



LIST OF SERVICES & OFFICE LOCATIONS

The following is a list of services generally offered at the bank's branches and descriptions of material differences, if any in the availability or cost of services at particular branches. Inclusive branch specific address, phone & fax, hours of operation, etc. included. At its option, a bank may include information regarding the availability of alternative systems for delivering retail banking services (e.g. ATMs/ITMs & RSF's, ATMs/ITMs & RSF's 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).

DELIVERY CHANNELS AND SERVICES

- Customer Support Center
 - Telephone support: via toll free or local phone number access with live assistance available 24 hours a day, 7 days a week (limited holiday hour exceptions).
- Bank Website www.horiconbank.com: with internet access all related services available 24 hours a day, 7 days a week unless noted.
 - Website chat platform: via bank's website allows chat via text, audio or video interactions with Virtual Banking Specialists. Service available during business hours Monday-Friday 7:00am-6:00pm and Saturday 7:00am-2:00pm.
 - Internet Banking
 - eStatements and Bill Pay available to Internet Banking users.
 - Mobile Banking App is available to Internet Banking users from mobile device. Additional mobile app features include but not limited to Mobile Deposit, External Transfers, Pay a Friend, Customer-to-Customer Transfers, Loan and Credit Card Payments.
 - Online deposit account opening for select personal and business products.
 - Online mortgage, personal loan, and credit card applications.
- ATM and/or ITMs are available at select branch sites (see location listing for those with ITM service).
 - ITMs provide extended banking hours Monday-Friday 7:00a – 6:00p and Saturday 7:00a – 2:00p. ITMs function as an ATM at any time including outside of the extended ITM service hours.
- Debit Cards available for various consumer and business checking accounts.
- Voice Banking (Voice Response Unit) is available 24 hours a day, 7 days a week.
- Bank-by-mail packets are available per customer request.

CREDIT (LOAN) PRODUCTS & SERVICES

The following is a list of specific types of credit by category, which this bank is currently prepared to extend within its CRA defined assessment area, consistent with the safe and sound operation of this bank:

- Consumer Loans: including, overdraft protection, loans for home improvements, vehicles and boats, debt consolidation, college costs and personal expenses
- Mortgage Loans: including 1-to-4 family, owner-occupied, residential and multi-family housing, home equity loans and lines and specialized programs such as WHEDA, and USDA
- Commercial Loans: including Revolving Lines of Credit, Term Loans, Commercial Real Estate Loans, Letters of Credit and specialized programs such as SBA, WHEDA, and USDA
- Agricultural Loans: including Revolving Lines of Credit, Term Loans, Agricultural Real Estate Loans, Letters of Credit and specialized programs such as Farmer Mac
- Municipal Loans
- Credit Cards: Business and consumer Visa in-house approval & processing programs

These loan products are available during normal banking hours and by appointment after hours with lender. Within the bounds of safe and sound lending practices, the bank offers conventional products with special features to make credit more widely available. Some of the special features include accepting guarantors as well as other assets (i.e., cash value of life insurance, certificates of deposit, or motor vehicles) in place of normal cash down payments from mortgage borrowers. Private Mortgage Insurance is available for borrowers with limited cash down payment.

DEPOSIT PRODUCTS & SERVICES

Horicon Bank's deposit products that fit the CRA framework include a special Senior Citizen Club and Kids Club. Horicon Bank's personal Free Checking account is designed to meet the needs of lower income customers who may have difficulty maintaining minimum balance requirements.

- Personal Checking Accounts: Free Checking Accounts, Interest Checking Accounts, Health Savings Accounts and Money Market Deposit Accounts
- Business Checking Accounts: Small Business Checking, Relationship Business Checking, Organization Checking, Analyzed Checking, and Money Market Deposit Checking
- Savings Accounts: Statement Savings and Christmas Savings Accounts. Statement Savings account minimum balance requirement waived for those ages under 18 and 55 and older.
- Certificates of Deposit
- Individual Retirement Accounts
- Gliding Free Club: for Senior Citizens (ages 55 and older) receive discount banking services and other membership benefits.
- Kids Club: for Minors (ages under 18) receive no minimum balance savings account and other membership benefits.

ADDITIONAL REFERRAL SERVICES

Horicon Bank also provides additional services by referral basis to meet the needs of customers. Services may be provided through on-site programs or through third-party referral networks.

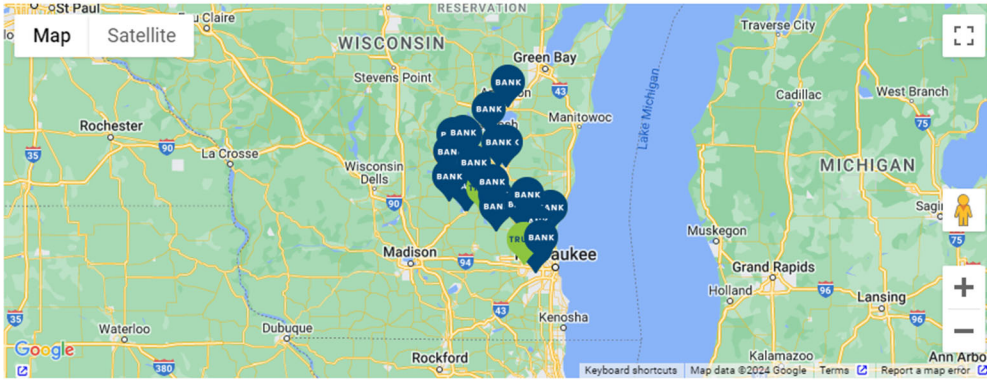
- Treasury and Commercial Payment Solutions: ACH Origination, Business Sweep Accounts, Remote Deposit Capture, Business Internet Banking, Business Bill Pay, Merchant Services, Business Credit Cards, Integrated Receivables, and Lock Box Services.
- Trust Administration Services: offers administrative trust services without managing the investment assets of the trust; including Trust Administration, Trust and Estate Settlement, Financial Power of Attorney, and Bill Paying services.

SERVICE CHARGES

Please inquire about our Service Charges (fees). We have service charge schedules available for deposit accounts or you may speak to a Universal Banker. You may also speak to a Loan Officer regarding loan service charges.

ABOUT

LOCATIONS & HOURS



OFFICE LOCATIONS

Appleton

Location

Street Address:
100 E. Midway Rd.

*My Virtual Teller/ITM Access
Available*

Census Tract - 55 015 11540 0208.00

Contact

Mailing Address:
100 E. Midway Rd.
Appleton, WI 54915

Phone: [920-954-6565](tel:920-954-6565)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.

My Virtual Teller / ITM:
Monday - Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Beaver Dam

Location

Street Address:
105 E. Industrial Dr.

ATM Access Available

Census Tract - 55 027 NA 9607.00

Contact

Mailing Address:
105 E. Industrial Dr.
Beaver Dam, WI 53916-0557

Phone: [920-887-8350](tel:920-887-8350)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.

Drive-up:
Monday – Friday
8:30 a.m. to 5:00 p.m.
Saturday
9:00 a.m. to 12:00 p.m.

Beaver Dam (Inside Food Pride)

Location

Street Address:
609 N. Spring St. (inside Beaver
Dam Food Pride)

*My Virtual Teller/ITM Access
Available*

Census Tract - 55 027 NA 9608.00

Contact

Mailing Address:
609 N. Spring St. (inside Beaver
Dam Food Pride)
Beaver Dam, WI 53916-0557

Phone: [920-887-5610](tel:920-887-5610)

Hours

Lobby:
Monday – Friday
9:00 a.m. to 5:00 p.m.

Drive-up:
Monday - Friday
9:00 a.m. to 5:00 p.m.

My Virtual Teller / ITM:
Monday - Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Beaver Dam (Inside Piggly Wiggly)

Location

Street Address:
810 Park Ave. (inside Piggly
Wiggly)

ATM Access Available

Census Tract - 55 027 NA 9608.00

Contact

Mailing Address:
810 Park Ave. (inside Piggly
Wiggly)
Beaver Dam, WI 53916-0557

Phone: [920-356-0427](tel:920-356-0427)

Hours

Lobby:
Monday – Friday
9:00 a.m. to 5:00 p.m.

Fond du Lac (East)

Location

Street Address:

854 E. Johnson St.

ATM Access Available

Census Tract - 55 039 22540 0411.02

Contact

Mailing Address:

P.O. Box 668

Fond du Lac, WI 54935-0668

Phone: [920-921-3070](tel:920-921-3070)

Hours

Lobby:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Drive-up:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Fond du Lac (West)

Location

Street Address:

1207 W. Johnson St.

My Virtual Teller/ITM Access Available

Census Tract - 55 039 22540 0407.00

Contact

Mailing Address:

1207 W. Johnson St.

Fond du Lac, WI 54937

Phone: [920-907-0269](tel:920-907-0269)

Hours

Lobby:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Drive-up:

Monday – Friday

8:30 a.m. to 5:00 p.m.

My Virtual Teller / ITM:

Monday – Friday

7:00 a.m. to 6:00 p.m.

Saturday

7:00 a.m. to 2:00 p.m.

Grafton

Location

Street Address:
2090 Wisconsin Ave.

ATM Access Available
Census Tract - 55 089 33340 6401.01

Contact

Mailing Address:
2090 Wisconsin Ave.
Grafton, WI 53024

Phone: [262-375-9150](tel:262-375-9150)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.
Saturday
9:00 a.m. to 12:00 p.m.

Drive-up:
Monday – Friday
8:30 a.m. to 5:00 p.m.
Saturday
9:00 a.m. to 12:00 p.m.

Green Lake

Location

Street Address:
515 Hill St.

My Virtual Teller/ITM Access Available
Census Tract - 55 047 NA 1004.00

Contact

Mailing Address:
P.O. Box 186
Green Lake, WI 54941-0186

Phone: [920-294-3369](tel:920-294-3369)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.

Drive-up:
Monday – Friday
8:30 a.m. to 5:00 p.m.

My Virtual Teller / ITM:
Monday – Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Horicon

Location

Street Address:
326 E. Lake St.

ATM Access Available
Census Tract - 55 027 NA 9612.00

Contact

Mailing Address:
P.O. Box 144
Horicon, WI 53032-0144

Phone: [920-485-3040](tel:920-485-3040)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.

Drive-up:
Monday – Friday
8:30 a.m. to 5:00 p.m.
Saturday
9:00 a.m. to 12:00 p.m.

Horicon - Virtual Teller Only

Location

Street Address:
606 Washington Street

*My Virtual Teller/ITM Access
Available*

Census Tract - 55 027 NA 9611.00

Contact

Mailing Address:
P.O. Box 144
Horicon, WI 53032-0144

Phone: [920-485-3040](tel:920-485-3040)

Hours

No Lobby Hours - ITM Only:

Monday-Friday
7:00 a.m. to 6:00 p.m.

