

# **PUBLIC DISCLOSURE**

November 3, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Lake Ridge Bank  
Certificate Number: 15091

8301 University Ave  
Middleton, Wisconsin 53562

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

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

**The Lending Test is rated **Low Satisfactory**.**

- Lending levels reflect good responsiveness to credit needs within the AA.
- The bank makes a high percentage of small business, home mortgage, and small farm loans in the AA.
- The geographic distribution of loans reflects poor penetration throughout the AA, particularly to low- and moderate-income geographies.
- The distribution of loans to borrowers reflects, given the product lines offered by the institution, adequate penetration among businesses of different sizes, retail customers of different income levels, and farm customers of different sizes.
- The bank exhibits an adequate record of serving the credit needs of the most economically disadvantaged areas of its AA, low-income individuals, and very small businesses and farms, consistent with safe and sound banking practices.
- The bank made an adequate level of community development loans.
- The bank makes limited use of innovative and flexible lending practices in order to serve AA credit needs.

**The Investment Test is rated High Satisfactory.**

- The bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits good responsiveness to credit and community development needs.
- The bank makes significant use of innovative and complex investments to support community development initiatives.

**The Service Test is rated Low Satisfactory.**

- Delivery systems are accessible to essentially all portions of the institution's AA.
- The bank's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.
- Business hours and services do not vary in a way that inconveniences portions of the AA, particularly low- and moderate-income geographies and individuals.
- The bank provided a limited level of community development services.

## **DESCRIPTION OF INSTITUTION**

Lake Ridge Bank (LRB) is a full-service community bank operating in Middleton, Wisconsin. Lake Ridge Bancorp, Inc., a one-bank holding company located in Monona, Wisconsin wholly owns LRB. LRB is a renamed institution following the merger of State Bank of Cross Plains and Monona Bank on February 13, 2023. The State Bank of Cross Plains received a Satisfactory rating at the previous February 6, 2023 FDIC Performance Evaluation based on Large Institution Examination Procedures. Monona Bank also received a Satisfactory rating at the previous August 17, 2020 FDIC Performance Evaluation based on Intermediate Small Institution Examination Procedures.

LRB serves southcentral Wisconsin, with full-service branches located in Dane, Green, Rock, and Sauk Counties. Additionally, LRB has a limited-service administrative branch in Cross Plains and a separate drive-up facility in Evansville. During the evaluation period, LRB had a loan production office (LPO) in Janesville. However, LRB opened a new branch located in Janesville and will no longer utilize the LPO. The new Janesville branch opened on November 3, 2025, the same date as this performance evaluation, and was not operational during the evaluation period. Following the 2023 merger, LRB closed three branches, including the Bank of Brooklyn branch located at 210 Commercial Street, Brooklyn; the Belleville branch located at 27 W. Main Street, Belleville; and the Madison Junction Road branch located at 455 S. Junction Road, Madison. Additionally, the Cross Plains branch located at 1205 Main Street, Cross Plains transitioned from a full-service branch to a limited-service administrative branch in October of 2023.

LRB offers a variety of loan products including commercial, home mortgage, and consumer

loans. The bank also offers various deposit services, including savings, checking, money market deposit accounts, individual retirement accounts, Health Savings Accounts, and certificates of deposit (CDs). Customers can access products and services online, by telephone, through mobile banking platforms, and by using drive-up facilities or ATMs/Interactive Teller Machines (ITMs). Drive-up facilities are located at all branch locations. ATMs/ITMs are also available at 15 of the 19 branch locations. LRB utilizes the VISA Network, Wisconsin Bankers Association Network, and MoneyPass Network to provide surcharge-free ATM usage throughout the United States of America.

As of June 30, 2025, LRB maintained total assets of \$3.1 billion, total loans of \$2.4 billion, and total deposits of \$2.6 billion. The following table shows the distribution for each loan category by dollar volume.

<b>Loan Portfolio Distribution as of 06/30/2025</b>		
<b>Loan Category</b>	<b>\$ (000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	96,432	4.0
Secured by Farmland	114,501	4.8
Secured by 1-4 Family Residential Properties	490,615	20.4
Secured by Multifamily (5 or more) Residential Properties	543,936	22.7
Secured by Nonfarm Nonresidential Properties	814,077	33.9
<b>Total Real Estate Loans</b>	<b>2,059,561</b>	<b>85.8</b>
Commercial and Industrial Loans	217,960	9.1
Agricultural Production and Other Loans to Farmers	35,495	1.5
Consumer Loans	21,127	0.9
Obligations of State and Political Subdivisions in the U.S.	17,715	0.7
Other Loans	48,577	2.0
Lease Financing Receivable (net of unearned income)	61	0.0
<b>Total Loans</b>	<b>2,400,496</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100%.</i>		

Since the previous evaluation, the loan portfolio has only slightly changed in composition. As a percentage of total loans, loans secured by multi-family properties increased by 8.2 percentage points. Conversely, commercial loans decreased by 4.7 percentage points. Other changes in loan portfolio compositions are nominal.

No financial, legal, or other impediments limit LRB's ability to meet the credit needs of its AA.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more AAs within which examiners evaluate its CRA performance. The AA includes various counties within the Madison-Janesville-Beloit Combined Statistical Area (CSA). Specifically, the AA includes Dane County, Green

County, Rock County, and a partial selection of non-MSA census tracts (CTs) in Sauk County. Following the 2023 merger, the AA expanded to account for the Monona Bank branch located in Sauk County. LRB's designated AA does not arbitrarily exclude low- or moderate-income CTs, does not reflect illegal discrimination, and otherwise meets the requirements of the CRA regulations. Refer to the Scope of Evaluation section for more information on the weighting of areas in arriving at overall conclusions.

Description of Assessment Area			
AA	Counties in AA	CTs	Full-Service Branches
Madison-Janesville-Beloit CSA	Dane County, Green County, Rock County, Sauk County (partial)	180	19
<i>Source: Bank Records; 2020 Census</i>			

## SCOPE OF EVALUATION

### General Information

This evaluation covers the period from the prior evaluation dated February 6, 2023, to the current evaluation dated November 3, 2025. The merger of State Bank of Cross Plains and Monona Bank occurred 7 calendar days following the previous performance evaluation of the surviving FDIC certificate number. Apart from prior period investments, all home mortgage loans, small business loans, small farm loans, and community development activities occurred on behalf of LRB. Examiners utilized the Interagency Large Institution Examination Procedures to evaluate the bank's CRA performance. These procedures include the following three tests: the Lending Test, the Investment Test, and the Service Test, as detailed in the Appendix. This evaluation does not include any lending activity performed by affiliates.

The FDIC conducted a full-scope review of the Madison-Janesville-Beloit CSA AA; however, performance was not consistent between the MSAs and non-MSA areas that comprise the AA. As such, examiners analyzed the Madison-Janesville-Beloit CSA AA at the MSA and non-MSA levels and presented as such within this performance evaluation. Performance in the Madison MSA received the most weight in the overall rating due to significant levels of branches, deposits, loans, and community development activities. Performance in the Janesville-Beloit MSA received the second most weight in arriving at the rating due to the lesser number of branches, deposits, loans, and community development activities. Finally, the bank's performance in the non-MSA portions of the AA received the least amount of weight.

Examiners evaluated bank performance relative to 2020 U.S. Census data. In addition, examiners relied upon records provided by the bank, D&B business and farm demographic data, community contacts, and loan information reported under the Home Mortgage Disclosure Act (HMDA) and the CRA. The bank's CRA performance was analyzed in relation to the bank's performance context, which includes, but is not limited to, bank size and structure, financial condition, loan mix, resources, limitations, AA demographics, economic factors, competition, loan demand, and available opportunities. Examiners used information obtained from community contact interviews

to help establish the performance context for this CRA evaluation. The community contact interviewees are representatives in the AA and are not affiliated with the bank.

### **Activities Reviewed**

Examiners evaluated the bank’s small business, home mortgage, and small farm loans. These loans comprise the bank’s major product lines, considering the number and dollar volume of loans originated during the evaluation period, as well as the bank’s business strategy. No other loan types, such as consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings. Please refer to the Glossary for definitions of the loan products.

LRB is required to collect and report data pursuant to the requirements of HMDA and CRA. Examiners reviewed the universe of small business and small farm loans reported under CRA, and home mortgage loans reported under HMDA for the review period from 2023 to 2024. The volume of these loans is shown in the following tables by AA along with deposit data. Examiners placed greater weight on small business loans due to the greater volume of loans as compared to home mortgage and small farm loans.

<b>Loans and Deposits by Area</b>										
<b>Area</b>	<b>Deposits 6/30/2025</b>		<b>Small Business Loans</b>		<b>Home Mortgage Loans</b>		<b>Small Farm Loans</b>		<b>Total Loans</b>	
	<b>\$ (000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Madison MSA	2,375,300	92.8	945	89.4	693	85.1	243	61.7	1,881	83.0
Janesville-Beloit MSA	139,370	5.5	72	6.8	84	10.3	126	32.0	282	12.5
Non-MSA	44,047	1.7	40	3.8	37	4.6	25	6.3	102	4.5
<b>Total</b>	<b>2,558,717</b>	<b>100.0</b>	<b>1,057</b>	<b>100.0</b>	<b>814</b>	<b>100.0</b>	<b>394</b>	<b>100.0</b>	<b>2,265</b>	<b>100.0</b>
<i>Source: 6/30/2025 Summary of Deposits; 2023-2024 HMDA and CRA data</i>										

For the Lending Test, the geographic distribution of loans, borrower profile, community development loans, and the use of innovative and flexible lending practices carried more weight when drawing conclusions, as the AA contains a significant number of low- and moderate-income CTs and individuals and businesses and farms with revenues of \$1 million or less. Aggregate and demographic data are used as measures of comparison with more weight generally given to comparisons against aggregate data.

This evaluation includes community development loans, investments, and services from February 6, 2023, through the current evaluation date. Investments made before the prior evaluation that remain outstanding as of the current evaluation are included as prior period investments at the current book values. Examiners evaluated the quantitative levels of community development loans, investments, and services based on the bank’s financial capacity, as well as the qualitative impact to the AA.

Finally, examiners reviewed delivery systems for providing retail banking products and services targeted towards small businesses, small farms, and individuals.

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE AA

As discussed previously, performance was not consistent among the MSAs and non-MSA portions that comprise the AA. Therefore, examiners considered the bank's performance in each separate area with respect to the specific economic and demographic statistics of each area. A summary of the demographic performance context for each separate MSA and non-MSA follow.

### Madison MSA

The Madison MSA is in southcentral Wisconsin and consists of Dane and Green Counties. The bank operates 15 branches within Dane County and 1 branch in Green County.

### Economic and Demographic Data

The Madison MSA consists of 133 CTs, including 5 low-income CTs, 23 moderate-income CTs, 64 middle-income CTs, 34 upper-income CTs, and 7 CTs without an income designation. All of the low-income CTs and a majority of the moderate-income CTs surround downtown Madison. There is also a cluster of moderate-income CTs in the southern portion of Green County.

Demographic Information of the Madison MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	133	3.8	17.3	48.1	25.6	5.3
Population by Geography	598,597	3.7	15.3	50.8	26.3	3.9
Housing Units by Geography	252,299	3.5	17.2	51.6	25.0	2.7
Owner-Occupied Units by Geography	145,087	0.8	13.4	57.1	28.5	0.2
Occupied Rental Units by Geography	96,753	7.0	22.7	43.8	20.3	6.3
Vacant Units by Geography	10,459	8.0	18.8	47.3	20.9	5.1
Businesses by Geography	60,529	4.9	15.2	51.3	26.4	2.3
Farms by Geography	1,688	0.6	12.1	69.0	17.8	0.5
Family Distribution by Income Level	135,712	17.7	18.2	23.4	40.7	0.0
Household Distribution by Income Level	241,840	22.3	16.9	18.7	42.1	0.0
Median Family Income MSA - 31540 Madison, WI MSA		\$97,334	Median Housing Value			\$ 268,711
			Median Gross Rent			\$1,115
			Families Below Poverty Level			5.0%
Source: 2020 Census And 2023 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The analysis of small business loans under the Borrower Profile criterion compares the distribution



of businesses by gross annual revenue (GAR) levels. According to 2023 D&B data, 64,307 businesses operate in the Madison MSA, of which 88.5 percent have GARs of \$1 million or less. Non-classifiable establishments represent the largest portion of Madison MSA businesses at 25.8 percent; followed by Professional, Scientific, and Technical Services, at 10.8 percent; and Other Services, except Public Administration, at 7.8 percent. In addition, 63.2 percent of area businesses have 4 or fewer employees, and 92.3 percent of businesses operate from a single location.

