majority of its home mortgage loans in the AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of loans to borrowers reflects reasonable penetration among individuals of different incomes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor does not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

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

DESCRIPTION OF INSTITUTION

Great Midwest Bank, S.S.B. (GMB) is a \$926.8 million mutual savings bank headquartered in Brookfield, Wisconsin. The bank operates in Calumet, Dane, Milwaukee, Ozaukee, Washington, and Waukesha Counties in Wisconsin. GMB does not operate under a holding company, nor does it have any subsidiaries or affiliates involved in lending activities. GMB received a Satisfactory rating at its previous FDIC Performance Evaluation, dated May 18, 2020, based on Interagency Intermediate Small Institution Examination Procedures.

GMB operates eight office locations in Wisconsin, located in Bayside, Brookfield, Chilton, Greendale, Greenfield, Hartland, Madison, and West Allis. Of the offices located in Milwaukee, the Bayside and Brookfield offices are both in upper-income census tracts (CTs), the Hartland, and Greenfield offices are both in middle-income CTs, and the Greendale, and West Allis locations are in moderate-income CTs. The office in Chilton is located in a middle-income CT, and the office in Madison is in a low-income CT. The only office not considered full-service is the West Allis

branch, as there is not a loan officer at that location. Each location has a drive-through and ATM. GMB has not closed or opened any locations since the last evaluation.

Residential real estate lending remains GMB’s primary lending focus. This includes in-house adjustable rate mortgages, secondary market fixed rate loans, as well as residential construction, home improvement, home equity loans, and multi-family residential homes. GMB offers adjustable rate mortgages in-house and secondary market options for fixed-rate mortgages. In addition, the bank regularly purchases home mortgage loans from Blue Sky, a mortgage company operating in Colorado. The bank also offers a variety of deposit products and services, including checking, savings, certificates of deposit, and money market accounts. The checking and savings account products include low- and no-minimum balance, as well as low- and no-service charge accounts. GMB also offers several alternative banking options, including no-fee online and mobile banking, bill pay, mobile deposit, online mortgage applications, and access to over 800 free ATMs throughout Wisconsin and Minnesota. All locations have similar hours, with lobby hours and drive-up hours 9 am to 5 pm Monday through Friday, and all but Bayside and Madison having Saturday hours from 9 am to 12 pm.

Assets totaled \$926.8 million as of March 31, 2023, and included total loans of \$819.1 million, and total securities of \$52.1 million. Total assets increased by 9.2 percent, while total loans increased 11.1 percent since the last evaluation dated May 18, 2020. Total deposits equaled \$567.7 million as of March 31, 2023, an increase from \$524.3 million as of the May 18, 2020 evaluation. The following table illustrates the loan portfolio composition as of March 31, 2023.

Loan Portfolio Distribution as of 03/31/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	112,167	13.7
Secured by Farmland	0	0.0
Secured by 1-4 Family Residential Properties	599,505	73.2
Secured by Multifamily (5 or more) Residential Properties	101,393	12.4
Secured by Nonfarm Nonresidential Properties	0	0.0
Total Real Estate Loans	813,065	99.3
Commercial and Industrial Loans	0	0.0
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	6,361	0.7
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	(324)	0.0
Total Loans	819,102	100.0
<i>Source: 3/31/2023 Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affect GMB’s ability to meet AAs credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs to evaluate its CRA performance. GMB’s AAs remain unchanged since the previous evaluation, with three separate AAs defined. The AAs do not arbitrarily exclude any LMI CTs, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulation. The following table presents a brief description of the three AAs. The discussions of demographic and economic information for each AA are in the Description of Institution section.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Milwaukee-Waukesha MSA (Milwaukee AA)	Milwaukee, Ozaukee, Washington, and Waukesha	452	6
Madison MSA (Madison AA)	Dane	125	1
Appleton-Neenah MSA (Appleton AA)	Calumet and Outagamie	58	1
<i>Source: Bank Data</i>			

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation, dated May 18, 2020, to the current evaluation date of July 6, 2023. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate GMB’s CRA performance. These procedures include two tests, the Lending Test and the Community Development Test. The Appendix details the performance criteria for both tests, and the Glossary provides pertinent definitions. Institutions must receive at least a “Satisfactory” rating under each test to obtain an overall “Satisfactory” rating.

The Milwaukee and Madison AAs both received a full-scope review, with the Milwaukee AA weighted more heavily in the conclusions and overall rating due to the greatest level of lending, deposits, community development activities, and offices in the AA. The analysis of the Madison AA received a full-scope review because it has not received one since the 2014 evaluation. The Appleton AA received a limited-scope review, due to this area having the lowest level of lending, deposits, community development activities. This AA received the least amount of weight.

Since the evaluation spanned a timeframe for which different U.S. Census data was available for determining the AA boundaries (including CT designations) and available demographics, examiners used the appropriate data available for each year analyzed. Specifically, 2010 U.S. Census data determined the AA designations for years 2020 and 2021, and the demographic information is from 2015 American Community Survey (ACS) data. For 2022, examiners relied on the 2020 U.S. Census data for both AA designations and relevant demographics.

Activities Reviewed

Based on GMB's business strategy, Call Report data, and the number and dollar volume of loans originated, home mortgage lending continues to be the primary lending focus. No additional loan types represent a major product line, and therefore the performance evaluation only includes home mortgage loans.

This evaluation considers all home mortgage loans reported on GMB's 2020, 2021, and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. GMB reported 1,467 loans, totaling \$515.6 million in 2020, 1,329, totaling \$560.4 million in 2021, and 859, totaling \$454.7 million in 2022. Loans reported in 2020 and 2021 were significantly higher than the 2022 activity given the lower interest rates resulting in an influx of refinances. Examiners conducted individual analysis for each year. Aggregate data provided a standard of comparison for GMB's 2020 and 2021 home mortgage performances, for both Geographic Distribution and Borrower Profile analyses. The 2022 aggregate data is not available yet, therefore, the standard of comparison for Geographic Distribution is 2020 U.S. Census housing data, and the standard of comparison for Borrower Profile is the percent of families at various income level designations based on the 2020 U.S. Census data.