Saturday
7:00 a.m. to 2:00 p.m.



Iron Ridge - Virtual Teller Only

Location

Street Address:
156 S. Main St.

*My Virtual Teller/ITM Access
Available*

Census Tract - 55 027 NA 9614.00

Contact

Mailing Address:
P.O. Box 277
Iron Ridge, WI 53035-0277

Phone: [920-387-3640](tel:920-387-3640)

Hours

My Virtual Teller / ITM:

Monday-Friday
7:00 a.m. to 6:00 p.m.

Saturday
7:00 a.m. to 2:00 p.m.

Loan Appointments:
888.343.3040



Markesan

Location

Street Address:
825 N. Margaret St.

*My Virtual Teller/ITM Access
Available*

Census Tract - 55 047 NA 1006.00

Contact

Mailing Address:
P.O. Box 270
Markesan, WI 53946-0270

Phone: [920-398-2358](tel:920-398-2358)

Hours

Lobby:

Monday – Friday
8:30 a.m. to 5:00 p.m.

Drive-up:
Monday – Friday
8:30 a.m. to 5:00 p.m.

My Virtual Teller / ITM:
Monday – Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.



Mayville

Location

Street Address:

1440 Horicon St. (inside Piggly Wiggly)

My Virtual Teller/ITM Access Available

Census Tract - 55 027 NA 9613.00

Contact

Mailing Address:

P.O. Box 242
Mayville, WI 53050-0242

Phone: [920-387-9123](tel:920-387-9123)

Hours

My Virtual Teller / ITM:

Monday – Friday

7:00 a.m. to 6:00 p.m.

Saturday

7:00 a.m. to 2:00 p.m.



Menomonee Falls

Location

Street Address:

N91W17231 Appleton Ave

ATM Access Available

Census Tract - 55 133 33340 2001.01

Contact

Mailing Address:

N91W17231 Appleton Ave
Menomonee Falls, WI 53051

Phone: [262-251-9050](tel:262-251-9050)

Hours

Lobby:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Saturday

9:00 a.m. to 12:00 p.m.

Drive-up:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Saturday

9:00 a.m. to 12:00 p.m.



Neosho

Location

Street Address:

226 S. Schuyler St.

ATM Access Available

Census Tract - 55 027 NA 9615.00

Contact

Mailing Address:

P.O. Box 185
Neosho, WI 53059-0185

Phone: [920-625-3515](tel:920-625-3515)

Hours

Lobby:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Drive-up:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Saturday

9:00 a.m. to 12:00 p.m.

New Berlin

Location

Street Address:

15600 W. Cleveland Ave

My Virtual Teller/ITM Access Available

Census Tract - 55 133 33340 2014.04

Contact

Mailing Address:

15600 W. Cleveland Ave
New Berlin, WI 53151

Phone: [262-786-2854](tel:262-786-2854)

Hours

Lobby:

Monday - Friday
8:30 a.m. - 5:00 p.m.

My Virtual Teller / ITM:

Monday - Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Oshkosh

Location

Street Address:

2251 Omro Rd.

ATM Access Available

Census Tract - 55 139 36780 001804

Contact

Mailing Address:

2251 Omro Rd.
Oshkosh, WI 54904

Phone: [920-232-7420](tel:920-232-7420)

Hours

Lobby:

Monday - Friday
8:30 a.m. to 5:00 p.m.

Drive-up:

Monday - Friday
8:30 a.m. to 5:00 p.m.

Randolph

Location

Street Address:

170 Kienow Dr.

My Virtual Teller/ITM Access Available

Census Tract - 55 027 NA 9606.00

Contact

Mailing Address:

P.O. Box 157
Randolph, WI 53956-0157

Phone: [920-326-4131](tel:920-326-4131)

Hours

Lobby:

Monday - Friday
8:30 a.m. to 5:00 p.m.

Drive-up:

Monday - Friday
8:30 a.m. to 5:00 p.m.
Saturday
9:00 a.m. to 12:00 p.m.

My Virtual Teller / ITM:

Monday - Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Ripon

Location

Street Address:

400 Watson St.

ATM Access Available

Census Tract - 55 039 22540 0416.00

Contact

Mailing Address:

P.O. Box 267
Ripon, WI 54971-0267

Phone: [920-745-2265](tel:920-745-2265)

Hours

Lobby:

Monday – Friday
8:30 a.m. to 5:00 p.m.

Drive-up:

Monday – Friday
8:30 a.m. to 5:00 p.m.
Saturday
9:00 a.m. to 12:00 p.m.

Ripon (Inside Webster's Marketplace) - Virtual Teller Only

Location

Street Address:

1188 W. Fond du Lac St. (inside
Webster's Marketplace)

***My Virtual Teller/ITM Access
Available***

Census Tract - 55 039 22540 0416.00

Contact

Mailing Address:

P.O. Box 267
Ripon, WI 54971-0267

Phone: [920-745-2265](tel:920-745-2265)

Hours

My Virtual Teller / ITM:

Monday - Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Slinger

Location

Street Address:

1155 E Commerce Blvd. Apt. 101

Census Tract - 55 131 33340 4501.06

Contact

Mailing Address:

1155 E Commerce Blvd. Apt. 101
Slinger, WI 53086

Phone: [262-546-1165](tel:262-546-1165)

Hours

Lobby:

Tuesday, Thursday & Friday
9:00 a.m. - 5:00 p.m.

Trust Administration

Location

Street Address:
15600 W. Cleveland Ave

ATM Access Available

Census Tract - 55 133 33340 2014.04

Contact

Mailing Address:
15600 W. Cleveland Ave
New Berlin, WI 53151

Hours

No Lobby Hours:
Monday - Friday
By Appointment Only

Waupun

Location

Street Address:
807 W. Main St.

My Virtual Teller/ITM Access Available

Census Tract - 55 027 NA 9603.00

Contact

Mailing Address:
P.O. Box 312
Waupun, WI 53963-0312

Phone: [920-324-2200](tel:920-324-2200)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.

Drive-up:
Monday – Friday
8:30 a.m. to 5:00 p.m.

My Virtual Teller / ITM:
Monday - Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

Wauwatosa at Mayfair Collection

Location

Street Address:
11530 W Burleigh St. Suite 120

My Virtual Teller/ITM Access Available

Census Tract - 55 079 33340 0902.00

Contact

Mailing Address:
11530 W Burleigh St. Suite 120
Wauwatosa, WI 53222

Phone: [414-808-0340](tel:414-808-0340)

Hours

Lobby:
Monday – Friday
8:30 a.m. to 5:00 p.m.

My Virtual Teller / ITM:
Monday – Friday
7:00 a.m. to 6:00 p.m.
Saturday
7:00 a.m. to 2:00 p.m.

West Bend

Location

Street Address:

1535 W. Paradise Dr.

*My Virtual Teller/ITM Access
Available*

Census Tract - 55 131 33340 4201.07

Contact

Mailing Address:

P.O. Box 455
West Bend, WI 53095-0455

Phone: [262-334-3040](tel:262-334-3040)

Hours

Lobby:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Saturday

9:00 a.m. to 12:00 p.m.

Drive-up:

Monday – Friday

8:30 a.m. to 5:00 p.m.

Saturday

9:00 a.m. to 12:00 p.m.

My Virtual Teller / ITM:

Monday – Friday

7:00 a.m. to 6:00 p.m.

Saturday

7:00 a.m. to 2:00 p.m.

** Lobbies of brick & mortar locations closed on Saturdays may also serve customers by appointment only.*

ATM LOCATIONS

Appleton

Location

Street Address:

100 E. Midway Rd.

Beaver Dam (East)

Location

Street Address:

810 Park Ave.

Beaver Dam (North)

Location

Street Address:

105 E. Industrial Dr.

Beaver Dam (West)

Location

Street Address:

609 N. Spring St. (inside Recheck's
Food Pride)

Fond du Lac (East)

Location

Street Address:

854 E. Johnson St.

Fond du Lac (West)

Location

Street Address:

1207 W. Johnson St.

Grafton

Location

Street Address:

2090 Wisconsin Avenue

Grafton - Citgo

Location

Street Address:

1185 N. Port Washington Rd. Census Tract - 55 089 33340 6402.02

Green Lake

Location

Street Address:

515 Hill St.

Horicon

Location

Street Address:

326 E. Lake St.

Horicon - Virtual Teller Only

Location

Street Address:

606 Washington Street

Iron Ridge

Location

Street Address:

156 S. Main St.

Markesan

Location

Street Address:

84 N. Bridge St.

Mayville

Location

Street Address:

1440 Horicon St. (inside Piggly
Wiggly)

Menomonee Falls

Location

Street Address:

N91W17231 Appleton Ave

Neosho

Location

Street Address:

226 S. Schuyler St.

New Berlin

Location

Street Address:

15600 W. Cleveland Ave

Oshkosh

Location

Street Address:

2251 Omro Rd.

Randolph

Location

Street Address:

170 Kienow Dr.

Ripon (North)

Location

Street Address:

1188 W. Fond du Lac St. (inside
Webster's Marketplace)

Ripon (South)

Location

Street Address:

400 Watson St.

Slinger

Location

Street Address:

1155 E Commerce Blvd. Apt. 101

Waupun

Location

Street Address:

807 W. Main St.

Mayfair Collection

Location

Street Address:

11530 W Burleigh St. Suite 120

West Bend

Location

Street Address: 1535 W.

Paradise Dr.

BRANCH OPENINGS AND CLOSINGS

A listing of branches opened, purchased, merged and closed since last CRA exam.