According to the Wisconsin Department of Workforce Development, major employers in the Madison MSA include the University of Wisconsin-Madison; Epic Systems Corporation, a software publisher; UW University Hospital; SSM Health Monroe Hospital; and LSI Incorporated, a building equipment contractor. Other large employers include insurance agencies, additional hospitals, and school districts.

Based on 2020 U.S. Census data, the current Madison MSA population has grown since the 2015 American Community Survey, with a 9.4 percent increase in population. Of the 252,299 housing units in the Madison MSA, 57.5 percent are owner-occupied, 38.4 percent are rental units, and 4.1 percent are vacant.

According to the Wisconsin Realtors Association, median sales prices increased in 2023, 2024, and 2025 in both Dane and Green Counties. Similarly, in both counties, the number of home sales increased from 2023 to 2024.

Madison MSA Home Sales				
Year	Dane County # of Home Sales	Dane County Median Sales Price (\$)	Green County # of Home Sales	Green County Median Sales Price (\$)
2023	6,169	410,000	380	255,000
2024	6,592	443,300	390	279,500
2025 (YTD)	5,027	454,500	287	285,000
Source: Wisconsin Realtors Association				

Examiners rely on the FFIEC-estimated median family income levels to analyze the home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income levels for the Madison MSA.

Estimated Median Family Income Ranges in the Madison MSA					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
Madison MSA					
2023	\$ 117,100	< \$58,550	\$58,550 to < \$93,680	\$93,680 to < \$140,520	≥ \$140,520
2024	\$ 121,200	< \$60,600	\$60,600 to < \$96,960	\$96,960 to < \$145,440	≥ \$145,440
Source: FFIEC					

## **Competition**

The Madison MSA has a highly competitive market for financial services. According to the FDIC Deposit Market Share data, as of June 30, 2025, 36 financial institutions operated 145 full-service branches in Dane and Green Counties. Of these institutions, LRB ranked 4<sup>th</sup> with 8.9 percent of the deposit market share.

There is moderate competition in the Madison MSA from financial institutions for small business loans. According to 2023 CRA data in the Madison MSA, 92 financial institutions reported 9,968 small business loans. LRB ranked 6<sup>th</sup> with a market share of 4.9 percent for the number of loans and 24.8 percent for the dollar volume. JPMorgan Chase Bank NA, American Express National Bank, and US Bank NA are the top three lenders with 61.3 percent market share by number of small business loans.

The 2024 aggregate home mortgage lending data reported by financial institutions required to comply with HMDA reflects that 351 lenders reported 16,027 home mortgage loans in the Madison MSA, representing a high level of competition. Of these lenders, LRB ranked 4<sup>th</sup> with 3.0 percent of the market share. The University of Wisconsin Credit Union and Summit Credit Union are the top two lenders with 47.0 percent market share by number of home mortgage loans. This volume indicates a high degree of credit opportunities and competition for home mortgage lending. Many institutions are not required to report lending data; therefore, competition and opportunities for this loan type would be greater than the aggregate data indicates.

Finally, there is also some competition for small farm loans within the Madison MSA. According to 2023 CRA data in the Madison MSA, 19 financial institutions reported 403 small farm loans. LRB ranked 1<sup>st</sup> with 29.5 percent of the market share by number of small farm loans.

## **Community Contacts**

As part of the evaluation process, examiners contact third parties active in the Madison MSA to assist in identifying primary credit needs. This information helps determine whether local financial institutions are responsive to these needs and aids in determining available credit opportunities. Examiners obtained information from representatives of an economic development organization and an organization that assists small businesses throughout the Madison MSA.

The contacts stated that Madison is a fast-growing area, serving as the central economic hub for the Madison MSA. Due to population growth and other factors, there is a lack of housing stock within the Madison MSA. Dane County is focused on increasing the volume of affordable housing within the Madison MSA. In addition, the increased population has created significant needs for childcare facility funding, as the area is experiencing extreme waitlists for childcare and lack of affordable childcare.

The contacts also stated that the Madison MSA has robust competition among lenders catering to small businesses. The contacts noted that many banks may struggle with financing startups, as the entrepreneur may have excellent business ideas, but need technical assistance and mentoring to

create the business plans and financial records to secure financing. The contact noted that banks can work with local intermediaries to educate entrepreneurs and assist in financing startups. Specifically, within Dane County, there is an opportunity fund that invests in applicants who provide services such as technical assistance, entrepreneurial training, and workforce development. As such, there are ample opportunities to support small businesses, specifically startups, within the Madison MSA.

Finally, the community contacts stated that local banks are meeting the needs of the community. The contacts believe the area is heavily community banked, leading to robust competition, which can lower rates for borrowers.

### **Credit and Community Development Needs and Opportunities**

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

#### **Janesville-Beloit MSA**

The Janesville-Beloit MSA is in southcentral Wisconsin and consists of Rock County. The bank operates one branch in Evansville and one branch in Janesville. The Janesville branch opened on November 3, 2025 and was not operational during the evaluation period.

### **Economic and Demographic Data**

The area consists of 41 CTs, including 1 low-income CT, 11 moderate-income CTs, 20 middle-income CTs, and 9 upper-income CTs. The sole low-income CT and four of the 11 moderate-income CTs are located near downtown Janesville. The other seven of the 11 moderate-income CTs are located near downtown Beloit.

Demographic Information of the Janesville-Beloit MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	41	2.4	26.8	48.8	22.0	0.0
Population by Geography	163,687	0.6	24.3	50.9	24.3	0.0
Housing Units by Geography	69,278	0.9	24.9	51.4	22.8	0.0
Owner-Occupied Units by Geography	44,625	0.2	19.6	54.0	26.2	0.0
Occupied Rental Units by Geography	20,612	2.0	35.6	45.0	17.4	0.0
Vacant Units by Geography	4,041	2.8	28.8	56.2	12.2	0.0
Businesses by Geography	11,485	4.0	16.4	51.6	28.0	0.0
Farms by Geography	407	1.0	2.5	59.0	37.6	0.0
Family Distribution by Income Level	41,544	19.7	18.8	22.5	39.1	0.0
Household Distribution by Income Level	65,237	24.0	16.0	19.3	40.7	0.0
Median Family Income MSA - 27500 Janesville-Beloit, WI MSA		\$72,372	Median Housing Value			\$ 154,857
			Median Gross Rent			\$923
			Families Below Poverty Level			8.8%
Source: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2023 D&B data, 11,892 businesses operate in the area, of which 86.3 percent have GARs of \$1 million or less. Non-classifiable establishments represent the largest portion of AA businesses at 20.2 percent; followed by other services, excluding public administration, at 9.3 percent; and retail trade at 8.4 percent. In addition, 67.1 percent of area businesses have 4 or fewer employees, and 89.8 percent of businesses operate from a single location.

According to the Wisconsin Department of Workforce Development, major employers in the area include Beloit Health System; Frito-Lay Incorporated, a snack food manufacturer; and Blackhawk Technical College. Other large employers include merchant distribution centers and packaging and labeling services.

Based on 2020 U.S. Census data, the area population has increased 1.8 percent since the 2015 American Community Survey. Of the 69,278 housing units in the area, 64.4 percent are owner-occupied, 29.8 percent are rental units, and 5.8 percent are vacant.

According to the Wisconsin Realtors Association, median home sale prices increased in 2023, 2024, and 2025 in Rock County. The number of home sales increased from 2023 to 2024.

Janesville-Beloit MSA Home Sales		
Year	Home Sales	Median Sales
	(#)	(\$)
2023	2,035	247,000
2024	2,226	265,000
2025 (YTD)	1,585	280,500
Source: Wisconsin Realtors Association		

Examiners rely on the FFIEC-estimated median family income levels to analyze the home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income levels for the Janesville-Beloit MSA.

Estimated Median Family Income Ranges in the Janesville-Beloit MSA					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
Janesville-Beloit, WI					
2023	\$ 89,200	< \$44,600	\$44,600 to < \$71,360	\$71,360 to < \$107,040	≥ \$107,040
2024	\$ 85,700	< \$42,850	\$42,850 to < \$68,560	\$68,560 to < \$102,840	≥ \$102,840
Source: FFIEC					

## **Competition**

The area has a moderately competitive market for financial services. According to the FDIC Deposit Market Share data, as of June 30, 2025, 18 financial institutions operated 35 full-service branches in Rock County. Of these institutions, LRB ranked 8<sup>th</sup> with 4.0 percent of the deposit market share.

There is moderate competition in the Janesville-Beloit MSA from financial institutions for small business loans. According to 2023 CRA data in Rock County, 56 financial institutions reported 1,874 small business loans. LRB ranked 11<sup>th</sup> with a market share of 1.8 percent for the number of loans and 3.3 percent for the dollar volume. JPMorgan Chase Bank, NA, US Bank NA, and American Express National Bank are the top three lenders with 51.6 percent market share by number of small business loans.

The 2024 HMDA aggregate data reflects that 245 lenders reported 5,239 home mortgage loans in the area, representing a moderate level of competition. Of these lenders, LRB ranked 23<sup>rd</sup> with 1.1 percent of the market share. This volume indicates a high degree of credit opportunities and competition for home mortgage lending. Many institutions are not required to report lending data; therefore, competition and opportunities for this loan type would be greater than the aggregate data indicates.

Finally, there is also some competition for small farm loans within the Janesville-Beloit MSA. According to 2023 CRA data in Rock County, 16 financial institutions reported 176 small farm loans. LRB ranked 1<sup>st</sup> with 36.4 percent of the market share by number of small farm loans.

### **Community Contacts**

Examiners reviewed a recently completed community contact serving the area. The contact was a representative of an economic development agency.

The contact noted a severe shortage of housing stock across all price levels. For example, the contact noted that the price to build an average home has increased by approximately \$100,000 when compared to just a few years ago. Rock County is actively trying to address this concern by allocating funding for additional multi- and single-family homes. The contact also noted a need for flexible collateral requirements securing loans for small businesses. Specifically, the contact noted that larger banks may be unlikely to make a loan if the collateral does not fit precisely within the confines of their loan program. However, the contact has found smaller banks to be much more flexible and are helping businesses to qualify for loans.

### **Credit and Community Development Needs and Opportunities**

Home mortgage and small business loans represent the primary credit needs of the area. Specifically, flexible collateral programs for small businesses and home mortgage loans are in demand. The volume of housing units, the concentration of businesses with revenues of \$1 million or less, and the large number of businesses with four or fewer employees support the opportunity for such lending activity.

### **Non-MSA**

The non-MSA is in southcentral Wisconsin and is part of the Madison-Janesville-Beloit CSA. The bank has included a partial selection of CTs in the non-MSA within its AA. The bank operates one branch in Sauk City in the non-MSA.

### **Economic and Demographic Data**

The bank has selected 6 CTs in the non-MSA to include in its AA. This includes 2 middle-income CTs and 4 upper-income CTs. The non-MSA does not contain any low- or moderate-income CTs.

Demographic Information of the non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	6	0.0	0.0	33.3	66.7	0.0
Population by Geography	17,351	0.0	0.0	33.9	66.1	0.0
Housing Units by Geography	8,287	0.0	0.0	32.5	67.5	0.0
Owner-Occupied Units by Geography	5,356	0.0	0.0	34.1	65.9	0.0
Occupied Rental Units by Geography	2,146	0.0	0.0	33.0	67.0	0.0
Vacant Units by Geography	785	0.0	0.0	20.4	79.6	0.0
Businesses by Geography	1,531	0.0	0.0	37.7	62.3	0.0
Farms by Geography	111	0.0	0.0	37.8	62.2	0.0
Family Distribution by Income Level	4,604	12.5	14.4	22.9	50.2	0.0
Household Distribution by Income Level	7,502	18.1	16.3	17.9	47.7	0.0
Wisconsin Non-MSA Median Family Income		\$71,740	Median Housing Value			\$ 226,549
			Median Gross Rent			\$880
			Families Below Poverty Level			5.4%
Source: 2020 Census And 2023 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2023 D&B data, 1,582 businesses operate in the non-MSA, of which 87.9 percent have GARs of \$1 million or less. Non-classifiable establishments represent the largest portion of non-MSA businesses at 23.0 percent; followed by other services, except public administration, and construction both at 8.4 percent. In addition, 64.1 percent of area businesses have 4 or fewer employees, and 92.5 percent of businesses operate from a single location.