For the Lending Test, examiners review the number and dollar volume of home loans. While examiners present the number and dollar volume, performance emphasis is on the number of loans because the number of loans is a better indicator of the number of individuals served. The Lending Test rating weights Geographical Distribution of loans and Borrower Profile greater than the LTD ratio and the AA concentration. Geographic Distribution of loans and Borrower Profile directly identifies how well the bank serves the traditionally underserved segments of the population (including LMI geographies and families).

For the Community Development Test, bank management provides data on community development loans, qualified investments, and community development services since the prior CRA Evaluation, dated May 18, 2020. Any prior investments remaining on GMB's books as of May 18, 2020 are included at the December 31, 2022 book value.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

GMB demonstrated a "Satisfactory" rating under the Lending Test. Reasonable performance in the Milwaukee, Madison, and Appleton AAs support this conclusion.

Loan-to-Deposit Ratio

GMB's average net LTD ratio is more than reasonable given the institution's size, financial condition, and AA credit needs. The bank's net LTD ratio, calculated from the Call Report data, averaged 123.7 percent over the past 12 quarters from June 30, 2020 to March 31, 2022. The ratio ranges from a low of 107.5 percent in September 2021, to a high of 143.6 percent as of March 31, 2023. Similarly situated institutions (SSIs) had average net LTD ratios ranging from 62.0 percent to

100.3 percent during the same timeframe. Examiners selected comparable institutions based on asset size, geographic location, and loan portfolio.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/2023 (\$000s)	Average Net LTD Ratio (%)
Great Midwest Bank	926,824	123.7
Waukesha State Bank	1,511,704	74.9
Port Washington State Bank	919,279	62.0
The Park Bank Madison	1,405,713	100.3
Westbury Bank	909,997	82.6
<i>Source: Reports of Condition and Income 06/30/2020 through 03/31/2023</i>		

Assessment Area Concentration

The following table illustrates that a majority of originated and purchased home mortgage loans by number and dollar volume are in the bank’s AAs. Management stated the decreasing trend in dollar volume of loans in the AAs is the result of an increase in loan amounts of the purchased loans from Blue Sky due to real estate pricing increasing.

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										
2020	1,156	78.8	311	21.2	1,467	326,077	63.2	189,520	36.8	515,597
2021	958	72.1	371	27.9	1,329	267,800	47.8	292,587	52.2	560,387
2022	627	73.0	232	27.0	859	183,233	40.3	271,512	59.7	454,745
Total	2,741	75.0	914	25.0	3,655	777,110	50.8	753,619	49.2	1,530,729
<i>Source: HMDA 2020-2022.</i>										

Geographic Distribution

The geographic distribution of home mortgages reflects reasonable dispersion throughout the three AAs. The reasonable performance in the Milwaukee, Madison, and Appleton AAs support this conclusion. Examiners analyzed and presented this criterion separately for each AA in the subsequent sections of this evaluation.

Borrower Profile

The distribution of loans to borrowers reflects overall reasonable penetration among individuals of different income levels in the AAs. The consistent performance in all three AAs showing reasonable penetration of home mortgage loans to LMI borrowers support this conclusion.

Examiners analyzed and presented this criterion separately for each AA in the subsequent sections of this evaluation.

Response to Complaints

GMB did not receive any CRA-related complaints during the evaluation period; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

GMB demonstrates adequate responsiveness to the community development needs in its AAs through community development loans, qualified investments, and community development services, considering the institution’s capacity and the need and availability of such opportunities throughout the AAs. The Milwaukee AA performance is the primary support for this conclusion, because it is where the vast majority of all community development activities occurred, and has the most weight assigned for this test. Performance in both the Madison and Appleton AAs are significantly below the Milwaukee AA performance, primarily due to both CRA Officers being located at Milwaukee office locations, as well as the limited branch offices in these AAs. The only community development activities performed in these two AAs include two investments in the Madison AA and two donations in the Appleton AA.

Community Development Loans

GMB originated 11 community development loans, totaling \$28.4 million during the evaluation period, representing 3.1 percent of total assets and 3.5 percent of total net loans based on March 31, 2023 Call Report. Of these, nine loans, totaling \$21.2 million were originated in the Milwaukee AA, and the remaining two loans, totaling \$7.2 million were originated in the broader statewide or regional area (BSRA); there were no community development loans originated in the Madison or Appleton AAs. All community development loans were for affordable housing. Details of the bank’s community development lending by year and category follow.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	3	2,747	-	-	-	-	-	-	3	2,747
2021	4	7,955	-	-	-	-	-	-	4	7,955
2022	3	11,950	-	-	-	-	-	-	3	11,950
YTD 2023	1	5,750	-	-	-	-	-	-	1	5,750
Total	11	28,402	-	-	-	-	-	-	11	28,402

Source: Bank Records

Examiners compared GMB’s community development lending performance with other SSIs in Wisconsin, evaluated under Intermediate Small Institution Examination Procedures. Because some of the comparable SSIs evaluations were during the time SBA Paycheck Protection Program (PPP)

loans offered due to the COVID-19 pandemic and GMB did not originate any of these loans, SSI performance was compared to GMB without any of the SSI bank’s PPP originated loans. One SSI rated “Outstanding” under the Community Development Test reported community development loans representing 6.6 percent of assets and 11.0 percent of net loans, far exceeding GMB. The three SSIs rated “Satisfactory” on the Community Development Test reported community development loans representing 4.3, 5.8, and 4.1 percent of total assets, and 5.6, 7.1, and 5.8 percent of net loans, which although are all higher than GMB, are considered in-line with GMB’s performance.