Date	Action	Location Information
September 2023	Merged full service brick and mortar office	2090 Wisconsin Ave, Grafton, WI 53024 Census Tract 55 089 33340 6401.01
September 2023	Merged full service brick and mortar office	N91W17231 Appleton Ave, Menomonee Falls, WI 53051 Census Tract 55 133 33340 2001.01
September 2023	Merged full service brick and mortar office	1155 E Commerce Blvd Apt 101, Slinger, WI 53086 Census Tract 55 131 33340 4501.06
October 2023	Opened new full service brick and mortar office	11530 W Burleigh St Suite 120, Wauwatosa, WI 53222 Census Tract 55 079 33340 0902.00



HORICON BANK[®]
The Natural Choice

MISCELLANEOUS SERVICE CHARGES

Account Activity Printout	\$5.00	Returned Deposited Item Charge	\$10.00
Account Closed Within 90 Days	\$25.00	Recleared	\$5.00
Account Inquiry Service Charge	\$2.00	Special Handling	\$12.00
Account Reconciliation - Hourly (\$10 minimum)	\$25.00	Returned Item Service Charge	\$30.00
Account Research - Hourly (\$10 minimum)	\$25.00	Returned Mail	\$3.00
ATM/Debit Card PIN Reissue	\$5.00	Safe Deposit Box Replaced Key	\$20.00
ATM/Debit Card Replacement	\$10.00	Safe Deposit Box Late Charge - Monthly	\$5.00
Bill Pay Charge - Monthly (Business)	By Agreement	Safe Deposit Box Drilling	per Quote
Bill Pay Charge - Monthly (Personal)	Free	Signature Monitoring - Monthly	\$35.00
Bond of Indemnity Charge	\$15.00	Special Statement Handling	\$10.00
Cashier's Check Service Charge	\$5.00	Statement Savings Excessive Withdrawal	\$1.00
Check Cashing Non-Customer (\$10 minimum)	\$5.00 per \$500	<small>(per withdrawal over 3 per month)</small>	
Check Copy Service Charge	\$1.00	Stop Payment Order Placed	\$30.00
Coin Counting Non-Customer	10%	Stop Payment Item Presented	\$10.00
Collection Item Charge	\$20.00	Telephone Transfer Charge	\$4.00
Counter Check Service Charge	\$1.00	Voice Banking Service 1.888.714.4011 or 1.920.485.3080	Free
Duplicate Statement Charge	\$10.00	Wire Transfers	
Escheated Account(s)	\$20.00	Domestic Incoming Wire Charge	\$15.00
Fax Incoming per Page	\$1.00	Domestic Outgoing Wire Charge	\$25.00
Fax Outgoing per Page	\$2.00	International Incoming Wire Charge	\$35.00 - \$100.00
Foreign Check Processing	\$10.00	International Outgoing Wire Charge	\$35.00 - \$100.00
Foreign Currency Buy & Sell	per Quote		
Garnishment/Levy Charge	\$50.00		
Hold on Account - Weekly	\$10.00		
Inactive Service Charge - Monthly	\$5.00		
<small>(after 6 months on checking and savings when balance is less than \$50)</small>			
Internet Banking Service	Free		
Mobile Banking Service	Free		
Mobile Deposit Charge per Item	Free		
Negative Balance Closing Charge	\$25.00		
<small>(when negative balance is \$100 or more)</small>			
Night Deposit Locking Bag <small>(after one free)</small>	\$20.00		
Night Deposit Zipper Bag <small>(after one free)</small>	\$5.00		
Night Deposit Key <small>(per key)</small>	\$25.00		
Overdraft Item Service Charge	\$30.00		
Overdraft Protection Charge	\$15.00		
Personal Line of Credit <small>(annual fee)</small>	\$30.00		
Photocopies per Page	\$0.25		
Postdated Check Notice Charge	\$25.00		

This fee schedule is not inclusive of all services provided by Horicon Bank. Fees for other services will be disclosed in agreements we enter into for those services.
Fees are subject to change.

Making Lives Better and More Secure.

#AlwaysLIVE
Customer Support Center
920.485.7311
888.343.3040

www.horiconbank.com

09/19

Member FDIC

REAL ESTATE FEE SCHEDULE

Updated January 2024

ALL 1st MORTGAGE PRODUCTS

Administration Fee	
Purchase	\$150.00 Fixed & Inhouse
Refinance	\$300.00 Fixed & Inhouse – existing Horicon Bank mortgage \$450.00 Fixed & Inhouse – no Horicon Bank mortgage
Construction	\$450.00 All new loan requests \$ 0.00 Refi into end-financing within 12 months of initial constr. loan
Bridge	\$450.00 All new loan requests \$ 0.00 Refi into end-financing within 12 months of initial bridge loan
Balloon	\$450.00 All new loan requests \$ 0.00 Refi into end-financing (no-cash-out ONLY)
Land	\$150.00 Purchase \$150.00 Refinance
HELOC	\$ 0.00 All loan requests
Appraisal	\$465.00 (more for out of area or 2 or more units) \$575.00 USDA Appraisal
Credit Report Fee	\$ 80.15 Single \$160.30 Joint
Flood Fee	\$15.00
Recording Fee	\$60.00 Purchase (Mortgage & Deed) \$30.00 Refinance (\$30.00/item, increase for each additional recorded item)
e-Recording Fee	\$4.25 per document
Tax Service Fee	\$65.00 (all loans)
Title Fees	Construction Loans – contact title company for quotes Title Policy Fee – Purchase use rate quote on intranet Title Policy Fee – Refinance see below \$325.00 Title Closing Fee
Example of Title Consultants and Guaranty Closing and Title Services, Inc Fee Schedule – Refinance:	
<u>Loan Amount</u>	<u>Premium</u>
\$1,000 - \$425,000	\$475.00
Over \$425,000	Call for a Quote
*Add at least \$100 for additional documents to be drafted (Ex: QCD, Alienation of Homestead)	
Verification Fee	\$200.00 (The Work Number currently charges \$97.90 per borrower)
Self Employed Verification Fee	\$20.00 (This charge is for having Loan Beam analyze the income)
FedEx	\$25.00 (Purchase)
Wire	\$25.00 (Purchase) \$25.00 per payoff of other financial institute (Refinance)
Pre-Paid Interest to the First of the month (for all Freddie Mac, Federal Home Loan Bank, & 1 st Lien ARMs)	

ALL 2nd MORTGAGE PRODUCTS

- All fees listed above with the following exceptions:
 - AVM: \$19.25 (From Mercury Network)
 - Short Form Appraisal: \$180.00 - \$330.00
 - Administration Fee: \$150.00 – 2nd mtg / HELOC – No Charge
 - Title Fees as follows: \$150.00 Junior Policy
\$100.00 Letter Report

Junior Title Policy – Limited title insurance for residential mortgages. The premium is \$150.00 for coverage up to \$150,000, then \$1 for each additional thousand. This is NOT to be used for purchase money mortgages or properties over 40 acres

HB Deposit Product Quick Reference Guide

Product Description	Type	Minimum Balance	Interest Earned	Applicable Monthly Service Charges Additional Product Notes
Personal Checking				
Natural Choice Checking	<i>Personal</i>	\$0	No	
V-Flight Checking <i>or</i> Glider V-Flight Checking (55+)	<i>Personal</i>	\$0	Yes, tiered	A \$5 monthly paper statement fee may be deducted from account and loss of premium interest if not enrolled in estatements. When qualifiers are met account will earn premium interest and receive reimbursement up to \$25 in ATM fees monthly.
New Horizon Checking	<i>Personal</i>	\$10,000 (daily) <i>or</i> \$50,000 combined loan and/or deposit balance	Yes, tiered	A \$20 monthly service charge may be deducted from account if minimum balance requirements are not met. Reimbursement up to \$25 in ATM fees monthly and other account benefits offered.
Glider Checking (55+)	<i>Personal</i>	\$0 (account), \$5,000 <i>Deposit Relationship</i>	Yes, tiered	A \$15 monthly membership service charge may be deducted from account if your total deposit relationship balance falls below \$5,000 during the statement cycle. Reimbursement up to \$25 in ATM fees monthly and other account benefits offered.
KindChecking (<i>Digital Only</i>)	<i>Personal</i>	\$0	Yes, tiered	Online via KindMoney brand/site only. A \$5 monthly paper statement fee may be deducted from account and loss of premium interest if not enrolled in estatements. When qualifiers are met account will earn premium interest and receive reimbursement up to \$25 in ATM fees monthly.
The Premier Account	<i>Personal</i>	\$50,000 (daily) <i>or</i> \$250,000 combined HB personal deposit balances	Yes, tiered	A \$50 Minimum Balance Service Charge <i>or</i> Relationship Service Charge may be deducted from account if requirements are not met, monthly. Reimbursement up to \$25 in ATM fees monthly and other account benefits offered.
Health Savings Account	<i>Personal</i>	\$0	Yes, tiered	A medical savings account available to taxpayers enrolled in a high-deductible health plan. Funds contributed are subject to annual limits. Inactivity Service Charge: \$5 (after 13 months when balance is less than \$50.00). Check printing fees apply.
Savings				
Statement Savings	<i>Personal/ Non Personal</i>	18-54 yrs old \$250 (daily) <i>Waived under 18 and over 54</i>	Yes	A \$5 monthly Minimum Balance Service Charge may be deducted from account if minimum balance requirements are not met. Preauthorized and telephone transfers from this account are limited to 6 per month. Allowed 3 in-person withdrawals each month. An Excessive w/d fee will be assessed for <i>each</i> subsequent in-person withdrawal: \$1.00
Tax & Insurance Savings	<i>Personal</i>	\$0	Yes	Cashier Check fee waived if made payable for property taxes or home insurance.
Christmas Account	<i>Personal</i>	\$0	Yes	Withdrawal Restrictions apply. Funds disbursed once per year (Oct.) A \$10 Paper Check Service Fee can be avoided with auto transfer.

For Internal Use Only

Please see a Universal Banker for more details and further account information and disclosures.

HB Deposit Product Quick Reference Guide

Product Description	Type	Minimum Balance	Interest Earned	Applicable Monthly Service Charges Additional Product Notes
Money Markets				
<i>Money Markets are limited to six transfers and withdrawals from account per month by means of a preauthorized or automatic transfer or telephone agreement, order or instruction by check, draft, debit card or similar order payable to third parties. Transfers and withdrawals made in person, by messenger, by mail or at an ATM are unlimited.</i>				
Money Market	Personal/ Non Personal	\$5000 (daily)	Yes	Monthly Minimum Balance Service Charge: \$20
Premium Money Market	Personal/ Non Personal	\$25,000 (daily)	Yes, tiered	Monthly Minimum Balance Service Charge: \$40
Relationship Money Market	Personal	\$5000 (daily)	Yes	Relationship (primary) active checking account required. Monthly Minimum Balance Service Charge: \$20
Expanding Horizons MM <i>(select markets only)</i>	Personal	\$5000 (daily)	Yes	Monthly Minimum Balance Service Charge: \$20
Premier Horizons Money Market	Personal	\$25,000 (daily)	Yes, tiered	Monthly Minimum Balance Service Charge: \$40
KindMoney Market <i>(Digital Only)</i>	Personal	\$0	Yes, tiered	Online via KindMoney brand/site only
Business Relationship MM	Personal/ Non Personal	\$25,000 (daily)	Yes, tiered	Relationship (primary operating) active checking required. Monthly Minimum Balance Service Charge: \$40
Business Checking				
Organization Checking	Non Personal	\$75 (daily)	No	Monthly service charge waived by maintaining daily minimum balance and enrolling in estatements. Per item activity service charges may apply.
Small Business Checking	DBA/ Non Personal	\$500 (daily)	No	Maintain a daily minimum balance of \$500 to avoid a \$10 monthly service charge. Per item activity service charge: \$0.50 per item over 300. Monthly Service Charge for statements: \$5 waived with E-statements.
Analyzed Business Checking	Non Personal	\$0	No	Monthly Service Charge for statements avoided by enrolling in estatements. Per item activity service charges may apply.