According to the Wisconsin Department of Workforce Development, major employers in the non-MSA include Sauk Prairie Healthcare; Cardinal CG Corporation, an automotive glass replacement shop; and Milwaukee Valve, an industrial valve manufacturer. Other large employers include nursing care facilities and hardware retailers.

Of the 8,287 housing units in the non-MSA, 64.6 percent are owner-occupied, 25.9 percent are occupied rental units, and 9.5 percent are vacant.

According to the Wisconsin Realtors Association, median sales prices increased in 2023, 2024, and 2025 in Sauk County. The number of home sales increased from 2023 to 2024.

Non-MSA Home Sales		
Year	Home Sales	Median Sales Price
	(#)	(\$)
2023	736	285,500
2024	767	310,000
2025 (YTD)	590	325,000
Source: Wisconsin Realtors Association		

Examiners rely on the FFIEC-estimated median family income levels to analyze the home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income levels for the non-MSA.

Estimated Median Family Income Ranges in the non-MSA					
Year	MFI	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥ 120%
Wisconsin non-MSA					
2023	\$ 89,200	< \$44,600	\$44,600 to < \$71,360	\$71,360 to < \$107,040	≥ \$107,040
2024	\$ 86,700	< \$43,350	\$43,350 to < \$69,360	\$69,360 to < \$104,040	≥ \$104,040
Source: FFIEC					

## **Competition**

The non-MSA has a moderately competitive market for financial services. According to the FDIC Deposit Market Share data, as of June 30, 2025, 13 financial institutions operated 25 full-service branches in Sauk County. Of these institutions, LRB ranked 11<sup>th</sup> with 2.0 percent of the deposit market share.

There is also moderate competition in the non-MSA from financial institutions for small business loans. According to 2023 CRA data from Sauk County, 56 financial institutions reported 882 small business loans. LRB ranked 6<sup>th</sup> with a market share of 3.2 percent for the number of loans and 18.0 percent for the dollar volume. JPMorgan Chase Bank, NA, American Express National Bank, and Capital One, N.A. are the top three lenders with 53.8 percent market share by number of small business loans.

The 2024 aggregate HMDA data reflects that 75 lenders reported 409 home mortgage loans in the non-MSA. Of these lenders, LRB ranked 3<sup>rd</sup> with 7.6 percent of the market share. This volume indicates a moderate degree of credit opportunities and competition for home mortgage lending. Many institutions are not required to report lending data; therefore, competition and opportunities for this loan type would be greater than the aggregate data indicates.

Finally, there is also moderate competition for small farm loans within the non-MSA. According to 2023 CRA data in the non-MSA, 18 financial institutions reported 117 small farm loans. LRB ranked 2<sup>nd</sup> with 13.7 percent of the market share by number of small farm loans.



## DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the bank's overall CRA rating.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

The Lending Test rating is Low Satisfactory. Overall, adequate performance is consistent within the Madison MSA, Janesville-Beloit MSA, and non-MSA portions of the AA. However, individual criterion performance differs. For example, LRB originated an adequate level of community development loans in the Madison MSA, but originated few, if any, community development loans in the Janesville-Beloit MSA and non-MSA.

#### Lending Activity

Lending levels reflect good responsiveness to the credit needs in the AA. LRB's average net loan-to-deposit ratio compares reasonably to similarly situated banks, given the bank's size, financial condition, and credit needs within the AA. LRB's net loan-to-deposit ratio averaged 97.0 percent over the previous 11 quarters, with a low of 92.0 percent and a high of 103.5 percent. This ratio is comparable to that of similarly situated banks whose average net loan-to-deposit ratios ranged from 83.6 percent to 137.0 percent over the same period. Examiners selected comparable financial institutions based on asset size, loan portfolio composition, and geographic location.

Net Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2025 \$(000s)	Average Net Loan-to- Deposit Ratio (%)
Lake Ridge Bank	3,108,661	97.0
<i>Similarly Situated Institution #1</i>	2,042,975	83.6
<i>Similarly Situated Institution #2</i>	2,268,424	137.0
<i>Similarly Situated Institution #3</i>	2,506,340	99.3
<i>Similarly Situated Institution #4</i>	2,502,773	91.0
<i>Similarly Situated Institution #5</i>	4,004,502	101.3
<i>Source: Reports of Condition and Income</i>		

Examiners also reviewed the number and dollar volume of loans originated over the review period, as well as market share and ranking to determine the bank's level of lending. Examiners reviewed deposit market share data to gain perspective on a bank's presence in a community.

The bank's lending levels compare reasonably well with the deposit market share, as shown in the following tables. Small business market share slightly trails the deposit market share by the number

of loans but generally exceeds the deposit market share by the dollar amount of loans. Home mortgage market share is generally below the deposit market share by both the number and dollar amount of loans. The bank's small farm lending significantly exceeds that of its deposit market share in each area.

LRB does not report credit card loans for small businesses, therefore exhibiting lower numbers of small business loans compared to institutions that do report credit card portfolios.

Area	Banking Offices	Deposit Market Share by \$ as of 6/30/2025		Small Business Market Share By # for 2023		Small Business Market Share By \$ for 2023	
		Rank	%	Rank	%	Rank	%
Madison MSA	17	4 of 36	8.9	6 of 92	4.9	1 of 92	24.8
Janesville-Beloit MSA	1	8 of 18	4.0	11 of 56	1.8	8 of 56	3.3
non-MSA	1	11 of 13	2.0	6 of 56	3.2	1 of 56	18.0
<i>Sources: 6/30/2025 Summary of Deposits; 2023 CRA data.</i>							

Area	Banking Offices	Deposit Market Share by \$ as of 6/30/2025		Home Mortgage Market Share By # for 2024		Home Mortgage Market Share By \$ for 2024	
		Rank	%	Rank	%	Rank	%
Madison MSA	17	4 of 36	8.9	4 of 351	3.0	7 of 351	2.9
Janesville-Beloit MSA	1	8 of 18	4.0	23 of 245	1.1	33 of 245	0.8
non-MSA	1	11 of 13	2.0	3 of 75	7.6	3 of 75	5.7
<i>Sources: 6/30/2025 Summary of Deposits; 2024 HMDA data.</i>							

Area	Banking Offices	Deposit Market Share by \$ as of 6/30/2025		Small Farm Market Share By # for 2023		Small Farm Market Share By \$ for 2023	
		Rank	%	Rank	%	Rank	%
Madison MSA	17	4 of 36	8.9	1 of 19	29.5	1 of 19	47.2
Janesville-Beloit MSA	1	8 of 18	4.0	1 of 16	36.4	1 of 16	52.6
non-MSA	1	11 of 13	2.0	2 of 18	13.7	2 of 18	24.3
<i>Sources: 6/30/2025 Summary of Deposits; 2023 CRA data.</i>							

**Madison MSA:**

Lending levels reflect good responsiveness to credit needs in the Madison MSA. For the prior two full calendar years, LRB made 945 small business loans, 693 home mortgage loans, and 243 small farm loans. By number of loans, this equates to 89.4 percent of small business loans, 85.1 percent of home mortgage loans, and 61.7 percent of small farm loans in the Madison MSA.

In 2023, the most recent year available for small business and farm CRA data, LRB's market share by dollar volume was 24.8 percent for small business loans, and 47.2 percent for small farm loans. In 2024, the most recent year available for HMDA data, LRB's market share by dollar volume was

2.9 percent for home mortgage loans. These market share percentages exceed or compare reasonably well with LRB's deposit market share of 8.9 percent as of June 30, 2025.

*Janesville-Beloit MSA:*

Lending levels reflect adequate responsiveness to credit needs in the Janesville-Beloit MSA. For the prior two full calendar years, LRB made 72 small business loans, 84 home mortgage loans, and 126 small farm loans. By number of loans, this equates to 6.8 percent of small business loans, 10.3 percent of home mortgage loans, and 32.0 percent of small farm loans in this area.

The 2023 small businesses and farm CRA data shows LRB's market share by dollar volume was 3.3 percent for small business loans and 52.6 percent for small farm loans. The 2024 HMDA aggregate data shows LRB's market share by dollar volume was 0.8 percent for home mortgage loans. These market share percentages compare reasonably well with LRB's deposit market share of 4.0 percent as of June 30, 2025.

*non-MSA:*

Lending levels reflect adequate responsiveness to credit needs in the non-MSA. For the prior two full calendar years, LRB made 40 small business loans, 37 home mortgage loans, and 25 small farm loans. By number of loans, this equates to 3.8 percent of small business loans, 4.6 percent of home mortgage loans, and 6.3 percent of small farm loans in the non-MSA.

The 2023 CRA data shows LRB's market share by dollar volume was 18.0 percent for small business loans and 24.3 percent for small farm loans. The 2024 HMDA aggregate data shows LRB's market share by dollar volume was 5.7 percent for home mortgage loans. These market share percentages compare reasonably well with LRB's deposit market share of 2.0 percent as of June 30, 2025.

**Assessment Area Concentration**

The bank made a high percentage of loans, by number and dollar volume, within the AA. The following table illustrates lending activity inside and outside the AA.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2023	544	88.2	73	11.8	617	113,527	87.7	15,954	12.3	129,481
2024	513	84.2	96	15.8	609	119,427	85.4	20,493	14.6	139,920
Subtotal	1,057	86.2	169	13.8	1,226	232,954	86.5	36,447	13.5	269,401
Home Mortgage										
2023	224	81.2	52	18.8	276	200,124	78.5	54,783	21.5	254,907
2024	590	86.5	92	13.5	682	151,709	87.6	21,460	12.4	173,169
Subtotal	814	85.0	144	15.0	958	351,833	82.2	76,243	17.8	428,076
Small Farm										
2023	197	89.5	23	10.5	220	26,595	92.2	2,248	7.8	28,843
2024	197	86.8	30	13.2	227	28,110	89.3	3,380	10.7	31,490
Subtotal	394	88.1	53	11.9	447	54,705	90.7	5,628	9.3	60,333
Total	2,265	86.1	366	13.9	2,631	639,492	84.4	118,318	15.6	757,810
Source: Imported Bank Data Due to rounding, totals may not equal 100.0%.										

## **Geographic Distribution**

The geographic distribution of loans reflects poor penetration throughout the AA. Performance is poor in both the Madison MSA and the Janesville-Beloit MSA that comprise the AA. The non-MSA portion of the AA does not include any low- or moderate-income CTs.

### **Madison MSA:**

The geographic distribution of loans reflects poor dispersion throughout the Madison MSA. The conclusion is supported primarily by the bank's poor penetration of small business, home mortgage, and small farm loans within the Madison MSA's moderate-income CTs.

### ***Small Business Loans***

The geographic distribution of small business loans reflects poor penetration throughout the Madison MSA. The bank's performance slightly trails the demographic data in the low-income CTs in both 2023 and 2024 but aligns with available aggregate data. However, lending in the moderate-income CTs trails both demographic and available aggregate data in both 2023 and 2024. In 2023, LRB's performance in the moderate-income CTs trailed demographic data by 5.4 percentage points and trailed aggregate data by 4.7 percentage points. The table below shows similar poor performance for 2024, in which small business loans originated in the moderate-income CTs trailed demographic data by 8.4 percentage points. Additionally, performance within both the low- and moderate-income tracts declined slightly between 2023 and 2024. LRB faces strong competition for small business loans due to the location of multiple lenders in closer proximity to the low- and moderate-income CTs. Despite these performance context factors, performance is still poor primarily due to weak performance in moderate-income CTs.

Geographic Distribution of Small Business Loans Madison MSA						
Tract Income Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	4.9	4.1	20	4.1	5,138	4.8
2024	4.4	--	18	4.0	6,010	5.4
Moderate						
2023	15.2	14.5	48	9.8	11,025	10.3
2024	17.7	--	42	9.3	9,893	8.9
Middle						
2023	51.3	49.1	295	60.0	63,833	59.4
2024	51.0	--	256	56.5	60,917	55.0
Upper						
2023	26.4	30.4	124	25.2	25,662	23.9
2024	24.6	--	129	28.5	30,461	27.5
NA						
2023	2.3	2.0	5	1.0	1,800	1.7
2024	2.3	--	8	1.8	3,512	3.2
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>492</b>	<b>100.0</b>	<b>107,458</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>453</b>	<b>100.0</b>	<b>110,793</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the Madison MSA. Although the bank's performance in the low-income CTs slightly exceeded both demographic and aggregate data in 2023 and 2024, the bank's performance in the moderate-income CTs is consistently and significantly below demographic and aggregate data in both years. LRB's main office, Middleton branch, Monona – Monona Drive branch, and Monona – Bridge Road branch are located in relatively close proximity to the low- and moderate-income CTs. However, many other lenders are located more favorably to serve these CTs. Competition for home loans is very high and is a challenge for the bank. Nonetheless, performance significantly trails aggregate performance in moderate-income tracts.