Qualified Investments

GMB has 38 qualifying investments, totaling approximately \$5.3 million, including current and prior period investments. Of these, four are mortgage-backed security bonds secured by loans in the AAs, originated to LMI borrowers, totaling \$3.5 million, of which one, totaling \$240,000 was from the prior period. Eight of the investments are certificate of deposits held at two different minority-owned financial institutions, totaling \$1.8 million, six of which were renewed annually (\$1.3 million) during the evaluation period, and one, totaling \$450,000, purchased and subsequently renewed once during the evaluation period. The remaining 26 qualifying investments are donations made to 17 various qualifying organizations, totaling \$60,962, of which all but one is in the AAs.

Total qualifying investments represent 0.6 percent of total assets as of March 31, 2023, 3.5 percent of total equity capital, and 10.1 percent of total securities. GMB’s total qualified investment ratios were comparable to SSI’s ratios, which ranged from 0.6 percent to 1.8 percent of total assets, 5.5 percent to 23.8 percent of total equity capital, and from 4.3 percent to 11.0 percent of total securities.

Details of GMB’s qualifying investments by year, AA, and category follow.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	240	-	-	-	-	-	-	1	240
2020	3	9	4	436	-	-	-	-	7	445
2021	6	1,059	9	663	-	-	-	-	15	1,722
2022	3	1,230	6	666	-	-	-	-	9	1,896
YTD 2023	4	978	2	1	-	-	-	-	6	979
Total	17	3,516	21	1,766	-	-	-	-	38	5,282
<i>Source: Bank Records</i>										

Community Development Qualified Investments by AA										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Milwaukee AA	15	2,057	12	460	-	-	-	-	27	2,517
Madison AA	2	1,459	-	-	-	-	-	-	2	1,459
Appleton AA	-	-	2	3	-	-	-	-	2	3
Nationwide Activities	-	-	7	1,303	-	-	-	-	7	1,303
Total	17	3,516	21	1,766	-	-	-	-	38	5,282

Source: Bank Records

Community Development Services

During the evaluation period, three staff and management members provided 84 instances of financial expertise, technical assistance, and assistance with grant applications for down-payment programs with 16 different organizations. All of the community development services were conducted in the Milwaukee AA, none were provided in the Madison or Appleton AAs. The vast majority (32 of the 58 affordable housing activities) were presentations on first-time home ownership for LMI borrowers, including information on the bank’s home improvement loan special presented in coordination with several LMI neighborhood groups. In addition, another 20 of the affordable housing activities were attributed to assistance by bank staff for Federal Home Loan Bank (FHLB) down payment assistance (DPP) grants. See the following table for breakout by year and type.

GMB’s performance is comparable to SSIs, each reporting between 10 and 105 community development services.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	6	4	2	-	12
2021	17	3	2	-	22
2022	26	4	2	-	32
YTD 2023	9	7	2	-	18
Total	58	18	8	-	84

Source: Bank Records

In addition to the services above, GMB offers a home-improvement loan special for LMI borrowers. The program further assists the bank in meeting the needs of the AAs. See the Borrower Profile section of the Milwaukee AA Lending Test for details of this product.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

MILWAUKEE AA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MILWAUKEE AA

The following sections discuss economic and demographic data, competition for deposits and loans, community contact information, and credit and community development needs and opportunities in the Milwaukee AA. Sources for the data used include the following: Federal Financial Institutions Examination Council (FFIEC), 2015 ACS, 2010 and 2020 U.S. Census, U.S. Department of Labor Statistics, Wisconsin Department of Workforce Development (DWD), and the Wisconsin Realtors Association (WRA).

Economic and Demographic Data

The current Milwaukee AA, based on the 2020 U.S. Census data includes all 452 CTs in the AA. These CTs have the following income designations:

- 81 low-income CTs
- 79 moderate-income CTs
- 152 middle-income CTs
- 130 upper-income CTs
- 10 non-designated CTs

Of the 160 LMI CTs, four of the moderate-income CTs are in downtown Waukesha County, with the remaining 154 LMI CTs in Milwaukee County, with the majority in the City of the Milwaukee. The non-designated CTs include Lake Michigan, the beachfront in the city of Milwaukee, and six additional CTs with Milwaukee County that are sparsely populated.

These designations reflect changes from the 2010 U.S. Census data, at which time the AA consisted of 431 CTs with the following designations:

- 99 low-income CTs
- 68 moderate-income CTs
- 139 middle-income CTs
- 122 upper-income CTs
- 3 non-designated CTs

The non-designated CTs based on the 2010 U.S. Census data only included Lake Michigan in both Ozaukee and Milwaukee Counties, and the beachfront in Milwaukee County.

The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census data, which is the most recent available.

Demographic Information of the Milwaukee AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	452	17.9	17.5	33.6	28.8	2.2
Population by Geography	1,574,731	12.8	15.6	35.9	34.6	1.1
Housing Units by Geography	680,891	12.7	16.1	37.6	32.6	0.9
Owner-Occupied Units by Geography	379,661	5.4	12.0	39.8	42.6	0.2
Occupied Rental Units by Geography	254,775	20.7	22.0	36.2	19.4	1.7
Vacant Units by Geography	46,455	28.3	17.7	27.6	23.6	2.8
Businesses by Geography	126,725	10.6	15.4	34.7	38.6	0.7
Farms by Geography	2,784	6.9	9.0	37.6	46.2	0.3
Family Distribution by Income Level	385,268	22.4	16.8	20.5	40.3	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha, WI MSA		\$84,829	Median Housing Value			\$209,991
			Median Gross Rent			\$949
			Families Below Poverty Level			8.7%
<i>Source: 2020 U.S. Census and 2022 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.</i>						

Based on DWD data, the education and health services industries represent the largest portion of businesses in the AA, followed by trade, transportation, and utilities, and manufacturing. Major employers in the AA include General Mitchell International Airport, Rockwell Automation, Quad Graphics, and Kohl’s Corporation. Each of these businesses employ between 1,000 and 9,999 employees.