For Internal Use Only

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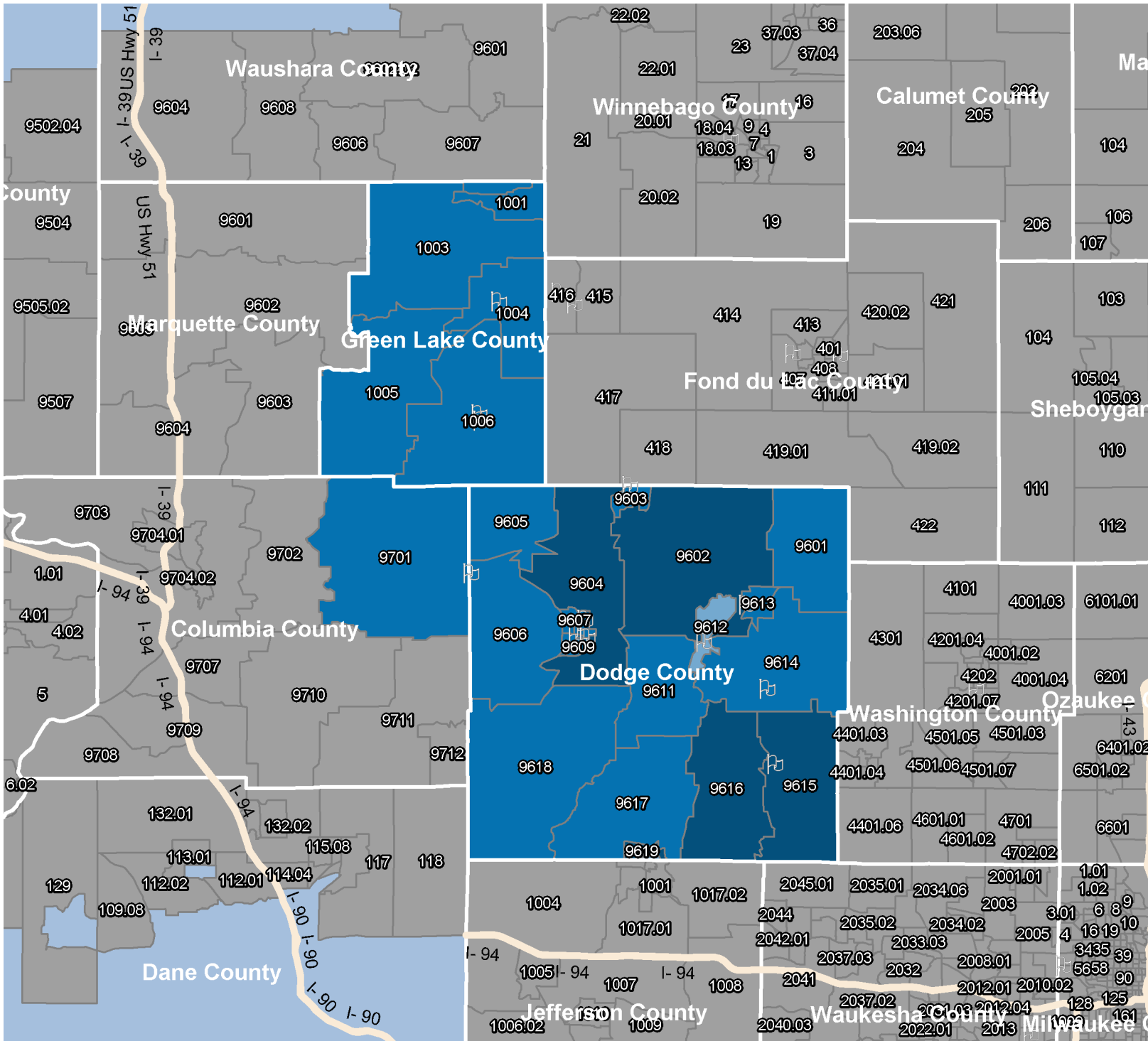
Horicon Bank
Net Loans to Deposits Ratios

<u>Date</u>	<u>Ratio</u>	<u>Net Loans RC 4a+4d</u>	<u>Deposits RC 13a</u>
3/31/2022	77.87	867,990	1,114,713
6/30/2022	78.63	869,898	1,106,385
9/30/2022	79.67	894,764	1,123,108
12/31/2022	81.22	923,698	1,137,284
3/31/2023	86.12	919,850	1,068,042
6/30/2023	88.61	959,002	1,082,264
9/30/2023	89.26	1,179,756	1,321,655
12/31/2023	89.78	1,194,563	1,330,497

For accessing and printing copies of HMDA and Facility Based Assessment Area (FBAA) information from Horicon Bank's Public File:

- Home Mortgage Disclosure Act (HMDA) reports can be viewed at any time and available for printing via the following website.
www.consumerfinance.gov/hmda
- Horicon Bank Facility Based Assessment Area maps are available for viewing in the Public File located at the main office location:
326 East Lake Street, Horicon, WI 53032.

Horicon Bank - 2024 CRA - FACILITY BASED ASSESSMENT (FBAA) AREA INCOME MAP
 (FBAA) Assessment Area 1