Geographic Distribution of Home Mortgage Loans Madison MSA						
Tract Income Level	% of Owner-Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.8	0.7	2	1.0	32,997	17.1
2024	0.8	0.7	5	1.0	1,951	1.4
Moderate						
2023	13.4	12.3	13	6.7	31,769	16.4
2024	13.4	11.9	29	5.8	4,847	3.5
Middle						
2023	57.1	57.2	121	62.4	74,954	38.8
2024	57.1	57.4	338	67.7	92,369	66.3
Upper						
2023	28.5	29.6	56	28.9	50,834	26.3
2024	28.5	29.8	126	25.3	34,802	25.0
NA						
2023	0.2	0.3	2	1.0	2,680	1.4
2024	0.2	0.3	1	0.2	5,314	3.8
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>194</b>	<b>100.0</b>	<b>193,234</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>499</b>	<b>100.0</b>	<b>139,283</b>	<b>100.0</b>
Source: 2020 Census; Imported Bank Data; 2024, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

### *Small Farm Loans*

The geographic distribution of small farm loans reflects poor penetration throughout the Madison MSA. The bank did not make any small farm loans in the low-income CTs; however, the percentage of farms located within the low-income CTs is less than one percentage point, indicating very few opportunities for small farm lending within these CTs. The bank's performance in moderate-income CTs is consistently and significantly below demographic data each year during the evaluation period, as reflected in the following table. Similarly, performance trails 2023 aggregate data. Green County is more rural and contains five large moderate-income CTs located immediately adjacent to each other in the southern portion of Green County. However, the bank does not have any branches in southern Green County. According to 2023 aggregate CRA data, LRB is the top small farm lender in the Madison MSA.

Geographic Distribution of Small Farm Loans Madison MSA						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.6	--	0	0.0	0	0.0
2024	0.5	--	0	0.0	0	0.0
Moderate						
2023	12.1	18.6	9	7.6	1,467	9.1
2024	12.2	--	7	5.7	1,445	7.4
Middle						
2023	69.0	72.7	98	82.4	12,706	78.9
2024	69.1	--	107	86.3	17,000	87.6
Upper						
2023	17.8	8.7	12	10.1	1,926	12.0
2024	17.7	--	10	8.1	965	5.0
NA						
2023	0.5	--	0	0.0	0	0.0
2024	0.5	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>119</b>	<b>100.0</b>	<b>16,099</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>124</b>	<b>100.0</b>	<b>19,410</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

#### Janesville-Beloit MSA:

The geographic distribution of loans reflects poor dispersion throughout the Janesville-Beloit MSA. The bank's poor penetration of small business and home mortgage loans within this area's low- and moderate-income CTs supports this conclusion. While performance is poor, this criterion carries less weight given the bank's branch location in proximity to low- and moderate-income CTs, which creates lending challenges for the institution and impacts performance.

#### *Small Business Loans*

The geographic distribution of small business loans reflects poor penetration throughout the Janesville-Beloit MSA. The bank did not make any small business loans in the sole low-income CT or in any of the 11 moderate-income CTs in 2023 or 2024. The bank faces competitive challenges as LRB does not have a physical location in the Janesville-Beloit MSA low- or moderate-income CTs. However, not all aggregate reporters have branches within the low- or moderate-income CTs, either. LRB only had one branch located in the Janesville-Beloit MSA during the evaluation period, which is located approximately 14 miles from the nearest moderate-income CT. Additionally, the low-income CT and many of the moderate-income CTs surround downtown Janesville. Challenges for the bank include strong competition for small business loans from other lenders located in closer proximity to the low- and moderate-income CTs. The above information and economic factors do

not outweigh the poor dispersion of small business loans in the low- or moderate-income CTs. The following table provides additional details.

<b>Geographic Distribution of Small Business Loans Janesville-Beloit MSA</b>						
<b>Tract Income Level</b>	<b>% of Businesses</b>	<b>CRA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2023	3.1	3.1	0	0.0	0	0.0
2024	4.0	--	0	0.0	0	0.0
Moderate						
2023	16.6	15.0	0	0.0	0	0.0
2024	16.4	--	0	0.0	0	0.0
Middle						
2023	51.3	51.3	10	29.4	376	12.3
2024	51.6	--	8	21.1	1,484	29.9
Upper						
2023	29.0	30.6	24	70.6	2,689	87.7
2024	28.0	--	30	79.0	3,488	70.2
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>3,065</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>38</b>	<b>100.0</b>	<b>4,972</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### *Home Mortgage Loans*

The geographic distribution of home mortgage loans reflects poor penetration throughout the Janesville-Beloit MSA. Although the bank did not make any loans in the low-income CT in 2023 and 2024, the percentage of owner-occupied housing units in the single low-income CT is less than a half percentage point, indicating very limited lending opportunities within this CT. The bank's performance in the moderate-income CTs is consistently and significantly below demographic and aggregate data in both years. As noted above, LRB only had one branch with some distance from the moderate-income CTs during the evaluation period. Many other lenders are located more favorably to serve these CTs. Nevertheless, performance significantly trails aggregate performance in the moderate-income tracts. The above information and economic factors do not outweigh the poor dispersion of home mortgage loans in the low- or moderate-income CTs.



Geographic Distribution of Home Mortgage Loans Janesville-Beloit MSA						
Tract Income Level	% of Owner-Occupied Housing Units	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.2	0.2	0	0.0	0	0.0
2024	0.2	0.2	0	0.0	0	0.0
Moderate						
2023	19.6	20.6	2	7.7	130	2.1
2024	19.6	20.1	1	1.7	50	0.7
Middle						
2023	54.0	53.0	10	38.5	2,493	40.3
2024	54.0	54.6	14	24.1	2,113	29.9
Upper						
2023	26.2	26.2	14	53.9	3,566	57.6
2024	26.2	25.1	43	74.1	4,908	69.4
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>6,189</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>58</b>	<b>100.0</b>	<b>7,071</b>	<b>100.0</b>
Source: 2020 Census; Imported Bank Data; 2024, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

### *Small Farm Loans*

The geographic distribution of small farm loans reflects adequate penetration throughout the Janesville-Beloit MSA. In 2023 and 2024, the bank did not originate any small farm loans in the low- or moderate-income CTs. The demographic figure for farms in the single low-income CT is just one percentage point in 2024, and zero percentage points in 2023, indicating limited lending opportunities within this CT. Similarly, available aggregate data from 2023 indicates very little performance within the moderate-income CTs. As noted above, LRB only had one branch with some distance from the moderate-income CTs during the evaluation period. Many other lenders are located more favorably to serve these CTs but are also not able to make small farm loans given the limited opportunities for lending. Geographic distribution of small farm loans within the low- and moderate-income CTs is adequate.

Geographic Distribution of Small Farm Loans Janesville-Beloit MSA						
Tract Income Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	0.0	--	0	0.0	0	0.0
2024	1.0	--	0	0.0	0	0.0
Moderate						
2023	2.4	0.6	0	0.0	0	0.0
2024	2.5	--	0	0.0	0	0.0
Middle						
2023	59.0	47.7	21	32.8	3,324	38.9
2024	59.0	--	24	38.7	2,859	39.0
Upper						
2023	38.5	51.7	43	67.2	5,233	61.2
2024	37.6	--	38	61.3	4,480	61.0
NA						
2023	0.0	--	0	0.0	0	0.0
2024	0.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>64</b>	<b>100.0</b>	<b>8,557</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>62</b>	<b>100.0</b>	<b>7,339</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

non-MSA:

The non-MSA does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful analysis. Therefore, this criterion was not analyzed within the non-MSA.

**Borrower Profile**

The distribution of loans to borrowers reflects adequate penetration among business and farm customers of different sizes and retail customers of different income levels within the Madison-Janesville-Beloit CSA.

Madison MSA:

The distribution of borrowers reflects adequate penetration among businesses and farms of different sizes and retail customers of different income levels in the Madison MSA. While the bank's poor small business loan performance received the most weight, the combined good home mortgage and small farm loan performance supports the overall conclusion, despite these two products receiving less weight due to lesser loan volumes.

### *Small Business Loans*

The bank's distribution of small business loans reflects poor penetration of loans to businesses with revenues of \$1 million or less. In both years reviewed, the bank's performance significantly trailed the demographic data and available aggregate data in 2023. The demographic data itself represents the percentage of businesses of different sizes operating within the Madison MSA and does not necessarily represent those businesses that are seeking or may even qualify for bank financing. Smaller business owners often finance their business needs through credit cards, personal home equity lines of credit, or even consumer loans originated in their own name, with these types of loans not captured in this analysis. Therefore, aggregate data and performance of similarly situated banks help examiners understand demand for loans and actual lending opportunities. The 2023 aggregate data shows reporting banks originated 57.3 percent of small business loans to businesses with revenues of \$1 million. However, LRB's performance still trailed the available aggregate data. Examiners also compared the bank's lending performance to similarly situated banks within the Madison MSA. LRB's performance exceeded one peer with very poor performance of 23.0 percent and 48.0 percent.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category Madison MSA</b>						
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>CRA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<b>&lt;= \$1,000,000</b>						
2023	88.2	57.3	231	47.0	31,918	29.7
2024	88.5	--	210	46.4	33,718	30.4
<b>&gt; \$1,000,000</b>						
2023	3.8	--	256	52.0	74,727	69.5
2024	3.5	--	238	52.5	74,819	67.5
<b>Revenue Not Available</b>						
2023	8.0	--	5	1.0	813	0.8
2024	8.1	--	5	1.1	2,256	2.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>492</b>	<b>100.0</b>	<b>107,458</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>453</b>	<b>100.0</b>	<b>110,793</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### *Home Mortgage Loans*

LRB's performance in originating home mortgage loans to borrowers of different income levels is good. As reflected in the following table, the bank's lending to low-income borrowers trails the demographic data but exceeds aggregate performance. According to U.S. Census Bureau information, 5.0 percent of families in the Madison MSA maintain incomes below the poverty level. The limited financial resources of individuals earning an income below the poverty level, combined with increasing housing values in Dane and Green Counties, restrict the demand and opportunity for home mortgage loans to low-income borrowers. Therefore, examiners place more weight on the bank's performance with respect to aggregate performance as that is more reflective of the impact

of poverty levels. Lending to low-income families exceeds the aggregate performance in both years.

Lending to moderate-income borrowers in 2023 was below demographic data and aggregate performance. However, in 2024, LRB increased their lending to moderate-income borrowers, exceeding both demographic data and aggregate performance. Overall, the bank's performance to low- and moderate-income individuals is good.

<b>Distribution of Home Mortgage Loans by Borrower Income Level Madison MSA</b>						
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>HMDA Aggregate % of #</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low						
2023	17.7	7.2	15	7.7	2,210	1.1
2024	17.7	6.7	50	10.0	3,990	2.9
Moderate						
2023	18.2	19.1	25	12.9	4,578	2.4
2024	18.2	18.8	96	19.2	16,045	11.5
Middle						
2023	23.4	26.4	42	21.7	12,436	6.4
2024	23.4	25.4	103	20.6	20,722	14.9
Upper						
2023	40.7	39.9	81	41.8	39,503	20.4
2024	40.7	40.5	199	39.9	67,080	48.2
NA						
2023	0.0	7.4	31	16.0	134,507	69.6
2024	0.0	8.5	51	10.2	31,446	22.6
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>194</b>	<b>100.0</b>	<b>193,234</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>499</b>	<b>100.0</b>	<b>139,283</b>	<b>100.0</b>
<i>Source: 2020 Census; Imported Bank Data; 2024, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.</i>						

### *Small Farm Loans*

The bank's distribution of small farm loans reflects good penetration of loans to farms with revenues of \$1 million or less. In both years reviewed, the bank's performance significantly exceeded the most current available aggregate performance. Examiners also compared LRB's performance with three similarly situated banks operating in or around the Madison MSA. LRB's performance compared well with all three institutions, which had reasonable lending performance to small farms with revenues of \$1 million or less ranging from 79.4 percent to 85.3 percent.