In March 2020, COVID-19 was declared a global pandemic and many states and local governments imposed strict measures to restrain aspects of public life, creating a significant disruption to national, state, and local economies. The DWD 2023 County profiles for Milwaukee, Ozaukee, Washington, and Waukesha reflect employment levels, while improving, are still below pre-pandemic figures, with Milwaukee County reporting the greatest disparity at 6.4 percent below 2019 employment numbers, compared to the State employment, at 3.1 percent below 2019 figures.

The following table reflects unemployment rates in the Milwaukee AA during the evaluation period.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Milwaukee AA	7.2	4.4	3.2
Milwaukee County	8.4	5.4	3.7
Ozaukee County	5.5	3.1	2.5
Washington County	5.7	3.1	2.4
Waukesha County	5.6	3.2	2.5
State of Wisconsin	6.4	3.8	2.9

Source: Bureau of Labor Statistics

According to the Department of Labor Statistics, The unemployment rate for the AA has steadily declined during the evaluation period, with the highest peaks observed during the height of the pandemic in 2020. Overall, at the AA level, rates have been above the State level, driven by the higher unemployment realized in Milwaukee County, as the three other counties in the AA historically, as well as during the current evaluation period, have some of the lowest unemployment rates.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. According to the 2020 U.S. Census data, the AA consists of 680,891 housing units. Of these, 55.8 percent are owner-occupied, 37.4 percent are occupied rental units, and 6.8 percent of the units are vacant.

Examiners use the FFIEC updated median family income levels to analyze the Borrower Profile criterion. The following table presents the median, low-, moderate-, middle-, and upper-income categories for each year during the evaluation.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$83,800)	<\$41,900	\$41,900 to <\$67,040	\$67,040 to <\$100,560	≥\$100,560
2021 (\$84,400)	<\$42,200	\$42,200 to <\$67,520	\$67,520 to <\$101,280	≥\$101,280
2022 (\$96,100)	<\$48,050	\$48,050 to <\$76,880	\$76,880 to <\$115,320	≥\$115,320

Source: FFIEC

Housing sale volume and median home sale price provides insight into the home mortgage lending needs and opportunities within an AA.

Housing Sales			
Area	2020	2021	2022
Milwaukee County	12,394	13,907	12,048
Ozaukee County	1,508	1,445	1,284
Washington County	2,207	2,262	1,800
Waukesha County	6,498	6,392	5,445
<i>Source: WRA</i>			

Median Housing Price			
Area	2020	2021	2022
Milwaukee County	\$186,000	\$207,000	\$222,311
Ozaukee County	\$335,000	\$375,000	\$406,745
Washington County	\$274,000	\$308,000	\$335,000
Waukesha County	\$337,500	\$369,000	\$403,752
<i>Source: WRA</i>			

The data above shows during the evaluation period, home sales increased from 2020 to 2021, then leveling back off in 2022. However, the changes in the median sale price for each county have continued to rise during this timeframe. The median sale price offers insight into the potential affordability of home ownership for LMI persons. During the pandemic, home mortgage rates hit historic lows, creating a sellers-market. Home prices escalated dramatically due to demand increasing, and limited housing stock. This caused a decrease in affordable housing for LMI borrowers, as they were unable to meet or exceed escalated purchase offers or cash offers.

Competition

GMB’s Milwaukee AA is a highly competitive market for financial institutions. According to the most recent FDIC Deposit Market Share data as of June 30, 2022, there are 46 financial institutions, operating 446 offices in this AA. The top three institutions are national banks, with 132 offices, holding a combined 65.3 percent market share. GMB holds 0.5 percent of the market share with its six office locations in the AA.

Competition is also high in the AA for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders. In 2021, the most recent aggregate data available, 589 lenders generated 92,833 home mortgage loans, totaling \$22.1 billion. The top three lenders are two Wisconsin credit unions, and a national bank, holding 18.3 percent of the market share. GMB ranked 26, holding 1.0 percent of the market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs.

Examiners obtained information from an existing third party contact occurring during the evaluation period. The contact is a member of a non-profit agency assisting LMI borrowers become homeowners. The contact serves all of the Milwaukee AA. The contact stated that the largest portion of LMI borrowers is concentrated in the City of Milwaukee, with the surrounding areas and counties, having a larger middle- and upper-income population. For this reason, the contact stated there is a significant need for affordable housing, particularly in Milwaukee. There are two primary reasons the contact stated that the need for affordable housing has increased, the first being the substantial increase in home prices throughout the AA, and the increases in construction costs. Both of which have continued to rise throughout the evaluation period. The contact stated there is a need and opportunity for financial institutions to help these LMI borrowers. Additionally, the contact stated banks could assist in meeting these needs by offering flexible lending programs, such as blending home purchase loans with home improvement loans, utilizing alternative credit data, and participating in various down-payment assistance programs available in the AA. Lastly, the contact stated that financial institutions in the AA are generally responsive to these needs.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and other available demographic and economic data, examiners determined the AA has credit and community development needs, and opportunities for affordable housing. The significant increase in home prices, leading to a diminished stock of affordable homes has contributed to this need.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MILWAUKEE AA

LENDING TEST

GMB demonstrates reasonable performance under the Lending Test in the Milwaukee AA. Geographic Distribution and Borrower Profile performance in the AA supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. GMBs lending performance in LMI CTs support this conclusion. For the home mortgage review, examiners used the appropriate U.S. Census year and/or ACS data for CT designations and related demographics for each years' analyses, as described under the Scope of Evaluation.

As depicted in the following table, GMB's lending in low-income CTs is showing a positive trend. While the bank's 2020 and 2021 performance is below the demographic data, it is comparable to aggregate data in 2020 and slightly above the aggregate in 2021 at .2 percent. Since aggregate data for 2022 is not available, the bank's performance is favorable at 1.5 percent above the demographic.

The bank's lending in moderate-income CTs during the evaluation period is below both demographic and aggregate lender data. Despite being below these standards, GMB's performance is showing a positive trend. Furthermore, it is important to note the substantial competition in the moderate-income CTs. The top three lenders in the moderate-income CTs are three large credit unions, with nine office

locations in the CTs, holding 17.9 percent market share of all loans originated in these CTs, hindering GMB’s penetration in the moderate-income CTs.