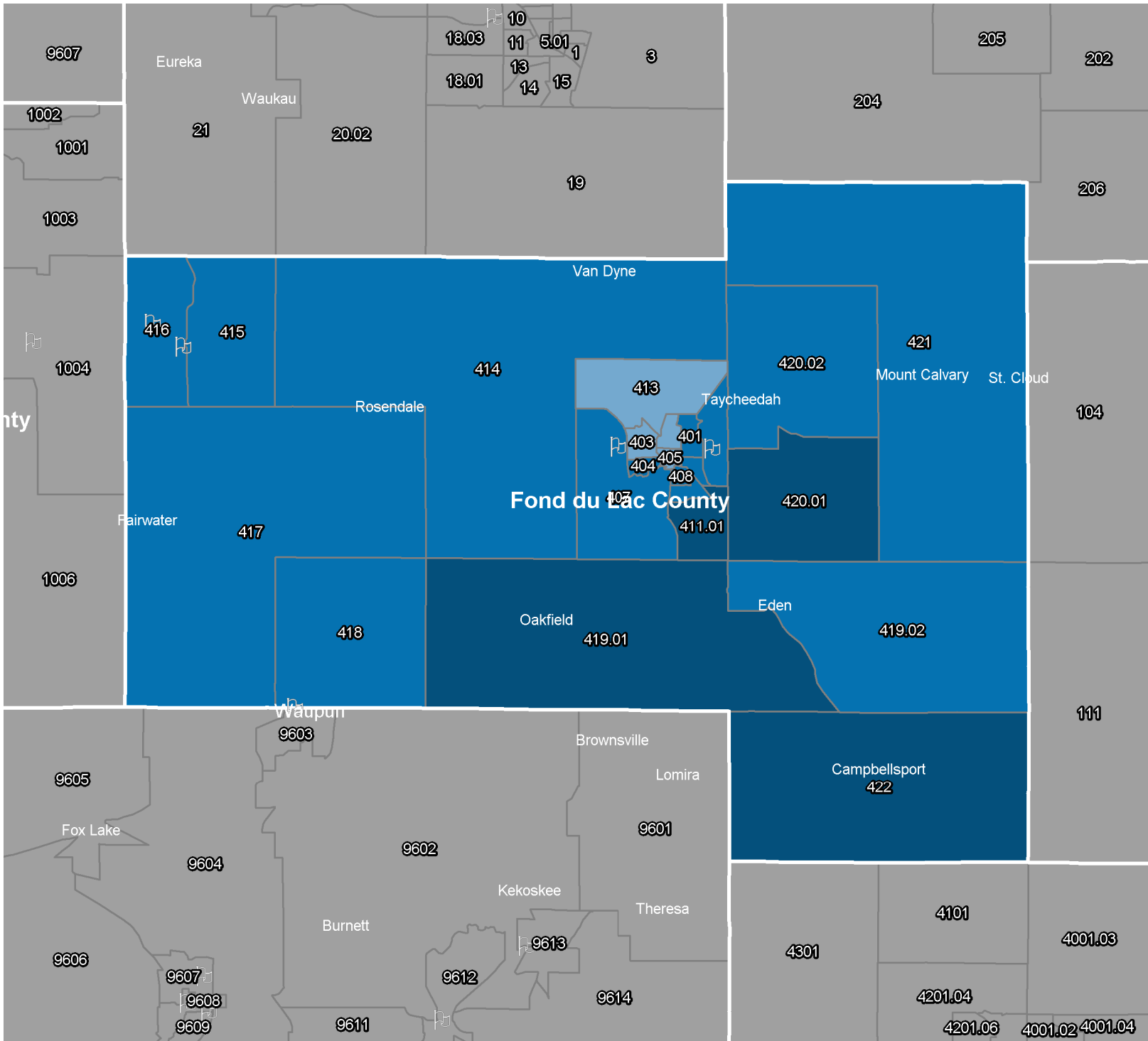
Income Level

- NA
- Low
- Moderate
- Middle
- Upper

Bank Branches

State ID	State	County ID	County Name MSA/MD	MSA/MD Nan	Tract	Income	Minority Level	Minority Pct.	Black Minority	Hispanic	Min: Distrsd / Unde	Hispanic Blac	Hispanic Blac	Asian Minority	Asian Minority Level
55	WI	047	GREEN LAKE		1006.00	3:Middle	1	6.91	0.37	4.19	No	4.56	1	0.29	1
55	WI	047	GREEN LAKE		1005.00	3:Middle	1	4.59	0.38	1.92	No	2.27	1	0.13	1
55	WI	047	GREEN LAKE		1004.00	3:Middle	1	6.35	0.54	2.39	No	2.78	1	0.5	1
55	WI	047	GREEN LAKE		1003.00	3:Middle	1	6.88	0.81	2.38	No	3.19	1	0.59	1
55	WI	047	GREEN LAKE		1002.00	3:Middle	2	13.63	0.49	8.39	No	8.88	1	1.02	1
55	WI	047	GREEN LAKE		1001.00	3:Middle	2	17.39	1.13	11.46	No	12.41	2	0.72	1
55	WI	027	DODGE		9620.00	2:Moderate	2	14.09	0.83	9.26	No	10.05	2	0.39	1
55	WI	027	DODGE		9619.00	4:Upper	2	11.45	0.54	7.08	No	7.61	1	0.92	1
55	WI	027	DODGE		9618.00	3:Middle	1	8.01	0.51	4.16	No	4.65	1	0.07	1
55	WI	027	DODGE		9617.00	3:Middle	1	7.43	0.48	3.35	No	3.83	1	1.28	1
55	WI	027	DODGE		9616.00	4:Upper	1	6.92	0.61	2.41	No	2.99	1	0.33	1
55	WI	027	DODGE		9615.00	4:Upper	1	6.08	0.11	2.38	No	2.49	1	0.29	1
55	WI	027	DODGE		9614.00	3:Middle	1	5.9	0.3	2.58	No	2.8	1	0.32	1
55	WI	027	DODGE		9613.00	3:Middle	1	9.47	0.48	4.82	No	5.29	1	0.6	1
55	WI	027	DODGE		9612.00	2:Moderate	2	11.03	0.76	5.97	No	6.72	1	0.41	1
55	WI	027	DODGE		9611.00	3:Middle	2	11.23	1.5	6.88	No	8.34	1	0.23	1
55	WI	027	DODGE		9610.00	3:Middle	3	21.76	2.27	14.18	No	16.27	2	0.57	1
55	WI	027	DODGE		9609.00	3:Middle	2	19.34	1.33	13.89	No	15.19	2	0.92	1
55	WI	027	DODGE		9608.00	3:Middle	2	15.3	1.09	10.31	No	11.37	2	0.84	1
55	WI	027	DODGE		9607.00	3:Middle	2	14.09	1.94	8.13	No	9.94	1	1.26	1
55	WI	027	DODGE		9606.00	3:Middle	1	8.86	0.69	5.31	No	6.01	1	0.42	1
55	WI	027	DODGE		9605.00	3:Middle	3	23.71	15.15	5.66	No	20.52	3	0.74	1
55	WI	027	DODGE		9604.00	4:Upper	2	10.96	0.38	6.73	No	7.12	1	0.79	1
55	WI	027	DODGE		9603.00	3:Middle	3	27.49	18.48	4.93	No	23.11	3	0.61	1
55	WI	027	DODGE		9602.00	4:Upper	1	5.09	0.1	2.06	No	2.16	1	0.07	1
55	WI	027	DODGE		9601.00	3:Middle	1	8.16	0.83	4.49	No	5.27	1	0.34	1
55	WI	021	COLUMBIA 31540	MADISON, W	9701.00	3:Middle	1	8.22	0.34	5.32	No	5.51	1	0.32	1

Horicon Bank - 2024 CRA - FACILITY BASED ASSESSMENT AREA (FBAA) INCOME MAP
 (FBAA) Assessment Area 2



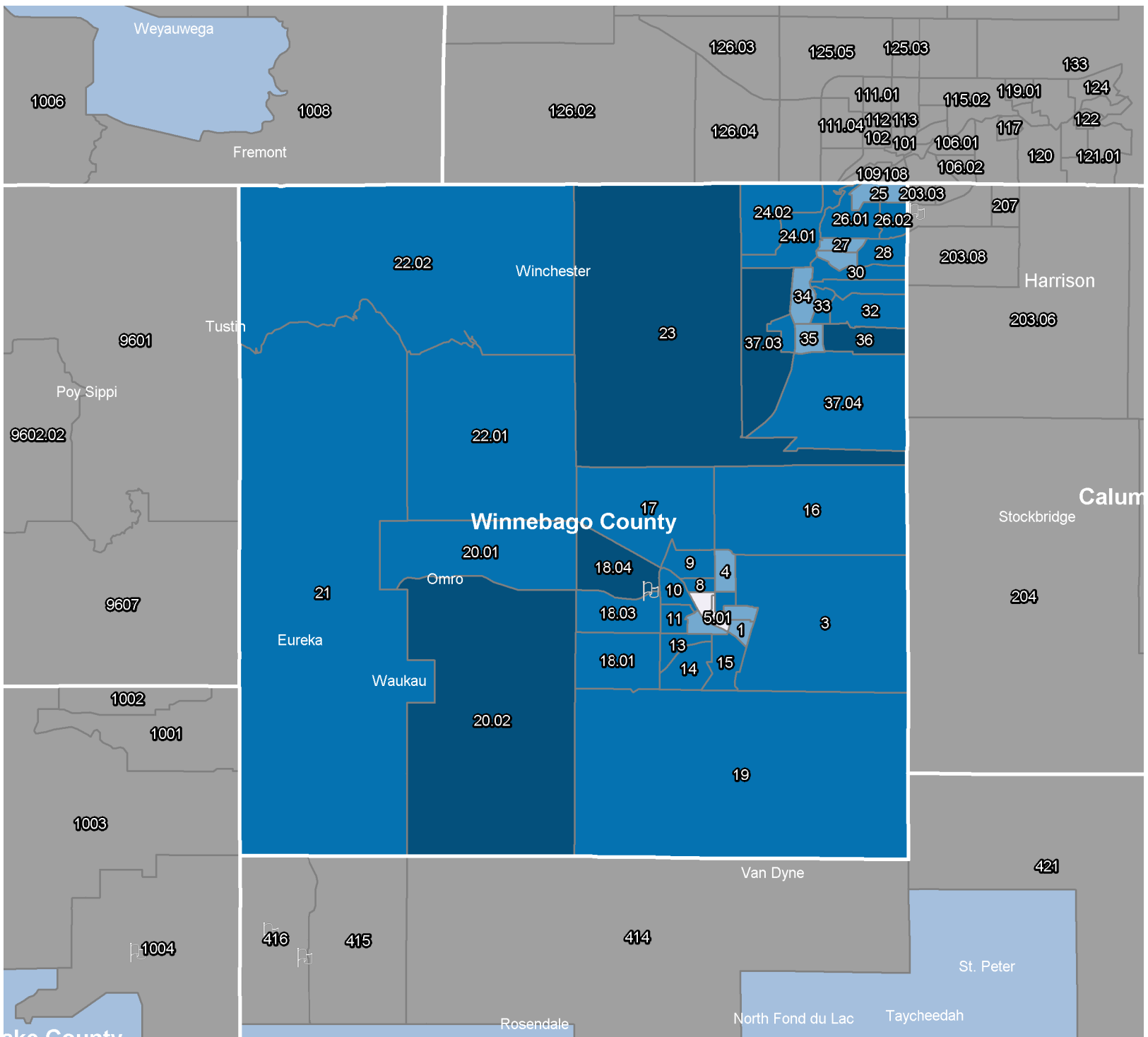
Income Level

- NA
- Low
- Moderate
- Middle
- Upper

Bank Branches

State ID	State	County ID	County Name	MSA/MD	MSA/MD Name	Tract	Tract Income	Minority Level	Minority Pct.	Black Minority	Hispanic	Min Distrsd / Undr	Hispanic Blac	Hispanic Blac	Asian Minority	Asian Minority	Minority Level
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0422.00	4:Upper	1	5.18	0.25	2.07	No	2.32	1	0.35	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0421.00	3:Middle	1	4.18	0.24	2.2	No	2.44	1	0.13	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0420.02	3:Middle	1	9.94	3.27	2.88	No	6.07	1	1.02	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0420.01	4:Upper	1	6.95	0.36	2.5	No	2.83	1	1.32	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0419.02	3:Middle	1	7.86	0.24	4.71	No	4.89	1	0.29	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0419.01	4:Upper	1	6.08	0.21	2.63	No	2.84	1	0.48	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0418.00	3:Middle	1	7.38	0.67	3.51	No	4.08	1	0.55	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0417.00	3:Middle	1	7.09	0.44	4.53	No	4.87	1	0.15	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0416.00	3:Middle	2	14.73	2.32	7.65	No	9.91	1	1.08	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0415.00	3:Middle	2	11.12	0.72	7.35	No	8.01	1	0.45	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0414.00	3:Middle	1	5.98	0.24	2.41	No	2.65	1	0.38	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0413.00	2:Moderate	2	18.66	1.37	12.37	No	13.66	2	1.29	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0411.02	3:Middle	2	13.63	2.24	6.23	No	8.45	1	1.78	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0411.01	4:Upper	2	12.94	2.66	5.34	No	7.92	1	1.86	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0410.00	3:Middle	2	15.63	2.29	7.9	No	10.19	2	1.73	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0409.00	3:Middle	2	12.87	2.4	5.56	No	7.96	1	1.07	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0408.00	3:Middle	2	17.11	3.48	7.97	No	11.25	2	0.87	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0407.00	3:Middle	2	16.23	2.57	7.41	No	9.96	1	1.81	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0405.00	2:Moderate	3	29.54	12.08	10.17	No	21.99	3	1.17	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0404.00	3:Middle	2	15.05	2.78	5.84	No	8.62	1	2.64	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0403.00	2:Moderate	3	32.29	5.68	17.95	No	23.04	3	3.33	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0402.00	2:Moderate	3	24.41	5.78	10.58	No	16.16	2	2.68	1	
55	WI	039	FOND DU LAC	22540	FOND DU LAC, WI	0401.00	3:Middle	2	12.58	1.97	5.27	No	7.21	1	1.24	1	

Horicon Bank - 2024 CRA - FACILITY BASED ASSESSMENT AREA (FBAA) INCOME MAP
 (FBAA) Assessment Area 3