Distribution of Small Farm Loans by Gross Annual Revenue Category Madison MSA						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	97.3	57.6	101	84.9	12,271	76.2
2024	97.3	--	98	79.0	12,060	62.1
> \$1,000,000						
2023	1.6	--	17	14.3	3,766	23.4
2024	1.6	--	23	18.6	7,046	36.3
Revenue Not Available						
2023	1.1	--	1	0.8	62	0.4
2024	1.1	--	3	2.4	304	1.6
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>119</b>	<b>100.0</b>	<b>16,099</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>124</b>	<b>100.0</b>	<b>19,410</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

#### Janesville-Beloit MSA:

The distribution of loans to borrowers reflects, given the product lines offered by the bank, adequate penetration among business and farm customers of different sizes and retail customers of different income levels in the Janesville-Beloit MSA. The adequate small business loan performance primarily supports this conclusion. The poor home mortgage loan performance and good small farm loan performance received less weight in arriving at the conclusion due to the lower volume of loans.

#### *Small Business Loans*

The bank's distribution of small business loans reflects adequate penetration of loans to businesses with revenues of \$1 million or less. In both years reviewed, the bank's performance trailed demographic data. However, in 2023, the bank's performance slightly exceeded available aggregate performance. The 2024 performance remained consistent. The distribution reflects adequate penetration to businesses with revenues of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category Janesville-Beloit MSA						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	86.9	57.1	20	58.8	1,053	34.4
2024	86.3	--	21	55.3	2,055	41.3
> \$1,000,000						
2023	3.9	--	14	41.2	2,012	65.6
2024	3.8	--	17	44.7	2,917	58.7
Revenue Not Available						
2023	9.1	--	0	0.0	0	0.0
2024	10.0	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>34</b>	<b>100.0</b>	<b>3,065</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>38</b>	<b>100.0</b>	<b>4,972</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### Home Mortgage Loans

LRB's performance in originating home mortgage loans to borrowers of different income levels is poor. In 2023, the bank's lending to low-income borrowers significantly trails both the aggregate and demographic data. Performance worsened in 2024, as the bank made no home mortgage loans to low-income borrowers. According to U.S. Census Bureau information, 8.8 percent of families in the Janesville-Beloit MSA maintain incomes below the poverty level. The poverty level, combined with increasing housing values in Rock County, restricts the demand and opportunity for home mortgage loans to low-income borrowers. Therefore, examiners place more weight on the bank's performance with respect to aggregate performance as that is more reflective of the impact of poverty levels. However, the performance significantly trailed the aggregate.

In 2023, the bank's performance in originating home mortgage loans to moderate-income borrowers was significantly below both aggregate and demographic data. While LRB increased their lending to moderate-income borrowers in 2024 to more comparable levels, this does not mitigate the weaker record of lending to low-income borrowers throughout the review period and moderate-income borrowers in 2023. Overall, the bank's performance to low- and moderate-income individuals is poor.

Distribution of Home Mortgage Loans by Borrower Income Level Janesville-Beloit MSA						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	19.7	10.1	1	3.9	50	0.8
2024	19.7	7.4	0	0.0	0	0.0
Moderate						
2023	18.8	22.6	3	11.5	454	7.3
2024	18.8	19.7	10	17.2	911	12.9
Middle						
2023	22.5	25.6	7	26.9	1,920	31.0
2024	22.5	24.7	12	20.7	1,324	18.7
Upper						
2023	39.1	31.5	7	26.9	2,214	35.8
2024	39.1	34.2	29	50.0	4,162	58.9
NA						
2023	0.0	10.3	8	30.8	1,551	25.1
2024	0.0	13.9	7	12.1	674	9.5
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>6,189</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>58</b>	<b>100.0</b>	<b>7,071</b>	<b>100.0</b>
Source: 2020 Census; Imported Bank Data; 2024, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

### *Small Farm Loans*

The bank's distribution of small farms reflects good penetration of loans to farms with revenues of \$1 million or less. In both years reviewed, the bank's performance significantly exceeded the most recently available aggregate data, reflecting good performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category Janesville-Beloit MSA						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	98.1	67.1	52	81.3	4,891	57.2
2024	98.0	--	48	77.4	4,239	57.8
> \$1,000,000						
2023	1.7	--	12	18.8	3,666	42.8
2024	1.7	--	13	21.0	3,070	41.8
Revenue Not Available						
2023	0.2	--	0	0.0	0	0.0
2024	0.3	--	1	1.6	30	0.4
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>64</b>	<b>100.0</b>	<b>8,557</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>62</b>	<b>100.0</b>	<b>7,339</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

#### non-MSA:

LRB's distribution of loans among customers of different income levels and entities with revenues of \$1 million or less is good in the non-MSA. The good performance in small business loans, adequate performance in home mortgage loans, and excellent performance in small farm loans support this conclusion. Small business lending carries the most weight due to volume of loan originations.

#### *Small Business Loans*

The bank's distribution of small business loans reflects good penetration of loans to businesses with revenues of \$1 million or less within the non-MSA. In both years reviewed, LRB exceeded or aligned with the most recently available aggregate performance data.



Distribution of Small Business Loans by Gross Annual Revenue Category non-MSA						
Gross Revenue Level	% of Businesses	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	88.3	56.2	12	66.7	479	16.0
2024	87.9	--	12	54.6	534	14.6
> \$1,000,000						
2023	4.8	--	6	33.3	2,525	84.1
2024	4.8	--	8	36.4	2,720	74.3
Revenue Not Available						
2023	6.9	--	0	0.0	0	0.0
2024	7.3	--	2	9.1	408	11.1
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>18</b>	<b>100.0</b>	<b>3,004</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>22</b>	<b>100.0</b>	<b>3,662</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### Home Mortgage Loans

LRB's performance in originating home mortgage loans to borrowers of different income levels is adequate within the non-MSA. LRB's performance to moderate-income borrowers significantly exceeds the aggregate performance in both years. However, the bank did not make any loans to low-income borrowers in 2023 or 2024 in the non-MSA. Stronger performance to moderate-income borrowers mitigates the weaker record of lending to low-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level non-MSA						
Borrower Income Level	% of Families	HMDA Aggregate % of #	#	%	\$(000s)	%
Low						
2023	12.5	4.3	0	0.0	0	0.0
2024	12.4	2.4	0	0.0	0	0.0
Moderate						
2023	14.4	15.5	1	25.0	155	22.1
2024	14.3	11.0	6	18.2	450	8.4
Middle						
2023	22.9	24.4	1	25.0	172	24.5
2024	22.8	23.2	8	24.2	864	16.1
Upper						
2023	50.2	49.4	2	50.0	374	53.4
2024	50.5	56.2	17	51.5	3,722	69.5
NA						
2023	0.0	6.3	0	0.0	0	0.0
2024	0.0	7.1	2	6.1	319	6.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>701</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>100.0</b>	<b>33</b>	<b>100.0</b>	<b>5,355</b>	<b>100.0</b>
Source: 2020 Census; Imported Bank Data; 2024, 2023 HMDA Aggregate Data Due to rounding, totals may not equal 100.0%.						

### *Small Farm Loans*

The bank's distribution of small farms reflects excellent penetration of loans to farms with revenues of \$1 million or less within the non-MSA. LRB made all small farm loans within the non-MSA to farms with gross annual revenues of \$1 million or less.

Distribution of Small Farm Loans by Gross Annual Revenue Category non-MSA						
Gross Revenue Level	% of Farms	CRA Aggregate % of #	#	%	\$(000s)	%
<= \$1,000,000						
2023	98.2	52.8	14	100.0	1,939	100.0
2024	98.1	--	11	100.0	1,361	100.0
> \$1,000,000						
2023	0.9	--	0	0.0	0	0.0
2024	0.9	--	0	0.0	0	0.0
Revenue Not Available						
2023	0.9	--	0	0.0	0	0.0
2024	0.9	--	0	0.0	0	0.0
<b>Total</b>						
<b>2023</b>	<b>100.0</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>	<b>1,939</b>	<b>100.0</b>
<b>2024</b>	<b>100.0</b>	<b>--</b>	<b>11</b>	<b>100.0</b>	<b>1,361</b>	<b>100.0</b>
Source: 2024, 2023 D&B Data; Bank Data; 2023 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%.						

### **Innovative or Flexible Lending Practices**

LRB makes limited use of innovative and flexible lending practices to serve the credit needs of the AA. The bank has 6 loan programs and funded 180 innovative or flexible loans totaling \$59.0 million during the evaluation period, which includes 24 loans for \$6.4 million located outside the AA. Performance was consistent throughout the MSAs and non-MSA portions of the AA. LRB's level of activity in innovative and flexible lending programs was compared with five similarly situated banks. Specifically, the five similarly situated banks have total assets ranging from \$1.9 billion to \$3.0 billion and were evaluated under Interagency Large Institution Examination Procedures. The performance of these similarly situated banks ranges from 1 to 11 loan programs, 1 to 4,650 loans, and dollar volume of \$130 thousand to \$1.5 billion. The performance of the similarly situated banks covers a three-year period. LRB's performance only exceeded one similarly situated bank with poor performance who made little use of innovative or flexible lending practices. The similarly situated bank had 1 program and made 1 loan for \$130,000. LRB's performance trailed two banks with good performance, each with 10 loan programs. These two similarly situated banks originated 449 loans totaling \$305.7 million and 1,677 loans totaling \$82.8 million.

Examiners considered the percentage (by number) of the bank's loans in each area to determine if the level of innovative and flexible loans is consistent with the capacity to serve the area. The following table shows the breakdown by area compared to the total loans originated in each area.

Innovative and Flexible Loans by Area					
Area	Innovative/Flexible Loans		Innovative/Flexible Loans		Total Loans* 2022-2024
	#	%	\$(000s)	%	%
Madison MSA	142	91.0	50,023	95.1	83.0
Janesville-Beloit MSA	7	4.5	1,077	2.1	12.5
non-MSA	7	4.5	1,484	2.8	4.5
<b>Subtotal in AA</b>	<b>156</b>	<b>100.0</b>	<b>52,584</b>	<b>100.0</b>	<b>100.0</b>
<b>Outside AA</b>	<b>24</b>	<b>-</b>	<b>6,428</b>	<b>-</b>	<b>-</b>
<b>Bank wide Total</b>	<b>180</b>	<b>-</b>	<b>59,012</b>	<b>-</b>	<b>-</b>
Source: Bank data. *Total loans include the number of small business, home mortgage, and small farm loans.					

The bank's innovative and flexible loan product offerings include both private and government-sponsored loan programs that help to meet the credit needs of low- and moderate-income borrowers and small businesses. Below are brief descriptions of each of these loan programs offered by the bank.

- *Fannie Mae HomeReady Loan Program* - This program offers more options and credit flexibility to help very low- and moderate-income borrowers attain homeownership. The program has low downpayment requirements (as little as 3.0 percent) and allows flexible sources of funds, including applying sweat equity to assist in meeting the downpayment and closing cost requirements.
- *Federal Home Loan Bank of Chicago (FHLBC) Housing Impact Loan Program* - FHLBC Housing Impact loans help support low and very low-income households. The housing impact loans offer improved pricing for borrowers with income at or below 80.0 percent of area median income, allowing these borrowers to receive 30-year fixed-rate mortgages at a more affordable rate.
- *FHLBC Small Business Loan Programs* - LRB partnered with FHLBC to assist small business owners in applying for and obtaining grants through the Accelerate Small Business Grants program, which awards grants to small businesses to assist in the development of their business. LRB also worked with a new organization in applying for the FHLBC's Diverse Developer Program, which awards a grant to promote development, expanding the development of affordable housing in the community.
- *Saint Vincent de Paul (SVDP) Microlending Program* - LRB partnered with a local non-profit, District Council of Madison, Society of SVDP to offer a consumer loan product to meet the needs of the community and individuals served by SVDP in partnership with the micro loan program. The micro loan program offers unsecured, small-dollar, no fee loans to qualifying individuals, meant to help with debt consolidation and prevent the use of and/or payoff of high-interest loans that cause immediate and long-term harm to borrowers. Through this program, individuals are also provided financial literacy education and support by a financial mentor from SVDP.
- *Small Business Administration (SBA) Loan Programs* - The SBA loan programs enable growing businesses to secure affordable long-term financing for major fixed assets that facilitate the retention and creation of jobs. Additionally, the guaranty of the SBA provides

more flexible underwriting to qualify more borrowers. The guaranty also provides for the sale of these loans into the secondary market, resulting in more capital for the bank to lend. Without SBA assistance, many borrowers would not be able to obtain credit due to creditworthiness and underwriting risks. SBA loans typically take longer to underwrite, require more financial assistance from the lender, and require an enhanced level of specialized banker expertise.