Considering all of these factors, the bank’s geographic distribution of home mortgage loans throughout the AA is reasonable.

Geographic Distribution of Home Mortgage Loans – Milwaukee AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	7.3	2.7	26	2.7	3,095	1.1
2021	7.3	3.7	31	3.9	3,593	1.6
2022	5.4	N/A	39	6.9	5,260	3.1
Moderate						
2020	11.9	8.1	50	5.3	5,735	2.1
2021	11.9	10.1	43	5.4	8,500	3.8
2022	12.0	N/A	38	6.7	5,311	3.1
Middle						
2020	36.2	34.1	232	24.5	51,720	19.2
2021	36.2	35.6	210	26.6	48,080	21.4
2022	39.8	N/A	162	28.6	45,924	26.9
Upper						
2020	44.5	55.0	640	67.5	209,120	77.5
2021	44.5	50.6	506	64.1	164,127	73.2
2022	42.6	N/A	327	57.8	114,302	66.9
Totals						
2020	100.0	100.0	948	100.0	269,669	100.0
2021	100.0	100.0	790	100.0	224,300	100.0
2022	100.0	N/A	566	100.0	170,797	100.0

Source: 2015 ACS; Bank Data, 2020, and 2021, HMDA Aggregate Data, 2020 U.S. Census. Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels, particularly LMI borrowers. The following table illustrates a breakout of the distribution by year.

Distribution of Home Mortgage Loans by Borrower Income Level - Milwaukee AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	23.5	4.9	33	3.5	3,137	1.2
2021	23.5	6.5	44	5.6	4,249	1.9
2022	22.4	N/A	49	8.7	4,923	2.9
Moderate						
2020	16.2	17.2	106	11.2	16,639	6.2
2021	16.2	17.9	124	15.7	17,990	8.0
2022	16.8	N/A	88	15.5	13,604	8.0
Middle						
2020	19.4	22.2	183	19.3	38,901	14.4
2021	19.4	22.5	160	20.3	34,723	15.5
2022	20.5	N/A	96	17.0	19,237	11.3
Upper						
2020	40.9	43.6	594	62.7	195,671	72.6
2021	40.9	39.7	450	57.0	161,598	72.0
2022	40.3	N/A	315	55.7	102,409	60.0
Not Available						
2020	0.0	12.1	32	3.4	15,322	5.7
2021	0.0	13.4	12	1.5	5,740	2.6
2022	0.0	N/A	18	3.2	30,623	17.9
Totals						
2020	100.0	100.0	948	100.0	269,669	100.0
2021	100.0	100.0	790	100.0	224,300	100.0
2022	100.0	N/A	566	100.0	170,797	100.0
<i>Source: 2015 ACS; Source: 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Based on the table above, GMB’s lending to low-income borrowers during the evaluation period is below both aggregate and demographic data for all three years. However, in comparison to the aggregate lenders in the area, the bank’s performance is only slightly lower, at 1.4 and 0.9 percentage points below aggregate in 2020 and 2021. When adjusting for families living below the poverty level for 2020 and 2021 at 11.1 percent, the adjusted percentage of low-income families falls to 12.4 percent, still significantly higher than GMB’s performance. In 2022, GMB’s lending to low-income families increased to 8.7 percent. When adjusting the percent of low-income families by those living below the poverty level of 8.7 percent, the adjusted percent of low-income families is 13.7 percent, still higher than the bank’s performance.

The bank's lending to moderate-income borrowers during the evaluation period is also below both the demographic and aggregate lender data. GMB's performance is showing a positive trend, and narrowing the gap between their performance and aggregate performance, as well as in comparison to demographics. Specifically in 2021, the bank's performance is only 2.2 percent lower than the aggregate compared to 2020 where the bank's performance is 6.0 percent lower. In 2022, the bank's performance slightly trails the demographic at 1.3 percent; aggregate data for 2022 is not currently available.

Special Loan Programs

Home Improvement Loan Special

As previously mentioned, GMB has a specialized loan program that is offered to LMI borrowers for home improvements. The product is available to borrowers with income of less than 80 percent of the county median income, has a maximum loan amount of \$20,000, with a rate of 1.99 percent, fixed for five years. The bank's HMDA data in the Lending Test account for these loans. Four loans were originated in 2020 totaling \$29,000, 11 in 2021, totaling \$110,968, and seven in 2022, totaling \$111,900. All loans were originated in the Milwaukee AA. This special loan program reflects responsiveness to identified credit needs for LMI individuals in the AA.

Considering all of these factors, GMB's performance is reasonable.

COMMUNITY DEVELOPMENT TEST

GMB demonstrated adequate responsiveness to the community development needs in the Milwaukee AA through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity, and the need and availability of such opportunities in the AA.

Community Development Loans

GMB originated ten of the 12 community development loans, totaling \$25.4 million during the evaluation period inside the Milwaukee AA, all of which were for affordable housing for LMI individuals. The breakdown of community development loans by year is shown in the tables in the overall section.

Qualified Investments

GMB originated 27 qualified investments totaling \$2.5 million in the Milwaukee AA. The tables in the overall section include a breakdown of qualified investments by year and purpose.

Community Development Services

Bank personnel provided 84 community development services during the evaluation period in the Milwaukee AA. The breakdown of community development services by year and purpose is shown in the table in the overall section.

MADISON AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MADISON AA

The following sections discuss economic and demographic data, competition for deposits and loans, community contact information, and credit and community development needs and opportunities in the Madison AA. Sources for the data used include the following: FFIEC, 2015 ACS, 2010 and 2020 U.S. Census, U.S. Department of Labor Statistics, DWD, and the WRA.