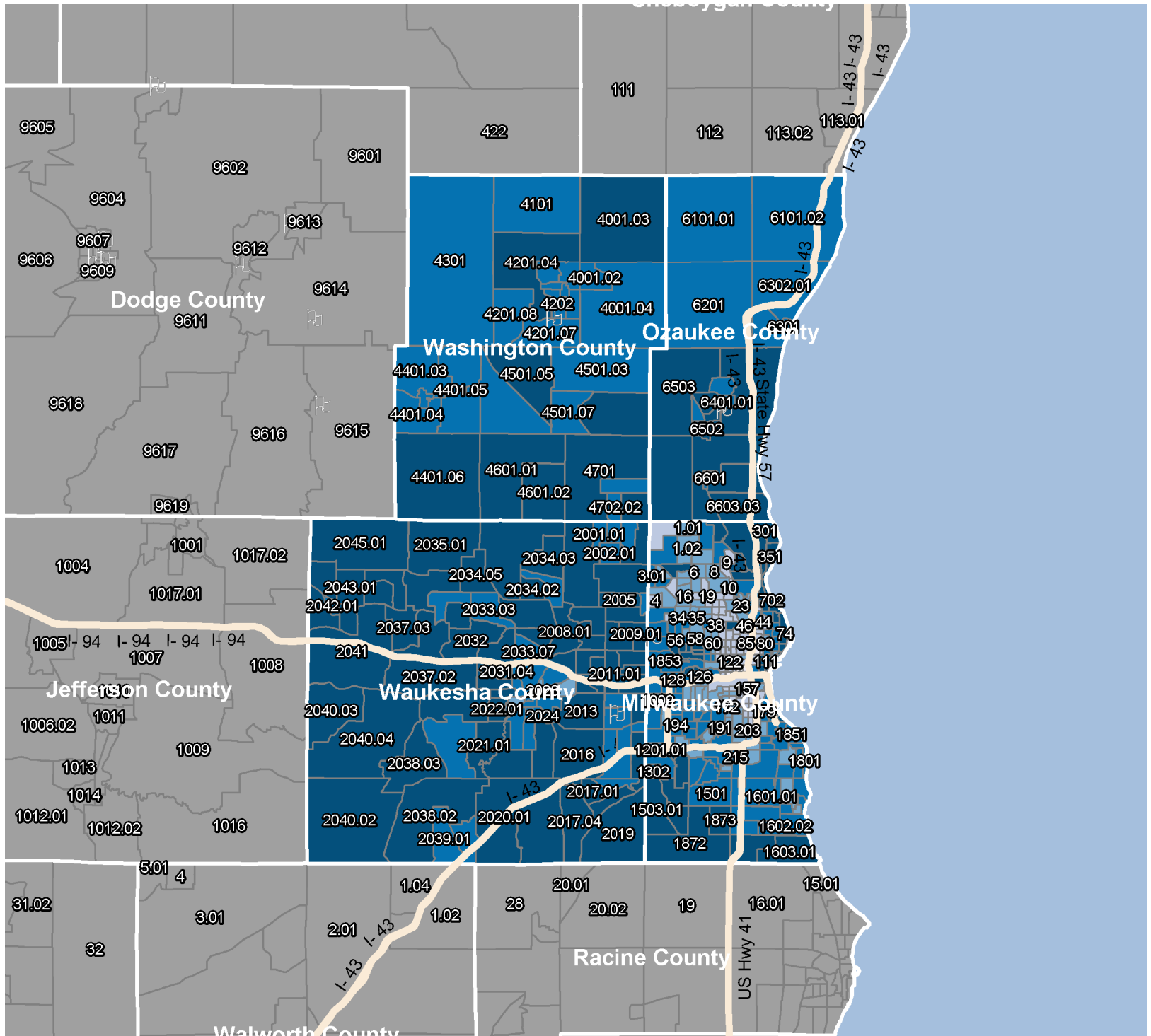
Income Level

- NA
- Low
- Moderate
- Middle
- Upper

Bank Branches

State ID	State	County ID	County Name	MSA/MD	MSA/MD Name	Tract	Tract Income	Minority Level	Minority Pct.	Black	Minority Hispanic	Min/ Distrsd / Unde	Hispanic Blac	Hispanic Blac	Asian	Minority	Asian	Minority Level
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0037.04	3:Middle	1	7.73	1.06	3.08	No	4.15	1	1.45	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0037.03	4:Upper	1	8.48	0.63	1.99	No	2.56	1	2.37	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0037.01	3:Middle	2	17.7	2.49	6.79	No	9.21	1	2.54	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0036.00	4:Upper	2	10.07	0.81	3.15	No	3.87	1	2.2	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0035.00	2:Moderate	2	19.61	3.07	7.45	No	10.31	2	2.75	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0034.00	2:Moderate	2	15.68	2.75	6.18	No	8.85	1	1.95	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0033.00	3:Middle	2	13.57	1.42	5.67	No	7.09	1	1.34	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0032.00	3:Middle	2	12.41	1.02	3.48	No	4.5	1	2	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0031.00	3:Middle	2	13.73	1.66	4.55	No	5.91	1	2.2	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0030.00	3:Middle	2	18.04	2.01	8.04	No	9.99	1	1.46	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0029.00	2:Moderate	2	19.53	2.98	9.4	No	12.34	2	1.58	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0028.00	3:Middle	3	21.95	2.54	12.28	No	14.66	2	2.82	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0027.00	2:Moderate	2	17.93	1.81	9.77	No	11.38	2	2.14	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0026.02	3:Middle	3	24.17	2.27	11.19	No	13.3	2	5.23	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0026.01	3:Middle	2	19.35	1.45	11.18	No	12.61	2	2.99	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0025.00	2:Moderate	3	31.99	7.34	11.14	No	18.42	2	7.61	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0024.02	3:Middle	2	16.39	1.15	5.94	No	6.98	1	5.36	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0024.01	3:Middle	2	10.55	0.99	3.92	No	4.88	1	2.12	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0023.00	4:Upper	1	6.47	0.47	1.83	No	2.3	1	1.42	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0022.02	3:Middle	1	3.94	0.07	1.07	No	1.13	1	0.3	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0022.01	3:Middle	1	4.87	0.35	1.34	No	1.68	1	0.39	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0021.00	3:Middle	1	5.01	0.58	2	No	2.58	1	0.17	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0020.02	4:Upper	1	7.04	0.38	2.88	No	3.26	1	0.52	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0020.01	3:Middle	2	10.66	0.74	4.9	No	5.64	1	1.32	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0019.00	3:Middle	1	7.91	0.51	1.86	No	2.36	1	2.51	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0018.04	4:Upper	1	8.19	0.42	1.78	No	2.2	1	3.62	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0018.03	3:Middle	2	12.31	0.79	2.73	No	3.49	1	5.6	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0018.01	3:Middle	2	11.68	1.76	2.09	No	3.78	1	3.84	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0017.00	3:Middle	3	25.92	12.52	4.37	No	16.45	2	5.53	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0016.00	3:Middle	3	23.04	11.19	3.06	No	14.06	2	4.96	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0015.00	3:Middle	2	16.39	3.69	4.4	No	7.96	1	2.39	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0014.00	3:Middle	2	11.12	1.76	3.34	No	5.02	1	2.25	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0013.00	3:Middle	2	14.82	3.37	5.37	No	8.74	1	2.78	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0012.00	2:Moderate	2	14.07	2.53	4.87	No	7.4	1	2.34	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0011.00	3:Middle	3	20.8	3.48	7.29	No	10.69	2	5.22	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0010.00	3:Middle	2	17.29	5	3.44	No	8.17	1	4.39	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0009.00	3:Middle	2	17.85	3.81	2.89	No	6.52	1	6.7	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0008.00	3:Middle	2	17.02	2.78	4.44	No	7.15	1	4.5	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0007.00	0:NA	3	25.81	9.17	5.86	No	14.7	2	6.2	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0005.02	3:Middle	3	21.29	6.37	5.37	No	11.45	2	3.56	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0005.01	0:NA	2	19.94	7.43	6.06	No	13.39	2	2.04	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0004.00	2:Moderate	2	19.98	6.53	4.36	No	10.6	2	4.89	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0003.00	3:Middle	2	18.98	4.93	3.45	No	8.28	1	5.63	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0002.00	2:Moderate	2	18.64	4.48	5.63	No	10.03	2	1.95	1		
55	WI	139	WINNEBAGO	36780	OSHKOSH-NEENAH, WI	0001.00	2:Moderate	2	14.99	2.11	5.28	No	7.32	1	2.38	1		

Horicon Bank - 2024 CRA - ASSESSMENT AREA INCOME MAP
Facility Based Assessment Area 4*