- Wisconsin Housing and Economic Development Authority (WHEDA) Loan Programs - The WHEDA conventional loan program provides home buyers with a versatile loan that features low monthly mortgage payments, downpayment and closing cost assistance, and a 30-year fixed-interest rate. Another loan program is the WHEDA Easy Close loan, which is a 10-year fixed-rate loan used in tandem with a WHEDA mortgage to pay for downpayment, closing costs, or upfront mortgage insurance premiums. Income restrictions apply in both loan programs.
- Purchased Loans from Habitat for Humanity - Although not included in the above table, LRB worked with Habitat for Humanity to purchase 10 loans totaling \$817 thousand and 10 loans totaling \$1.5 million in 2024 and 2025, respectively. Habitat for Humanity's homeownership program commits to building safe, affordable homes and selling them to qualified low-income families. Applicants must have a household or family income no higher than 60 percent of the Dane County median income and show a need for housing. LRB's loan purchases allowed Habitat for Humanity to further fund activities within the community.

The following table details these innovative and flexible loan programs by type and year. Refer to the separate area sections of the evaluation for activity in each area.

Innovative and/or Flexible Lending Programs								
Program	2023		2024		2025 (YTD)		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fannie Mae HomeReady	6	924	13	4,000	5	1,438	24	6,361
FHLBC Housing Impact	-	-	11	2,338	35	6,639	46	8,977
FHLBC Small Business Loan	-	-	4	1,615	-	-	4	1,615
SVDP Microlending	-	-	-	-	11	21	11	21
SBA	8	2,747	13	7,937	17	18,936	38	29,620
WHEDA	16	3,626	26	5,658	15	3,134	57	12,418
<b>Totals</b>	<b>30</b>	<b>7,297</b>	<b>67</b>	<b>21,548</b>	<b>83</b>	<b>30,168</b>	<b>180</b>	<b>59,012</b>
Source: Bank Data.								

#### Madison MSA:

LRB makes limited use of innovative and flexible lending practices to serve Madison MSA credit needs. As shown by year in the following table, the bank funded 142 innovative and flexible loans totaling \$50.0 million. These loans provided credit to individuals and small businesses that may not have otherwise qualified for traditional bank financing. LRB made 91.0 percent of innovative and flexible loans in the Madison MSA, which exceeds the 83.0 percent of home mortgage, small farm, and small business loans the bank made in the Madison MSA during the review period.

Innovative and/or Flexible Lending Programs								
Program	2023		2024		2025 (YTD)		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fannie Mae HomeReady	1	130	12	3,840	3	867	16	4,837
FHLB Chicago Housing Impact	-	-	6	1,255	26	5,079	32	6,334
FHLBC Small Business Loan	-	-	4	1,615	-	-	4	1,615
SVDP Microlending	-	-	-	-	11	21	11	21
SBA	8	2,747	11	7,788	15	16,481	34	27,016
WHEDA	15	3,374	18	4,075	12	2,752	45	10,201
<b>Totals</b>	<b>24</b>	<b>6,251</b>	<b>51</b>	<b>18,573</b>	<b>67</b>	<b>25,200</b>	<b>142</b>	<b>50,024</b>
<i>Source: Bank Data.</i>								

Janesville-Beloit MSA:

LRB makes limited use of innovative and flexible lending practices to serve Janesville-Beloit MSA credit needs. As shown by year in the following table, the bank funded 7 innovative and flexible loans totaling \$1.1 million. These loans provided credit to individuals and small businesses that may not have otherwise qualified for traditional bank financing. LRB made 4.5 percent of innovative and flexible loans in the Janesville-Beloit MSA, which is below the 12.5 percent of loans in the area. See the above section for descriptions of the loan programs.

Innovative and/or Flexible Lending Programs								
Program	2023		2024		2025 (YTD)		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fannie Mae HomeReady	-	-	-	-	-	-	-	-
FHLB Chicago Housing Impact	-	-	-	-	1	130	1	130
FHLBC Small Business Loan	-	-	-	-	-	-	-	-
SVDP Microlending	-	-	-	-	-	-	-	-
SBA	-	-	1	99	-	-	1	99
WHEDA	-	-	2	466	3	382	5	848
<b>Totals</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>565</b>	<b>4</b>	<b>512</b>	<b>7</b>	<b>1,077</b>
<i>Source: Bank Data.</i>								

non-MSA:

LRB makes limited use of innovative and flexible lending practices to serve the non-MSA credit needs. As shown by year in the following table, the bank funded 7 innovative and flexible loans totaling \$1.5 million. These loans provided credit to individuals that may not have otherwise qualified for traditional bank financing. LRB made 4.5 percent of innovative and flexible loans in the non-MSA, which matches the 4.5 percent of loans in the non-MSA. See the above section for descriptions of the loan programs.

Innovative and/or Flexible Lending Programs								
Program	2023		2024		2025 (YTD)		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fannie Mae HomeReady	-	-	-	-	-	-	-	-
FHLB Chicago Housing Impact	-	-	-	-	4	773	4	773
FHLBC Small Business Loan	-	-	-	-	-	-	-	-
SVDP Microlending	-	-	-	-	-	-	-	-
SBA	-	-	-	-	-	-	-	-
WHEDA	1	252	2	459	-	-	3	711
<b>Totals</b>	<b>1</b>	<b>252</b>	<b>2</b>	<b>459</b>	<b>4</b>	<b>773</b>	<b>7</b>	<b>1,484</b>
<i>Source: Bank Data.</i>								

### **Community Development Loans**

LRB made an adequate level of community development loans. During the evaluation period, the bank originated 31 community development loans totaling \$136.5 million within the AA and the broader statewide areas in Wisconsin. Nine community development loans totaling \$26.3 million were made in Wisconsin and outside of the AA. These loans are included since the bank was responsive to community development needs in the AA. Total community development lending represents 5.8 percent of the bank's average net loans and 4.5 percent of average total assets. Averages are based on the 11 quarters for the period from January 31, 2023, to June 30, 2025.

Examiners compared the bank's community development loan performance to the performance of five similarly situated banks. This group includes institutions throughout LRB's market area that have a similar asset size. Specifically, the five similarly situated banks have total assets ranging from \$1.9 billion to \$3.0 billion and were evaluated under Interagency Large Institution Examination Procedures. As a percentage of average net loans, the similarly situated banks' community development lending ranged from 5.5 percent to 28.6 percent. As a percentage of average total assets, the similarly situated banks' community development lending ranged from 3.9 percent to 22.7 percent. The bank at the lowest end of the range demonstrated poor performance, and the bank at the top end demonstrated excellent performance as a leader in community development lending. LRB's performance exceeds the bank with poor performance and was similar to one similarly situated bank with adequate performance of 6.7 percent of average net loans and 5.4 percent of average total assets. The following two tables reflect LRB's community development loans by area and by year.

Community Development Loans by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023	3	17,358	3	3,808	2	1,150	-	-	8	22,316
2024	2	1,006	4	10,126	6	31,742	2	9,721	14	52,595
2025	1	6,200	-	-	7	41,936	1	13,500	9	61,636
<b>Total</b>	<b>6</b>	<b>24,564</b>	<b>7</b>	<b>13,934</b>	<b>15</b>	<b>74,828</b>	<b>3</b>	<b>23,221</b>	<b>31</b>	<b>136,547</b>
<i>Source: Bank Data</i>										

Community Development Loans Compared to Total Lending Activity					
Area	Community Development Loans		Community Development Loans		Total Loans* 2023-2024
	#	%	\$(000s)	%	%
Madison MSA	22	71.0	110,321	80.8	83.0
Janesville-Beloit MSA	0	0.0	0	0.0	12.5
non-MSA	0	0.0	0	0.0	4.5
Statewide WI	9	29.0	26,226	19.2	-
<b>Total</b>	<b>31</b>	<b>100.0</b>	<b>136,547</b>	<b>100.0</b>	<b>100.0</b>
<i>Source: Bank Data. *Total loans include the number of home mortgage small farm loans, and small business loans.</i>					

#### Madison MSA:

LRB made an adequate level of community development loans in the Madison MSA. During the evaluation period, the bank originated 22 community development loans totaling \$110.3 million within the Madison MSA. The bank made 71.0 percent of the number of community development loans and 80.8 percent of the dollar volume of community development loans in the Madison MSA, as compared to the 83.0 percent of the number of home mortgage, small farm, and small business loans made in the Madison MSA. The following table shows the bank's community development loans in the Madison MSA.

Community Development Loans in the Madison MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2023	3	17,358	3	3,808	2	1,150	-	-	8	22,316
2024	2	1,006	3	8,971	3	22,492	1	6,150	9	38,619
2025	1	6,200	-	-	3	29,685	1	13,500	5	49,385
<b>Total</b>	<b>6</b>	<b>24,564</b>	<b>6</b>	<b>12,779</b>	<b>8</b>	<b>53,327</b>	<b>2</b>	<b>19,650</b>	<b>22</b>	<b>110,320</b>
<i>Source: Bank Data</i>										

Notable examples of community development loans within the Madison MSA include the following.

- The bank originated a \$5.9 million loan to a local non-profit food pantry to upgrade their facility, adding a drive through food pickup station, commercial kitchen and pantry, and classroom space intended for community use.



- The bank was the lead in a participation loan totaling \$16.2 million to build a low- and moderate-income housing complex located within a tax increment financing district. The project also utilized low-income housing tax credits to achieve feasibility.
- The bank made four loans totaling \$11.5 million through the SBA's 504 loan program. The 504 loan program provides long-term, fixed rate financing for entities that promote business growth and job creation.

Janesville-Beloit MSA:

LRB did not make any community development loans within the Janesville-Beloit MSA since the previous examination. This performance is below the 5.5 percent of deposits and 12.5 percent of total loans within this area.

non-MSA:

LRB has made no community development loans in the non-MSA portion of the AA. This performance is below the 1.7 percent of deposits and 4.5 percent of total loans within this area.

## **INVESTMENT TEST**

The bank's performance under the Investment Test rating is High Satisfactory. Overall, LRB has an excellent level of investment and grant activity, exhibits good responsiveness to credit and community development needs, and makes significant use of complex investments to support community development initiatives. Performance in the Madison MSA is good, while performance in the non-MSA is adequate, and performance in the Janesville-Beloit MSA is poor.

### **Investment and Grant Activity**

LRB has an excellent level of qualified community development investments and grants, often in a leadership position, and particularly those that are not routinely provided by private investors. This conclusion is supported by the excellent performance in the Madison MSA. During the evaluation period, LRB made 54 qualified investments and donations totaling \$55.7 million within the AA and the broader statewide areas in Wisconsin. Twenty-six investments totaling \$12.5 million were made in Wisconsin or the regional area and outside of the AA. These investments are included since the bank was responsive to community development needs in the AA. Total investment activity represents 1.9 percent of average assets, 18.4 percent of average equity capital, and 16.6 percent of average securities. Averages are based on the 11 quarters of the evaluation period.

Examiners compared the bank's investment performance to the performance of five similarly situated banks. This group of banks includes institutions throughout LRB's market area that have a similar asset size. Specifically, the five similarly situated banks have total assets ranging from \$1.9 billion to \$3.0 billion and were evaluated under Interagency Large Institution Examination Procedures. The similarly situated banks' community development investment activity ranged from 0.4 percent to 1.6 percent as a percentage of average assets. As a percentage of average equity capital, the performance ranged from 4.1 percent to 19.1 percent. As a percentage of average securities, the similarly situated banks ranged from 2.9 percent to 20.4 percent. The bank at the low end of the range demonstrated adequate performance, and the bank at the top end demonstrated

excellent performance. LRB's performance is at the higher end of the range of performance of similarly situated banks. The following two tables reflect LRB's qualified investments and grants by community development category both by area and by year.