Economic and Demographic Data

The current Madison AA, based on the 2020 U.S. Census data includes all 125 CTs in Dane County. These CTs have the following income designations:

- 5 low-income CTs
- 18 moderate-income CTs
- 61 middle-income CTs
- 34 upper-income CTs
- 7 non-designated CTs

The majority of the LMI CTs are in the City of Madison. In addition, the seven without an income-designation are CTs affiliated with the University of Wisconsin-Madison campus and do not have a large enough population to be designated. GMB’s branch is located in the City of Madison, in a low-income CT.

These designations reflect changes from the 2010 U.S. Census data, at which time the AA consisted of 107 CTs with the following designations:

- 4 low-income CTs
- 17 moderate-income CTs
- 51 middle-income CTs
- 29 upper-income CTs
- 6 non-designated CTs

The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census data, which is the most recent available.

Demographic Information - Madison AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	125	4.0	14.4	48.8	27.2	5.6
Population by Geography	561,504	4.0	12.8	51.0	28.0	4.1
Housing Units by Geography	236,202	3.7	14.5	52.1	26.7	2.9
Owner-Occupied Units by Geography	133,695	0.9	10.2	57.8	31.0	0.2
Occupied Rental Units by Geography	92,905	7.3	20.7	44.3	21.1	6.6
Vacant Units by Geography	9,602	8.7	15.5	47.5	22.7	5.5
Businesses by Geography	50,098	5.1	12.5	50.3	28.5	3.6
Farms by Geography	1,972	1.6	5.9	67.2	24.8	0.5
Family Distribution by Income Level	125,826	17.1	17.9	23.3	41.7	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income MSA - 31540 Madison, WI MSA		\$97,334	Median Housing Value			\$274,332
			Median Gross Rent			\$1,131
			Families Below Poverty Level			5.0%
<i>Source: 2020 U.S. Census and 2022 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.</i>						

Based on DWD data, the education and health services industries represent the largest portion of businesses in the AA, followed by trade, transportation, and utilities, and professional and business services, comprising of just over 57 percent of the total employment in the county. Major employers in the AA include the University of Wisconsin-Madison, UW University Hospital, and Epic Systems Corp. Each of these businesses employ between 1,000 and in excess of 10,000 employees.

In March 2020, COVID-19 was declared a global pandemic and many states and local governments imposed strict measures to restrain aspects of public life, creating a significant disruption to national, state, and local economies. The DWD 2023 County Madison reflect employment levels improving, however, they remain below pre-pandemic figures.

The following table reflects unemployment rates in the Madison AA during the evaluation period.

Unemployment Rates			
Area	2020	2021	2022
	%	%	%
Dane County	4.9	2.9	2.2
State of Wisconsin	6.4	3.8	2.9
<i>Source: Bureau of Labor Statistics</i>			

According to the Department of Labor Statistics, The unemployment rate for Dane County has steadily declined during the evaluation period, with the highest peaks observed during April 2020, reaching 10.6 percent.

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. According to the 2020 U.S. Census data, the AA consists of 236,202 housing units. Of these, 56.6 percent are owner-occupied, 39.3 percent are occupied rental units, and 4.1 percent of the units are vacant.

Examiners use the FFIEC updated median family income levels to analyze the Borrower Profile criterion. The following table presents the median, low-, moderate-, middle-, and upper-income income categories for each year.

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
2022 (\$111,800)	<\$55,900	\$55,900 to <\$89,440	\$89,440 to <\$134,160	≥\$134,160
<i>Source: FFIEC</i>				

Housing sale volume and median home sale price provides insight into the home mortgage lending needs and opportunities within an AA.

Housing Sales			
Area	2020	2021	2022
Dane County	8,891	9,018	7,741
<i>Source: WRA</i>			

Median Housing Price			
Area	2020	2021	2022
Dane County	\$315,625	\$351,000	\$385,000
<i>Source: WRA</i>			

The data above shows during the evaluation period, home sales increased from 2020 to 2021, then leveling back off in 2022. However, the change in the median sale price for the county has continued to rise drastically during this timeframe. The median sale price offers insight into the potential affordability of home ownership for LMI persons. During the pandemic, home mortgage rates hit historic lows, creating a sellers-market. Home prices escalated dramatically due to demand increasing, and limited housing stock. This caused a decrease in affordable housing for LMI borrowers, as they were unable to meet or exceed escalated purchase offers or cash offers.

Competition

GMB's Madison AA is a highly competitive market for financial institutions. According to the most recent FDIC Deposit Market Share data as of June 30, 2022, there are 34 financial institutions, operating 137 offices in this AA. The top three institutions are national banks, with 36 offices, holding a combined 34.5 percent market share. GMB holds 0.1 percent of the market share with its six office locations in the AA.

Competition is also high in the AA for home mortgage loans amongst banks, credit unions, and non-depository mortgage lenders. In 2021, the most recent aggregate data available, 434 lenders generated 37,699 home mortgage loans, totaling \$9.6 billion. The top two lenders are two Wisconsin credit unions, holding 29.1 percent of the market share. GMB ranked 45, holding 0.4 percent of the market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying credit and community development needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs.

Examiners obtained information from an existing third party contact occurring during the evaluation period. The contact is a member of a non-profit agency working with economic development in and around Dane County. The contact serves all of the Madison AA. The contact stated Dane County fared the pandemic better than the surrounding areas, and has recovered faster as well. The contact noted one need that increased since the pandemic is the need for 24-hour childcare. With the loss of employees, and several daycare centers closing during the pandemic, never to re-open, there is a shortage of childcare for second and third-shift worker pools. Affordable housing, as well as workforce housing is a continued need in the AA. Additionally, the contact stated while construction of more affordable housing multifamily units is increasing, there does not seem enough to assist with homelessness, as well as LMI persons. The housing prices in Dane county continue to rise exponentially, including new construction, which in Dane county they stated is generally at a minimum \$400,000. The contact mentioned most financial institutions in the county are meeting the needs of the area; however, it was also noted there are more opportunities that they could participate in, such as gap and equity funding for affordable housing projects and teaming up with the various organizations serving the LMI population.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and other available demographic and economic data, examiners determined the AA has credit and community development needs, and opportunities for affordable housing, as well as affordable, and flexible childcare. The significant increase in home prices, leading to a diminished stock of affordable homes and the pandemic related closing of several childcare centers has contributed to these needs.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MADISON AA

LENDING TEST

GMB demonstrates reasonable performance under the Lending Test in the Madison AA. Geographic Distribution and Borrower Profile performance in the AA supports this conclusion.