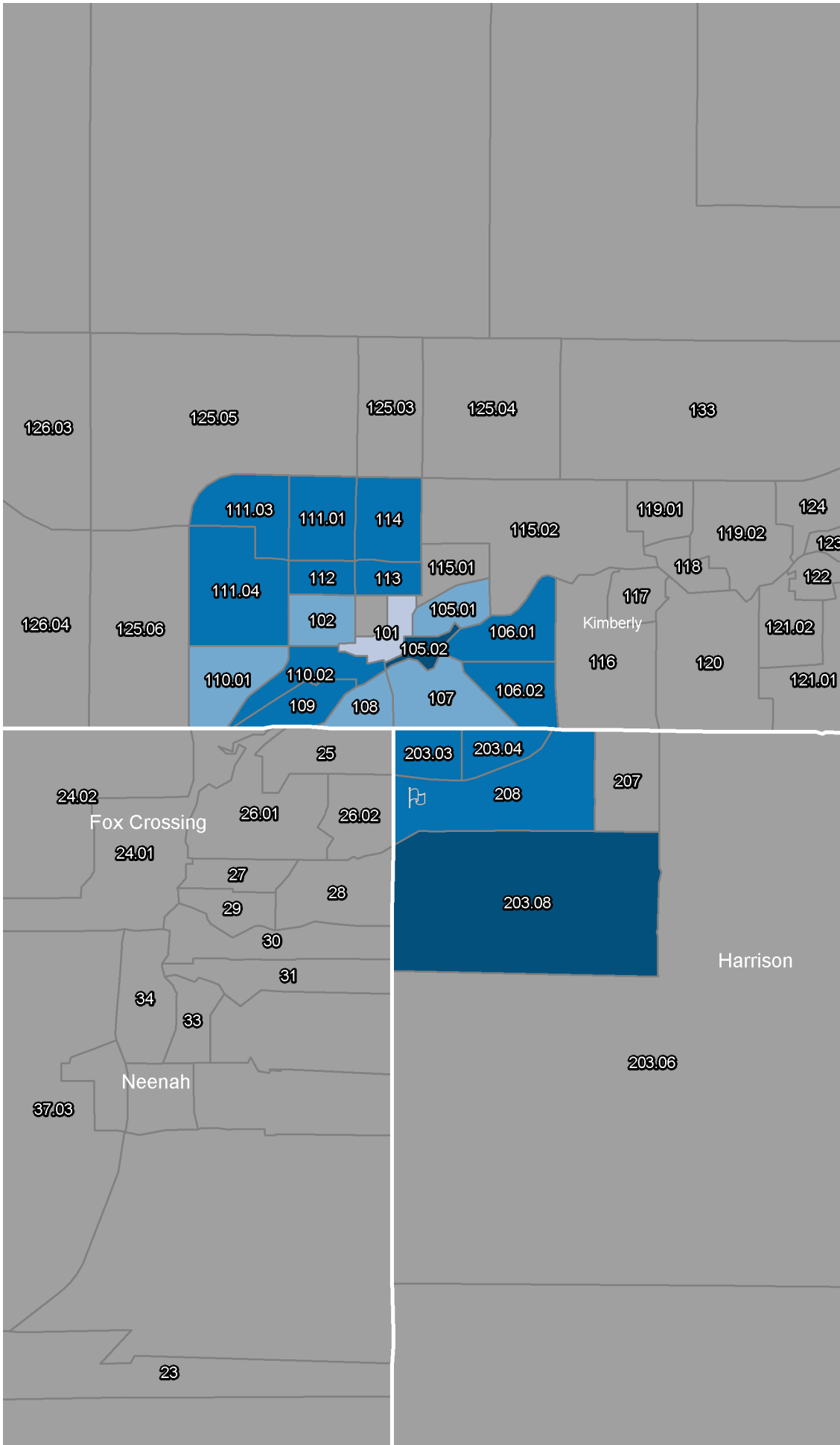
Income Level

- NA
- Low
- Moderate
- Middle
- Upper

Bank Branches

State ID	State	County ID	County Name	MSA/MD	MSA/MD Nam Tract	Tract Income	Minority Level	Minority Pct.	Black Minority	Hispanic	Minor Distrsd / Unde	Hispanic Blac	Hispanic Blac	Asian	Minority	Asian	Minority Level
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0020.00	1:Low	5	93.65	83.74	5.65	No	88.06	5	0.73	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0019.00	1:Low	5	90.03	77.94	4.17	No	81.56	5	5.12	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0018.00	1:Low	5	88.95	74.02	5.54	No	78.77	4	6.96	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0017.00	2:Moderate	5	86.46	68.74	5.52	No	73.27	4	8.8	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0016.00	2:Moderate	5	90.2	77.28	4.59	No	80.98	5	6.68	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0015.00	2:Moderate	5	90.14	59.86	3.15	No	62.63	4	23.93	3		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0014.00	2:Moderate	5	90.6	64.91	3.51	No	68.07	4	17.28	2		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0013.00	2:Moderate	5	92.31	71.12	4.29	No	74.46	4	12.38	2		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0012.00	1:Low	5	95.81	68.66	3.88	No	71.81	4	21.19	3		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0011.00	2:Moderate	5	93.01	85.05	3.02	No	86.82	5	2.04	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0010.00	1:Low	5	87.82	77.25	5.85	No	81.71	5	1.56	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0009.00	1:Low	5	86.32	70.32	5.32	No	75.21	4	6.4	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0008.00	2:Moderate	5	82.71	63.88	5.56	No	68.51	4	7.93	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0007.00	2:Moderate	5	80.06	64	6.52	No	69.6	4	6.22	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0006.00	2:Moderate	5	82.87	53.07	4.45	No	56.84	4	22.28	3		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0005.02	1:Low	5	88.92	70.67	5.21	No	74.63	4	9.59	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0005.01	2:Moderate	4	71.04	49.36	7.66	No	56.36	4	8.47	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0004.00	1:Low	4	74.17	56.99	6.34	No	62.62	4	6.03	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0003.04	4:Upper	4	73.54	46.03	4.51	No	50.07	4	19.24	2		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0003.03	3:Middle	4	67.46	43.02	9.51	No	51.7	4	9.23	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0003.02	2:Moderate	5	90.12	76.79	6.12	No	81.7	5	4.11	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0003.01	3:Middle	3	30.35	17.21	4.58	No	21.13	3	4.87	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0002.02	3:Middle	4	72.37	53.84	6.5	No	59.63	4	7.43	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0002.01	1:Low	5	89.46	68.91	14.95	No	82.49	5	3.07	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0001.02	2:Moderate	5	81.73	67.99	4.23	No	71.81	4	5.63	1		
55	WI	079	MILWAUKEE	33340	MILWAUKEE-0001.01	2:Moderate	5	80.1	66.7	5.29	No	70.8	4	5.05	1		

Horicon Bank - 2024 CRA - FACILITY BASED ASSESSMENT AREA (FBAA) INCOME MAP
 (FBAA) Assessment Area 5



Income Level

- NA
- Low
- Moderate
- Middle
- Upper

Bank Branches

State ID	State	County ID	County Name	MSA/MD	MSA/MD Nar Tract	Tract Income	Minority Leve	Minority Pct.	Black Minority	Hispanic	Min Distrsd / Undr	Hispanic Blac	Hispanic Blac	Asian	Minority	Asian	Minority Level
55	WI	087	OUTAGAMIE	11540	APPLETON, \0114.00	3:Middle	3	20.13	1.74	5.74	No	7.43	1	8.07	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0113.00	3:Middle	2	16.46	1.95	5.11	No	6.84	1	3.29	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0112.00	3:Middle	3	25.41	1.77	7.23	No	8.77	1	11.95	2		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0111.04	3:Middle	3	26.2	4.2	8.5	No	12.59	2	9.02	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0111.03	3:Middle	2	14.53	1.56	4	No	5.48	1	4.94	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0111.01	3:Middle	3	26.58	3.13	9.73	No	12.74	2	8.94	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0110.02	3:Middle	3	24.21	4.42	9.88	No	14.22	2	3.87	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0110.01	2:Moderate	3	29.77	5.28	13.45	No	18.62	2	5.98	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0109.00	3:Middle	2	17.59	3.93	5.49	No	9.42	1	3.48	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0108.00	2:Moderate	2	14.38	1.73	5.39	No	7.12	1	2.14	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0107.00	2:Moderate	3	21.68	2.46	8.87	No	11.22	2	5.26	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0106.02	3:Middle	3	20.73	1.84	7.33	No	9.14	1	7.2	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0106.01	3:Middle	3	25.61	3.45	9.69	No	13.03	2	7.07	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0105.02	4:Upper	3	21.15	4.99	3.55	No	8.39	1	7.21	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0105.01	2:Moderate	2	17.29	2.16	5.43	No	7.39	1	3.35	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0102.00	2:Moderate	3	23.16	2.73	8.36	No	11.04	2	5.82	1		
55	WI	087	OUTAGAMIE	11540	APPLETON, \0101.00	1:Low	3	26.3	7.78	7.71	No	15.35	2	4.09	1		
55	WI	015	CALUMET	11540	APPLETON, \0208.00	3:Middle	2	15.91	1.22	6.06	No	7.17	1	4.28	1		
55	WI	015	CALUMET	11540	APPLETON, \0203.08	4:Upper	2	11.21	0.36	3.86	No	4.13	1	3.62	1		
55	WI	015	CALUMET	11540	APPLETON, \0203.04	3:Middle	3	24.23	3.82	9.64	No	13.2	2	6.46	1		
55	WI	015	CALUMET	11540	APPLETON, \0203.03	3:Middle	3	24.03	2.37	8.88	No	11.24	2	9.3	1		

COMMUNITY REINVESTMENT PUBLIC COMMENTS

Horicon Bank has not received any written communication from the public for the current and the two prior calendar years that specifically relates to the bank's performance in meeting the community credit needs.



COMMUNITY REINVESTMENT ACT NOTICE

Under the federal Community Reinvestment Act (CRA), the Federal Deposit Insurance Corporation (FDIC) evaluates our record of helping to meet the credit needs of this community consistent with safe and sound operations. The FDIC also takes this record into account when deciding on certain applications submitted by us.

Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA, including, for example, information about our branches, such as their location and services provided at them; the public section of our most recent CRA Performance Evaluation, prepared by the FDIC; and comments received from the public relating to our performance in helping to meet community credit needs, as well as our responses to those comments. You may review this information today.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, Division of Compliance and Consumer Affairs, FDIC, 300 South Riverside Plaza, Suite 1700, Chicago, Illinois 60606. You may send written comments about our performance in helping to meet community credit needs to the Chief Executive Officer, Horicon Bank, 326 East Lake Street, Horicon, Wisconsin 53032 and the FDIC Regional Director. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

You may ask to look at any comments received by the FDIC Regional Director. You may also request from the FDIC Regional Director an announcement of our applications covered by the CRA filed with the FDIC. We are an affiliate of Sword Financial Corporation, a bank holding company. You may request from the Vice President, Federal Reserve Bank of Chicago, 230 South La Salle Street, Chicago, Illinois 60604 an announcement of applications covered by the CRA filed by bank holding companies.



HORICON BANK

COMMUNITY REINVESTMENT ACT NOTICE

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Your involvement is encouraged.

You are entitled to certain information about our operations and our performance under the CRA. You may review today the public section of our most recent CRA evaluation, prepared by the FDIC, and a list of services provided at this branch. You may also have access to the following additional information, which we will make available to you at this branch within five calendar days after you make a request to us: (1) a map showing the assessment area containing this branch, which is the area in which the FDIC evaluates our CRA performance in this community; (2) information about our branches in this assessment area; (3) a list of services we provide at those locations; (4) data on our lending performance in this assessment area; and (5) copies of all written comments received by us that specifically relate to our CRA performance in this assessment area, and any responses we have made to those comments. If we are operating under an approved strategic plan, you may also have access to a copy of the plan. If you would like to review information about our CRA performance in other communities served by us, the public file for our entire bank is available at Horicon Bank, located at 326 E. Lake Street, Horicon, Wisconsin 53032.

At least 30 days before the beginning of each quarter, the FDIC publishes a nationwide list of the banks that are scheduled for CRA examination in that quarter. This list is available from the Regional Director, Division of Compliance and Consumer Affairs, FDIC, 300 South Riverside Plaza, Suite 1700, Chicago, Illinois 60606. You may send written comments about our performance in helping to meet community credit needs to the Chief Executive Officer, Horicon Bank, 326 East Lake Street, Horicon, Wisconsin 53032 and the FDIC Regional Director. You may also submit comments electronically through the FDIC's website at www.fdic.gov/regulations/cra. Your letter, together with any response by us, will be considered by the FDIC in evaluating our CRA performance and may be made public.

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HORICON BANK

Note: New 2018 HMDA notice displayed 11"x14" in each branch lobby.

HOME MORTGAGE DISCLOSURE ACT NOTICE

The HMDA data about our residential mortgage lending are available online for review.

The data show geographic distribution of loans and applications; ethnicity, race, sex, age and income of applicants and borrowers; and information about loan approvals and denials. These data are available online at the Consumer Financial Protection Bureau's website (www.consumerfinance.gov/hmda).

HMDA data for many other financial institutions are also available at this website.



HORICON BANK

The Natural Choice

PUBLIC DISCLOSURE

April 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Horicon Bank
Certificate Number: 11236

326 East Lake Street
Horicon, Wisconsin 53032

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

Horicon Bank's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test and outstanding performance under the Community Development Test supports the overall rating. The following points summarize the bank's Lending Test and Community Development Test performance.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas (AAs).
- A substantial majority of the home mortgage, small business, and small farm loans were made within the bank's AAs.
- The geographic distribution of home mortgage, small business, and small farm loans reflects reasonable dispersion throughout the AAs.
- The distribution of loans to borrowers reflects reasonable penetration of loans among individuals of different income levels and businesses and farms of different sizes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Outstanding.

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

DESCRIPTION OF INSTITUTION

Horicon Bank is a full-service commercial bank headquartered in Horicon, Wisconsin. The bank is wholly owned by a two-bank holding company, Sword Financial Corporation, also located in Horicon. The holding company acquired Community Bancshares of Wisconsin, Inc., effective January 1, 2023. Horicon Bank is affiliated with Cornerstone Community Bank through ownership by the holding company. Planned merger activity is not complete as of the evaluation date. This evaluation does not include any activities of the affiliated bank.