Qualified Investments and Grants by Area								
Area	Affordable Housing		Community Services		Economic Development		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Madison MSA	15	39,813	8	465	2	575	25	40,853
Janesville-Beloit MSA	1	876	-	-	-	-	1	876
non-MSA	1	1,436	1	0	-	-	2	1,437
Broader Statewide and Regional Area	-	-	21	7,286	5	5,220	26	12,506
<b>Total</b>	<b>17</b>	<b>42,126</b>	<b>30</b>	<b>7,751</b>	<b>7</b>	<b>5,795</b>	<b>54</b>	<b>55,672</b>
<i>Source: Bank Data; Rounding may affect totals.</i>								

Qualified Investments and Grants by Year								
Activity Year	Affordable Housing		Community Services		Economic Development		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	3	16,451	14	5,969	1	75	18	22,494
2023	3	14,203	2	500	-	-	5	14,703
2024	5	5,526	4	755	5	5,220	14	11,501
2025	4	5,930	2	500	1	500	7	6,930
<b>Subtotal</b>	<b>15</b>	<b>42,109</b>	<b>22</b>	<b>7,724</b>	<b>7</b>	<b>5,795</b>	<b>44</b>	<b>55,628</b>
Qualified Grants & Donations	2	17	8	27	-	-	10	44
<b>Total</b>	<b>17</b>	<b>42,126</b>	<b>30</b>	<b>7,751</b>	<b>7</b>	<b>5,795</b>	<b>54</b>	<b>55,672</b>
<i>Source: Bank Data; Rounding may affect totals.</i>								

LRB's performance is excellent due to the significant volume of qualified investments made within the State and outside of the AA. Notable examples of the community development investments made outside the AA are as follows:

- The community services category includes 15 school bonds totaling \$5.8 million to remodel and improve aging schools throughout the State and regional area. Over 50 percent of the students in these school districts receive free or reduced lunches.
- The community services category includes two CDs totaling \$500,000 held at Minority Depository Institutions throughout the State. The bank has renewed each of these CDs three times since the previous performance evaluation, promoting community development efforts in the areas where these institutions are located.
- The economic development category includes one investment totaling \$2.2 million in an SBA Small Business Investment Company (SBIC). The SBIC program stimulates and supplements the flow of private equity capital and long-term debt financing that American small businesses need to operate, expand, and modernize their businesses, promoting economic development throughout the State of Wisconsin.
- The economic development category includes one investment totaling \$1.7 million in an economic development fund that provides direct loans to entrepreneurs and business owners

throughout Wisconsin who are starting or expanding a business with the goal of promoting economic development through targeted venture capital investments in startup or recently formed small businesses primarily located in Wisconsin.

**Madison MSA:**

LRB has an excellent level of qualified investments and grants in the Madison MSA with 25 investments and donations totaling \$40.9 million. LRB made 73.4 percent of qualified investments and grants by dollar volume in the Madison MSA, which is below the 92.8 percent of deposits as of June 30, 2025, and the 83.0 percent of loans in the Madison MSA. However, many of the investments have entities with headquarters in the Madison MSA, but the proceeds of the funds benefited the entire State of Wisconsin. These investments benefiting the State of Wisconsin are included in the overall section above.

<b>Qualified Investments and Grants in the Madison MSA</b>								
<b>Activity Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	3	16,451	1	437	1	75	5	16,963
2023	3	14,203	-	-	-	-	3	14,203
2024	3	3,213	-	-	1	500	4	3,713
2025	4	5,930	-	-	-	-	4	5,930
<b>Subtotal</b>	<b>13</b>	<b>39,797</b>	<b>1</b>	<b>437</b>	<b>2</b>	<b>575</b>	<b>16</b>	<b>40,809</b>
Qualified Grants & Donations	2	17	7	27	-	-	9	44
<b>Total</b>	<b>15</b>	<b>39,814</b>	<b>8</b>	<b>464</b>	<b>2</b>	<b>575</b>	<b>25</b>	<b>40,853</b>
<i>Source: Bank Data</i>								

Some examples include:

- The bank made a \$2.0 million investment into the Dane County Housing Fund II which has an explicit purpose of building affordable housing. Both LRB, and the former Monona Bank, have a history of being a Leader in various Dane County Housing funds.
- One of the prior-period investments is an investment in a (Low-Income Housing Tax Credit) LIHTC for the creation of a rent-restricted housing project for seniors. The current book value included is \$15.5 million, comprising a large portion of the qualified investment dollar volume. In addition, to further support the project, LRB also originated a loan for the project as well.
- In 2023, LRB invested in LIHTC for another affordable housing project, totaling \$12.2 million.
- The bank made a \$15,000 donation to a community center located in a moderate-income CT, focused on financial education, workforce development, and job training efforts.

**Janesville-Beloit MSA:**

LRB has a poor level of qualified investments in the Janesville-Beloit MSA with 1 affordable housing investment totaling \$876 thousand in 2024. LRB made 1.6 percent of qualified investments and grants in the Janesville-Beloit MSA, which is below the 5.5 percent of deposits as

of June 30, 2025, and the 12.5 percent of loans originated in the area. The bank did not have any qualified prior period investments in the Janesville-Beloit MSA.

non-MSA:

LRB made an adequate level of qualified investments in the non-MSA with 2 investments totaling \$1.4 million. LRB made 2.6 percent of qualified investments and grants in the non-MSA, which is above the 1.7 percent of deposits as of June 30, 2025, but below the 4.5 percent of loans in the non-MSA. The bank did not have any qualified prior period investments in the non-MSA.

Qualified Investments and Grants in the non-MSA						
Activity Year	Affordable Housing		Community Services		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)
2024 Investment	1	1,436	-	-	1	1,436
Qualified Grants & Donations	-	-	1	0*	1	0
<b>Total</b>	<b>1</b>	<b>1,436</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1,437</b>
<i>Source: Bank Data; *dollar volume of donation below \$1000 threshold in table</i>						

### **Responsiveness to Credit and Community Development Needs**

LRB exhibits good responsiveness to credit and community development needs. This conclusion is supported by good performance in the Madison MSA, adequate performance in the non-MSA, and poor performance in the Janesville-Beloit MSA. A majority (75.7 percent by dollar volume) of the bank's qualified investment and grant activity met an affordable housing need. The community contacts stated that affordable housing is a critical credit need within the AA. The following supports these conclusions.

- The affordable housing category includes two investments in LIHTC programs, totaling \$27.7 million, representing approximately 50.0 percent of the total qualified investments. LIHTCs create affordable rental housing by providing tax credits to developers to offset the cost of building and rehabilitating properties. Developers must agree to reserve a portion of the rental units for low-income tenants. One LIHTC project will provide 56 income-restricted units, and the other LIHTC project will create a rent-restricted senior housing complex.
- The affordable housing category includes five mortgage-backed securities totaling \$8.1 million. The underlying home mortgages are to low- and moderate-income individuals. The mortgage-backed securities provide liquidity to lenders making affordable housing loans and enable them to make additional home loans to low- and moderate-income borrowers. Given that access to affordable housing is a critical need in the AA, examiners consider these investments to be responsive to the needs of low- and moderate-income individuals.
- The affordable housing category also includes a \$2 million investment commitment in a workforce housing fund with \$420 thousand funded as of 2025 and \$1.5 million remaining as an unfunded commitment. This fund invested in a housing project in Madison, which is being constructed to provide 76 affordable housing units for low- and moderate-income individuals in the Madison MSA.

Madison MSA:

LRB demonstrated good responsiveness to credit and community development needs in the Madison MSA. Approximately 97.4 percent of qualified investments and grants supported affordable housing needs in the Madison MSA. While most of the funds targeted a single community development need for affordable housing, the community contacts expressed housing affordability as a challenge and significant credit need in the MSA.

Janesville-Beloit MSA:

The bank's investment performance exhibits poor responsiveness to credit and community development needs. The single investment is for a mortgage-backed security with majority of funds secured by collateral located in the Janesville-Beloit MSA. Mortgage-backed securities investments provide liquidity to lenders and enable them to make additional home loans to low- and moderate-income borrowers. This is responsive to affordable housing needs in the area; however, the volume of responsive activities is low with respect to the bank's capacity to serve this area.

non-MSA:

The bank's investment performance exhibits adequate responsiveness to credit and community development needs. The single investment is a mortgage-backed security with majority of funds secured by collateral located in the non-MSA. The mortgage-backed securities investments provide liquidity to lenders and enable them to make additional home loans to low- and moderate-income borrowers. This is responsive to affordable housing needs in the non-MSA. The donation supported a local food pantry.

**Community Development Initiatives**

LRB makes significant use of innovative and complex investments to support community development initiatives, primarily in the Madison MSA portion of the AA. The bank does not use innovative or complex investments to support community development initiatives in the Janesville-Beloit MSA or the non-MSA. The SBIC program, the workforce housing fund, and multiple LIHTC investments are examples of more complex investments that were described in the preceding section.

Madison MSA:

LRB makes significant use of innovative and complex investments to support community development initiatives. For example, the bank funds an SBA loan fund with the primary purpose of promoting permanent job creation, retention, and improvement for low- or moderate-income people. Proceeds of the funds allowed a swimming school and brewery to open in the Madison area. As noted above, the bank has invested heavily in LIHTC, which supports income-restricted units and other affordable housing projects within the Madison MSA.

Janesville-Beloit MSA:

LRB does not use innovative and/or complex investments to support community development initiatives in the Janesville-Beloit MSA.

non-MSA:

LRB does not use innovative and/or complex investments to support community development initiatives in the non-MSA.

## **SERVICE TEST**

Performance under the Service Test is Low Satisfactory. While overall Service Test performance is consistent in the areas that comprise the AA; there were different levels of performance for certain criteria assessed. For example, the bank provided a limited level of community development services in the Madison MSA, and provided few, if any, services in the Janesville-Beloit MSA and non-MSA.

### **Accessibility of Delivery Systems**

Delivery systems are accessible to essentially all portions of the institution's AA. The bank's performance is good in the Madison MSA and adequate in the Janesville-Beloit MSA and the non-MSA. Refer to the individual area comments for details on how the bank's branch distribution compares with other lenders.

To supplement the bank's branch network, the bank offers several alternative delivery systems. All bank offices have drive-up facilities, and most branches (15 of 19) have ATMs or ITMs. ITMs offer similar services to ATMs but offer additional transaction types like the ability to get cash back on deposits, cash a check, apply for a loan, and provide the ability to talk to a banker in real time. The bank is also part of the VISA Network, Wisconsin Bankers Association Network, and MoneyPass Network, which provides no-fee ATM usage nationwide.

Additionally, LRB utilizes various resources to increase accessibility to banking services. For example, each branch has an instant card printer, allowing new or replacement debit or credit cards to be printed instantly for greater accessibility and client experience. For client support, LRB provides consumers with a dedicated support team available via phone and chat function during banking hours so that expert assistance can be deployed as needed.

Customers also have remote access to their account information via the bank's digital banking services suite which includes online banking, a mobile phone banking app, Credit Sense credit report score information, direct deposit, and debit card controls. Customers can activate automated bill pay, digital wallets, direct transfers through Zelle, and customize alerts and e-statements. Online applications are available through both online banking and the bank's mobile application for credit cards, home equity lines of credit, automobile loans, mortgage loans, commercial loans, and to open personal deposit accounts. Telebank24 allows customers telephone prompted account management through a toll-free analog or digital interface at any time.

Further, LRB also provides services with associates who speak various languages, including Spanish, Chinese, French, Hmong, and Russian.

Madison MSA:

Delivery systems are accessible to essentially all portions of the Madison MSA. The bank's branch distribution in the moderate-income CTs slightly trails the branch distribution of other banks in 2024, as shown in the following table. However, the bank now has two branches in moderate-income CTs, the Middleton-Parmenter and Bridge Road branches. Both locations are within walking distance of a Madison Metro Transit bus stop. See the overall section for details on alternative delivery systems.

Branch Distribution by Geography Income Level in Madison MSA								
Tract Income Level	Census Tracts		Population		Branches		Other Bank Branches	
	#	%	#	%	#	%	#	%
Low	5	3.8	22,328	3.7	0	0.0	14	7.1
Moderate	23	17.3	91,613	15.3	2	12.5	39	19.9
Middle	64	48.1	304,056	50.8	10	62.5	85	43.4
Upper	34	25.6	157,329	26.3	4	25.0	49	25.0
NA	7	5.3	23,271	3.9	0	0.0	9	4.6
<b>Total</b>	<b>133</b>	<b>100.0</b>	<b>598,597</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>196</b>	<b>100.0</b>
Source: 2020 Census Data and Institution Records; SOD data (as of 6/30/2024).								