Geographic Distribution

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA. GMBs lending performance in LMI CTs support this conclusion. For the home mortgage review, examiners used the appropriate U.S. Census year and/or ACS data for CT designations and related demographics for each years' analyses, as described under the Scope of Evaluation.

Geographic Distribution of Home Mortgage Loans - Madison AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.8	0.6	3	1.9	584	1.2
2021	0.8	0.8	0	0.0	0	0.0
2022	0.9	N/A	1	2.4	221	2.2
Moderate						
2020	8.8	7.2	6	3.8	1,081	2.2
2021	8.8	8.2	14	12.0	3,524	9.6
2022	10.2	N/A	2	4.8	323	3.3
Middle						
2020	57.5	54.7	67	42.7	18,398	37.1
2021	57.5	55.5	50	42.7	14,104	38.4
2022	57.8	N/A	22	52.4	4,489	45.3
Upper						
2020	32.9	37.5	81	51.6	29,546	59.6
2021	32.9	35.4	53	45.3	19,132	52.0
2022	31.0	N/A	17	40.5	4,869	49.2
Not Available						
2020	0.0	0.1	0	0.0	0	0.0
2021	0.0	0.1	0	0.0	0	0.0
2022	0.2	N/A	0	0.0	0	0.0
Totals						
2020	100.0	100.0	157	100.0	49,609	100.0
2021	100.0	100.0	117	100.0	36,760	100.0
2022	100.0	100.0	42	100.0	9,902	100.0

Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels, particularly LMI borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level - Madison AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	19.1	5.6	5	3.2	525	1.1
2021	19.1	6.9	10	8.5	1,492	4.1
2022	17.1	N/A	4	9.5	470	4.7
Moderate						
2020	16.6	18.9	20	12.7	4,240	8.5
2021	16.6	19.9	17	14.5	3,474	9.5
2022	17.9	N/A	13	31.0	1,913	19.3
Middle						
2020	22.6	25.4	41	26.1	11,125	22.4
2021	22.6	25.0	27	23.1	7,287	19.8
2022	23.3	N/A	9	21.4	1,900	19.2
Upper						
2020	41.7	41.7	89	56.7	32,881	66.3
2021	41.7	39.5	61	52.1	24,026	65.4
2022	41.7	N/A	16	38.1	5,619	56.7
Not Available						
2020	0.0	8.4	2	1.3	837	1.7
2021	0.0	8.7	2	1.7	481	1.3
2022	0.0	N/A	0	0.0	0	0.0
Totals						
2020	100.0	100.0	157	100.0	49,609	100.0
2021	100.0	100.0	117	100.0	36,760	100.0
2022	100.0	N/A	42	100.0	9,902	100.0
<i>Source: 2015 ACS; 2020 U.S. Census Bank Data, 2020 & 2021 HMDA Aggregate Data, Due to rounding, totals may not equal 100.0%.</i>						

GMB is showing positive trends in the low-income CTs. In 2020, performance was below the aggregate and then increased in 2021, rising 1.6 percentage points above aggregate lenders. For 2022, when comparing to demographic data only, after subtracting out the percentage of families below the poverty level of 5.0 percent the adjusted percentage of families is 12.1 percent, which is slightly above GMBs performance. As a percentage of total loans, performance in the low-income CTs has continued to increase.

The bank's performance of lending to moderate-income borrowers also shows an improving trend, in both number and dollar percentages during the evaluation period. In both 2020 and 2021, while significantly below aggregate lenders, GMB is only slightly below the demographic data for those years. There is significant competition in this AA, of the 434 lenders in the AA, the two with the largest overall market share, also reported the highest market shares for LMI borrowers, holding a combined market share of 44.7 percent to LMI borrowers, compared to GMB, reporting 0.3 percent. Considering these factors, GMB's performance is reasonable.

COMMUNITY DEVELOPMENT TEST

GMB's performance in community development activities within this AA is below the performance in the Milwaukee AA. GMB does have two mortgage-backed securities, totaling \$1.5 million secured by loans in the Madison AA, including the one from the prior period. There were no other community development activities conducted in the Madison AA. Considering the limited presence in the AA, this performance is reasonable.

APPLETON AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN APPLETON AA

The following sections discuss economic and demographic data, competition for deposits and loans, community contact information, and credit and community development needs and opportunities in the Appleton AA. Sources for the data used include the following: FFIEC, 2015 ACS, 2010 and 2020 U.S. Census data, U.S. Department of Labor Statistics, DWD, and the WRA.

The current Appleton AA, based on the 2020 U.S. Census data includes all 58 CTs in Calumet and Outagamie Counties, portions of the Appleton-Neenah MSA. These CTs have the following income designations:

- 2 Low-income CTs
- 11 Moderate-income CTs
- 34 Middle-income CTs
- 11 Upper-income CTs

The two low- and 11 moderate-income CTs are all located in Outagamie County. The two low-income, and six of the moderate-income CTs are in the city of Appleton, there is one moderate-income CT in Little Chute, one in Kaukauna, and the last is in the northeastern corner of the County, on the Oneida Indian Reservation. The only GMB office is located in Chilton, which is located in central Calumet County.

These designations reflect changes from the 2010 U.S. Census data, at which time the AA consisted of 51 CTs with the following designations:

- 0 low-income CTs
- 7 moderate-income CTs
- 39 middle-income CTs

- 5 upper-income CTs

The following table presents additional current demographic details on the Appleton AA.