Janesville-Beloit MSA:

Delivery systems are reasonably accessible to essentially all portions of the Janesville-Beloit MSA. As illustrated in the following table, the bank does not operate any bank offices in the low- and moderate-income CTs. The bank operates one full-service branch with two deposit-taking ITMs in an upper-income CT in Evansville. Evansville is located in the northwest corner of the area, and not near any of the low- and moderate-income CTs. Throughout the evaluation period, the bank also operated an LPO with a deposit-taking ITM in an upper-income CT in Janesville. This office was in relatively close proximity to the single low-income and multiple moderate-income CTs in downtown Janesville. The new Janesville branch is in an upper-income CT but has closer proximity to the low- and moderate-income CTs. The bank does not operate any offices near Beloit, where other moderate-income CTs are located. Additionally, the bank is a member of multiple ATM networks, allowing customers free access to tens of thousands of ATMs nationwide. The bank also offers telephone, mobile, and online banking. With these delivery systems, the bank can reasonably serve all portions of the Janesville-Beloit MSA, including the low- and moderate-income CTs.

Branch Distribution by Geography Income Level in the Janesville-Beloit MSA								
Tract Income Level	Census Tracts		Population		Branches		Other Bank Branches	
	#	%	#	%	#	%	#	%
Low	1	2.4	899	0.5	0	0.0	2	4.2
Moderate	11	26.8	39,820	24.3	0	0.0	6	12.5
Middle	20	48.8	83,275	50.9	0	0.0	29	60.4
Upper	9	22.0	39,693	24.2	2	100.0	11	22.9
NA	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>41</b>	<b>100.0</b>	<b>163,687</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>
<i>Source: 2020 Census Data and Institution Records</i>								

non-MSA:

Delivery systems are reasonably accessible to essentially all portions of the non-MSA. The bank has one branch to serve the non-MSA, located in an upper-income CT. The non-MSA area does not have any low- or moderate-income CTs. See the overall section for details on alternative delivery systems.

**Changes in Branch Locations**

To the extent changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Due to the bank's merger activity, LRB acquired nine branches and subsequently closed three branches, typically in areas in which there were two branches in close proximity. In Dane County, LRB expanded access within two moderate-income CTs and did not close any branches in low- or moderate-income CTs. LRB also opened a new branch in the Janesville-Beloit MSA. Refer to the table below.

Net Distribution of Branch Openings/Closings						
Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)			
			Low	Moderate	Middle	Upper
Madison MSA	8	3	0	+2	+6 / -3	0
Janesville-Beloit MSA	1	0	0	0	0	+1
non-MSA	1	0	0	0	0	+1
<b>Total</b>	<b>9</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>0</b>
<i>Source: Bank data</i>						

Madison MSA:

To the extent changes have been made, the institution's record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the Madison MSA. Specifically, LRB acquired two branches in moderate-income CTs in 2023. LRB had no branches in low- or moderate-income CTs prior to acquiring these branches.



Janesville-Beloit MSA:

To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals in the Janesville-Beloit MSA. LRB opened a new branch in Janesville, Wisconsin, located in an upper-income CT. Given that the new branch in Janesville opened on the same date as this performance evaluation, the branch was not operational during the evaluation period. This new branch expands LRB's footprint in Rock County and is located much closer to the low-income CT and multiple moderate-income CTs in Rock County. As such, opening this branch has enhanced accessibility for the low- and moderate-income CTs surrounding Janesville. LRB has not opened or closed any other branch in the Janesville-Beloit MSA during the evaluation period.

non-MSA:

The acquisition of the Sauk City branch in the non-MSA in February 2023 has generally not adversely affected the accessibility of delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals. LRB has not closed any branches during the evaluation period in the non-MSA.

**Reasonableness of Business Hours and Services**

Business hours and services do not vary in a way that inconveniences portions of the AA, particularly low- and moderate-income geographies or individuals. While hours of operation are based on individual market needs, the hours do not vary significantly from other local financial institutions operating within the AA, are generally consistent bank wide, and do not disproportionately impact low- and moderate-income individuals and areas. All offices have standard hours of 9:00 a.m. to 5:00 p.m. Monday through Friday. A majority of the offices offer Saturday hours from 9:00 a.m. to 11:00 a.m. Drive-up facilities are available at most locations, opening from 7:30 a.m. to 9:00 a.m. and closing at 5:00 p.m. to 5:30 p.m. Monday through Friday. Further, drive-up facilities at the majority of offices have Saturday hours from 9:00 a.m. to 11:00 a.m. or noon. Each branch location offers a full line of deposit and loan products, including deposit accounts with no minimum balance and no maintenance fees and loan products with flexible terms that are detailed in the overall Innovative and/or Flexible Lending Practices section.

Madison MSA:

Business hours and services do not vary in a way that inconveniences portions of the Madison MSA, particularly low- and moderate-income geographies and individuals. Business hours are reasonable and do not vary significantly from other local financial institutions operating within the Madison MSA. Drive-up facilities are available at most offices, with many locations offering Saturday hours from 9:00 a.m. to 11:00 a.m. or noon. The bank has also made ITMs available which have operating hours from 8:00 a.m. through 5:30 p.m. Monday through Friday with Saturday hours from 9:00 a.m. through noon.

Janesville-Beloit MSA:

Business hours and services do not vary in a way that inconveniences portions of the Janesville-Beloit MSA, particularly low- and moderate-income geographies or individuals. Hours do not vary

significantly from other local financial institutions operating within the area. The sole office has standard hours of 9:00 a.m. to 5:00 p.m. Monday through Friday, and the drive-up facility is available from 8:00 a.m. to 5:00 p.m. Monday through Friday. Weekend hours are not available in the lobby or drive-up. The drive-up also has an ITM that is available until 5:30 p.m. Monday through Friday and available Saturday from 9:00 a.m. through noon.

*non-MSA:*

Business hours and services do not vary in a way that inconveniences portions of the non-MSA, particularly low- and moderate-income geographies or individuals. Hours do not vary significantly from other local financial institutions operating within the non-MSA. The sole office has standard hours of 9:00 a.m.-5:00 p.m. Monday through Friday and 9:00 a.m. to 11:00 a.m. Saturday. The drive-up facility is available from 8:00 a.m. to 5:30pm Monday through Friday and 9:00 a.m. to 11:00 a.m. Saturday.

**Community Development Services**

LRB provides a limited level of community development services. During the evaluation period, bank officials provided 44 instances of financial expertise or technical assistance and spent 1,546.5 hours on these activities in the AA. LRB's level of community development services was compared to five similarly situated banks. Specifically, the five similarly situated banks have total assets ranging from \$1.9 billion to \$3.0 billion and were evaluated under Interagency Large Institution Examination Procedures. The performance of these similarly situated banks ranges from 76 to 321 instances of community development services and from 866 to 3,133 hours spent on these activities. The bank on the low end of the number of services provided had good performance, while the bank on the high end had excellent performance. LRB's performance significantly trails by number of services provided but better aligns with the hours spent on these activities.

LRB's performance in community development services is poor overall. This is supported by limited performance in the Madison MSA and few, if any, activities in the Janesville MSA and the non-MSA. The percentage of community development services in each area, both by activities and hours, is compared to the percentage of bank employees within each area, as shown in the following table.

The following two tables reflect each area's community development services by number of activities and by number of hours spent on those activities. When bank employees serve on boards and committees involving ongoing participation in meetings and activities, the service is reflected as one activity per year.

Community Development Services by Number of Activities				
Assessment Area	Affordable Housing	Community Services	Economic Development	Totals
	#	#	#	#
Madison MSA	10	14	13	37
Janesville-Beloit MSA	1	-	-	1
non-MSA	-	-	-	-
Statewide WI	-	-	6	6
<b>Total</b>	<b>11</b>	<b>14</b>	<b>19</b>	<b>44</b>
<i>Source: Bank Data</i>				

Community Development Services by Number of Hours				
Assessment Area	Affordable Housing	Community Services	Economic Development	Totals
	#	#	#	#
Madison MSA	196.5	704.5	283.5	1,184.5
Janesville-Beloit MSA	3	-	-	3
non-MSA	-	-	-	-
Statewide WI	-	-	359	359
<b>Total</b>	<b>199.5</b>	<b>704.5</b>	<b>642.5</b>	<b>1,546.5</b>
<i>Source: Bank Data</i>				

Notable examples of the community development services offered outside the AA are as follows:

- A bank officer serves on the Loan Committee for a statewide initiative for economic development, and the entity utilizes the SBA 504 program and assists small businesses with capital accumulation and growth throughout Wisconsin.
- Two bank officers serve on committees for an SBA SBIC. One officer serves on an Advisory Council and the other on the statewide Loan Committee.

Madison MSA:

LRB provides a limited level of community development services within the Madison MSA. During the evaluation period, bank officials provided 37 instances of financial expertise or technical assistance and spent 1,184.5 hours on these activities in the Madison MSA. Of total community development services, 84.1 percent of activities and 76.6 percent of hours occurred in the Madison MSA, compared to the 87.7 percent of bank employees in the Madison MSA. The following two tables show the breakdown of the community development services by year for both the number of activities and hours spent on these activities in the MSA.

<b>Community Development Services by Number of Activities in the Madison MSA</b>				
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2023	3	2	3	<b>8</b>
2024	5	7	5	<b>17</b>
2025	2	5	5	<b>12</b>
<b>Total</b>	<b>10</b>	<b>14</b>	<b>13</b>	<b>37</b>
<i>Source: Bank Data</i>				

<b>Community Development Services by Number of Hours in the Madison MSA</b>				
<b>Activity Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2023	32.5	288	104.5	<b>425</b>
2024	75	208.5	46	<b>329.5</b>
2025	89	208	133	<b>430</b>
<b>Total</b>	<b>196.5</b>	<b>704.5</b>	<b>283.5</b>	<b>1,184.5</b>
<i>Source: Bank Data</i>				

Notable examples of the community development services in the Madison MSA are as follows:

- One bank officer serves on a fundraising committee for a non-profit that assists local low-income families, seniors, and veterans struggling through homelessness with funds for heating utilities and clothing to endure the Wisconsin winters.
- One bank manager serves as a Board Member and Treasurer for a non-profit organization focused on serving low- and moderate-income individuals throughout Madison.
- Three bank employees worked with three different small businesses to complete applications for various FHLB grants, including the FHLB Community First Developer Program and the FHLB Community First Accelerate grant.

*Janesville-Beloit MSA:*

LRB provides few community development services in the Janesville-Beloit MSA. During the evaluation period, bank officials provided one instance of financial expertise or technical assistance and spent three hours on this activity in the area. The bank official is part of the bank's human resources team and served as a recruiter for the new director of a local housing authority. Of its total community development efforts, LRB provided 2.3 percent of activities and 0.2 percent of hours in the Janesville-Beloit MSA, which is well below the 10.7 percent of bank employees in the area.

*non-MSA:*

LRB provided no community development services within the non-MSA. This performance is below the 1.7 percent of bank employees working in the non-MSA.

## **APPENDICES**

### **LARGE BANK PERFORMANCE CRITERIA**

#### **Lending Test**

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

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

#### **Investment Test**

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

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

## **Service Test**

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

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

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

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

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

## SCOPE OF EVALUATION

Lake Ridge Bank	
<b>Scope of Examination:</b> A full scope review was performed on the following AA within the noted rated area: State of Wisconsin: Madison-Janesville-Beloit CSA AA	
<b>Time Period Reviewed:</b>	2/6/2023 to 11/3/2025
<b>Products Reviewed:</b> Small Business Loans - 1/1/2023 to 12/31/2024 Home Mortgage Loans - 1/1/2023 to 12/31/2024 Small Farm Loans - 1/1/2023 to 12/31/2024 Community Development Loans - 2/6/2023 to 11/3/2025	

List of Assessment Areas and Type of Evaluation			
<b>Rated Area:</b> <b>Assessment Area</b>	<b>Type of Evaluation</b>	<b>Branches Visited</b>	<b>Other Information</b>
Wisconsin: Madison-Janesville-Beloit CSA AA	Full-Scope	One	None

## SUMMARY OF RATINGS FOR RATED AREAS

<b>Rated Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>	<b>Rating</b>
Wisconsin	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

## GLOSSARY

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

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

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

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

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

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

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

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

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



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

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

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

**Community Development Loan:** A loan that:

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

**Community Development Service:** A service that:

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

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

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

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

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

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

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

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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