Demographic Information in the Appleton AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	58	3.4	19.0	58.6	19.0	0.0
Population by Geography	243,147	2.2	13.2	61.0	23.6	0.0
Housing Units by Geography	98,471	2.1	14.4	62.3	21.2	0.0
Owner-Occupied Units by Geography	69,384	0.9	13.2	61.4	24.5	0.0
Occupied Rental Units by Geography	25,164	5.3	17.1	65.0	12.7	0.0
Vacant Units by Geography	3,923	4.1	17.1	62.0	16.9	0.0
Businesses by Geography	16,476	4.5	11.2	63.5	20.9	0.0
Farms by Geography	823	0.9	8.3	67.4	23.5	0.0
Family Distribution by Income Level	63,780	17.6	19.3	24.8	38.3	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income MSA - 11540 Appleton, WI MSA		\$86,686	Median Housing Value			\$185,835
			Median Gross Rent			\$808
			Families Below Poverty Level			4.9%
<i>Source: 2020 U.S. Census and 2022 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.</i>						

Based on D&B data, the service industry represents the largest portion of businesses in the AA, followed by non-classified industries, and then retail trade industries. Based on data from the WDW, top employers in the AA include ThedaCare Inc.; Ariens CO.; Kaytee Products, Inc.; and Expera Specialty Solutions.

Examiners use FFIEC-update median family income levels for analysis of home mortgage loans under the Borrower Profile criterion. See the following table for details.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Appleton, WI MSA Median Family Income (11540)				
2020 (\$86,400)	<\$43,200	\$43,200 to <\$69,120	\$69,120 to <\$103,680	≥\$103,680
2021 (\$85,600)	<\$42,800	\$42,800 to <\$68,480	\$68,480 to <\$102,720	≥\$102,720
2022 (\$95,900)	<\$47,950	\$47,950 to <\$76,720	\$76,720 to <\$115,080	≥\$115,080
<i>Source: FFIEC</i>				

The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units in the AA. Based on the 2020 U.S. Census data there are 98,471 housing units in the AA, of which 70.5 percent are owner occupied, 25.5 percent are occupied rental units, and the remaining 4.0 percent are vacant units.

Competition

Competition in the Appleton AA is moderate for financial institutions. According to FDIC Deposit Market Share data as of June 30, 2022, there were 26 FDIC insured financial institutions, operating 54 office locations in the Appleton MSA. The top three institutions, holding 41.8 percent market share are three national banks, operating 13 office locations. GMB has one location, and holds a 0.7 percent market share. Competition for home mortgage loans in the AA is modest. Based on aggregate mortgage data, 310 banks, credit unions, and non-depository mortgage lenders originated 14,662 loans, totaling \$2.7 billion in 2021, which is the most recent data available. Of these, two credit unions are ranked one and two, holding 21.9 percent market share, with GMB ranked 57, holding a 0.4 percent market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN APPLETON AA

LENDING TEST

GMB’s lending performance in the Appleton AA is reasonable. The following tables demonstrate the bank’s reasonable performance in the Geographic Distribution criterion, considering competition and office location proximately to LMI CTs, as well as the excellent performance in the Borrower Profile criterion.

Geographic Distribution of Home Mortgage Loans - Appleton AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.9	N/A	0	0.0	0	0.0
Moderate						
2020	9.2	7.8	0	0.0	0	0.0
2021	9.2	7.9	0	0.0	0	0.0
2022	13.2	N/A	0	0.0	0	0.0
Middle						
2020	81.4	80.2	51	100.0	6,799	100.0
2021	81.4	80.7	49	96.1	6,581	97.6
2022	61.4	N/A	16	84.2	2,246	88.6
Upper						
2020	9.4	12.0	0	0.0	0	0.0
2021	9.4	11.4	2	3.9	159	2.4
2022	24.5	N/A	3	15.8	288	11.4
Totals						
2020	100.0	100.0	51	100.0	6,799	100.0
2021	100.0	100.0	51	100.0	6,740	100.0
2022	100.0	N/A	19	100.0	2,534	100.0
<i>Source: 2015 ACS; 2020 U.S. Census; Bank Data, 2020 & 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>						

The limited scope review of the Appleton AA reported no low-income CTs in the AA for 2020 and 2021, and only two in 2022. For the moderate-income CTs, the seven are a considerable distance from the Chilton branch. GMB did not originate any loans in LMI CTs during the evaluation period. Based on location and limited number of loans, this is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level - Appleton AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	18.2	9.3	6	11.8	534	7.8
2021	18.2	9.5	8	15.7	449	6.7
2022	17.6	N/A	1	5.3	30	1.2
Moderate						
2020	18.6	22.0	13	25.5	1,601	23.5
2021	18.6	22.3	10	19.6	1,186	17.6
2022	19.3	N/A	7	36.8	646	25.5
Middle						
2020	24.9	24.5	18	35.3	2,332	34.3
2021	24.9	24.4	15	29.4	1,621	24.0
2022	24.8	N/A	4	21.1	670	26.5
Upper						
2020	38.3	33.0	14	27.5	2,333	34.3
2021	38.3	31.7	18	35.3	3,485	51.7
2022	38.3	N/A	6	31.6	905	35.7
Not Available						
2020	0.0	11.3	0	0.0	0	0.0
2021	0.0	12.1	0	0.0	0	0.0
2022	0.0	N/A	1	5.3	283	11.2
Totals						
2020	100.0	100.0	51	100.0	6,799	100.0
2021	100.0	100.0	51	100.0	6,740	100.0
2022	100.0	N/A	19	100.0	2,534	100.0
<i>Source: 2015 ACS; 2020 U.S. Census Bank Data; and 2020 & 2021 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>						

COMMUNITY DEVELOPMENT TEST

The community development performance in the Appleton AA is below the performance in both the Milwaukee and Madison AA. The only community development activity conducted in the Appleton AA during the evaluation period is two donations, totaling \$2,865 to the Salvation Army of Calumet County. Despite the limited locations, this performance is poor considering the needs and opportunities.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

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

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

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

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

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

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

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

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

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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