Horicon Bank operates primarily in the east-central portion of Wisconsin, in the nine counties of Calumet, Dodge, Green Lake, Fond du Lac, Milwaukee, Outagamie, Washington, Waukesha, and Winnebago. The bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated February 18, 2020, based on Interagency Intermediate Small Institution Examination Procedures.

Horicon Bank operates from its main office in Horicon and 19 branches. Horicon is a small town in a rural area approximately 45 miles northwest of the City of Milwaukee. The additional 19 branches are located in Appleton, Beaver Dam (3), Fond du Lac (2), Green Lake, Horicon, Iron Ridge, Markesan, Mayville, Neosho, New Berlin, Oshkosh, Randolph, Ripon (2), Waupun, and West Bend. The census tract where the main office is located changed from middle-income in 2021 to moderate-income in 2022. All other branches are located in middle- and upper-income census tracts. Four branches are inside grocery stores and do not offer loan services; this includes two branches in Beaver Dam, one in Mayville, and one in Ripon. The bank opened one branch in Horicon in June 2021 and one branch in New Berlin in February 2022, and closed one branch in Markesan in October 2022. No other branch openings, closings, or merger or acquisition activities occurred since the prior evaluation.

The institution's primary business focus continues to be commercial, residential real estate, and agricultural lending. The bank offers a variety of deposit, credit, and other financial services to address the needs of the AAs. Deposits consist of savings, checking, certificates of deposit, and money market deposit accounts, including low- or no-minimum balance and low- or no-service charge checking and savings accounts. The bank offers a variety of credit products to qualified applicants, including consumer, construction, residential real estate, home improvement, commercial, agricultural, and personal loans. The bank offers fixed-rate home mortgage loans sold through the secondary market in addition to adjustable-rate and balloon home mortgage loans held in portfolio. The bank has been operating a trust department in Waukesha since 2018.

Horicon Bank offers several alternative delivery services. These services consist of internet and mobile banking, including account-to-account transfers, person-to-person transfers, remote deposit capture, as well as online deposit account opening and online loan applications. The bank's Customer Support Center offers 24-hour access to telephone banking. Nine branches have interactive teller machines (ITMs), which are similar to ATMs with live video chat features to connect with a person located elsewhere during extended hours on weekdays and Saturdays. The ITMs function as ATMs outside of the extended hours. ATMs are available at the banking offices without ITMs. The bank belongs to the ATM Access Network, allowing customers to access over 650 ATMs free of charge throughout Wisconsin and Minnesota. Banking hours and services are reasonable and accessible to all portions of the AAs.

Assets totaled \$1.3 billion as of December 31, 2022, and included total loans of \$931.1 million, total securities of \$220.6 million, and total equity capital of \$96.4 million. Assets increased \$367.9 million or 41.6 percent since the prior evaluation. Further, total loans increased \$169.6 million or 22.3 percent, total securities increased \$193.5 million or 715.6 percent, and total equity capital increased \$5.9 million or 6.5 percent. While the bank experienced substantial organic growth since the prior evaluation, commercial and residential loans continue to represent the largest concentrations of the bank's lending activity. The following table shows that loans secured by nonfarm nonresidential properties and commercial and industrial loans make up 47.8 percent of total loans, and residential mortgage loans secured by 1-4 family and multifamily residential properties make up 27.3 percent of total loans. This table does not reflect residential mortgage loans sold in the secondary market, which equal 1,010 loans for \$188.1 million in 2020, 1,707 loans for \$314.6 million in 2021, and 131 loans for \$26.9 million in 2022.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction and Land Development	55,029	5.9
Secured by Farmland	118,178	12.7
Secured by 1-4 Family Residential Properties	206,476	22.2
Secured by Multifamily (5 or more) Residential Properties	47,521	5.1
Secured by Nonfarm Nonresidential Properties	300,888	32.3
Total Real Estate Loans	728,092	78.2
Commercial and Industrial Loans	144,764	15.5
Agricultural Loans	32,194	3.5
Consumer Loans	5,371	0.6
Other Loans	20,650	2.2
Less: Unearned Income	0	0.0
Total Loans	931,071	100.0
<i>Source: 12/31/2022 Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more AAs within which its CRA performance will be evaluated. Horicon Bank designated four AAs. Immediately after the prior evaluation, the bank expanded the Milwaukee Metropolitan Statistical Area (MSA) AA from the partial Washington County to the entire Milwaukee, Washington, and Waukesha Counties. The AAs do not arbitrarily exclude any low- and moderate-income census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulation. The following table presents a brief description of each AA. More information is presented in the sections for each AA.

Assessment Area Breakdown of Deposits and Branches					
AA Name	Counties in AA	Banking Offices		Deposits as of 6/30/22	
		#	%	\$(000s)	%
Non-MSA AA	Dodge, Green Lake, and Columbia (partial)	12	60.0	650,684	58.8
Fond du Lac MSA AA	Fond du Lac	4	20.0	238,851	21.6
Appleton Combined Statistical Area (CSA) AA	Calumet (partial), Outagamie (partial), and Winnebago	2	10.0	84,746	7.7
Milwaukee MSA AA	Milwaukee, Washington, and Waukesha	2	10.0	132,104	11.9
Totals		20	100.0	1,106,385	100.0
<i>Source: Bank Records; Summary of Deposits from 6/30/22 Call Report</i>					

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 18, 2020, to the current evaluation dated April 10, 2023. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate Horicon Bank's CRA performance. These procedures include two tests: the Lending Test and the Community Development Test. The performance criteria related to these tests are detailed in the Appendix. Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activity performed by affiliates.

The Non-MSA AA received a full scope review and was weighted more heavily in the conclusions and overall rating due to the greatest level of lending, deposits, community development activities, and banking offices. The Fond du Lac MSA AA received a full scope review and was weighted more than the other two AAs in the conclusions and overall rating due the greater level of lending, deposits, community development activities, and banking offices. The remaining two AAs were not reviewed using the full scope examination procedures in the prior two examinations. In an effort to ensure that a bank's CRA performance in the less frequently reviewed AAs is evaluated regularly, the Appleton CSA AA was selected at random for a full scope review. The Milwaukee MSA AA received a limited scope review.

Horicon 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 AAs and are not affiliated with the bank.

In March 2020, a national emergency was declared in the United States due to the COVID-19 pandemic. Many states and local governments, including Wisconsin, imposed strict measures to restrain certain aspects of public life in an effort to contain COVID-19. These restrictions have resulted in a significant disruption of the national economy and financial markets. Refer to subsequent sections of the performance evaluation for details on how COVID-19 affected each AA during the evaluation period.

Activities Reviewed

Horicon Bank's CRA performance evaluation is based on a review of home mortgage, small business, and small farm loans. These categories represent the most significant level of lending at the bank, with no other loan types representing a major product line. Bank records and discussions with management indicate that the lending focus remained consistent throughout the evaluation period. Home mortgage loans include all home purchase, home improvement, home refinance, and multifamily loans reported pursuant to the HMDA requirements. The bank optionally collects data pursuant to the data collection requirements of CRA, and that data was used to evaluate the bank's small business and small farm lending.

This evaluation considered all home mortgage, small business, and small farm loans on the bank’s HMDA and CRA loan application registers for 2020, 2021, and 2022, as reflected in the following table. Aggregate data for 2020 and 2021 and demographic data provided a measure of comparison for home mortgage loans. D&B data was used as a measure of comparison for small business and small farm loans. Examiners relied on American Community Survey (ACS) estimates that are updated every five years when considering census demographics throughout this evaluation. For years 2021 and earlier, examiners evaluated bank performance relative to 2015 ACS data and 2010 Census boundary data. For 2022, small business and small farm lending performance was evaluated using the 2015-2020 ACS and 2020 U.S. Census data. In addition, examiners relied upon records provided by the bank, D&B business demographic data, Home Mortgage Disclosure Act (HMDA) aggregate data for 2020 and 2021, optionally collected data under CRA, and community contacts.

Loan Products Reviewed						
	Home Mortgage		Small Business		Small Farm	
Year	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	1,238	223,139	1,443	190,104	394	49,981
2021	989	182,970	1,127	148,231	469	40,785
2022	469	92,418	751	121,147	267	31,661
Total	2,696	498,527	3,321	459,482	1,130	122,427
<i>Source: HMDA and CRA data for 2020, 2021, and 2022</i>						

Examiners gave equal weight to home mortgage and small business loans, and less weight to small farm loans due to the loan volume. Small farm loans were only reviewed in the Non-MSA and Fond du Lac MSA AAs because the other AAs have an insufficient volume of activity to offer a meaningful analysis, as reflected in the following table. Examiners reviewed both the number and dollar volume of loans. Examiners emphasized performance by number of loans, because the number of loans is a better indicator of the individuals, businesses, and farms served.

Loan Products Reviewed					
Loan Type by AA	2020	2021	2022	Total	
	#	#	#	#	%
Home Mortgage					
Non-MSA AA	534	418	210	1,162	48.2
Fond du Lac MSA AA	266	234	119	619	25.6
Appleton CSA AA	99	82	29	210	8.7
Milwaukee MSA AA	206	152	64	422	17.5
Subtotal	1,105	886	422	2,413	100.0
Small Business					
Non-MSA AA	604	523	310	1,437	47.2
Fond du Lac MSA AA	301	249	185	735	24.1
Appleton CSA AA	265	159	88	512	16.8
Milwaukee MSA AA	152	109	101	362	11.9
Subtotal	1,322	1,040	684	3,046	100.0
Small Farm					
Non-MSA AA	275	340	180	795	80.4
Fond du Lac MSA AA	41	61	27	129	13.1
Appleton CSA AA	12	8	13	33	3.3
Milwaukee MSA AA	9	16	7	32	3.2
Subtotal	337	425	227	989	100.0
Total	2,764	2,351	1,333	6,448	100.0
<i>Source: HMDA and CRA Data for 2020, 2021, and 2022</i>					

When determining the Lending Test rating, more weight was given to Borrower Profile analysis. Borrower Profile directly identifies how well the bank serves the traditionally underserved segments of the population (including low- and moderate-income families, small businesses, and small farms). The limited number of low- and moderate-income census tracts in the AAs, specifically in the Non-MSA AA, primarily supports Geographic Distribution contributing less weight to the Lending Test rating.

For the Community Development Test, bank management provided data on community development loans, qualified investments, and community development services since the prior CRA evaluation dated February 18, 2020. Qualified investments acquired prior to February 18, 2020, are valued at current book value. In addition to the quantitative consideration given to the volume of activities, examiners gave qualitative consideration to the impact that these activities have on the community and how the activities meet the needs in the AAs.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

A “Satisfactory” rating is assigned under the Lending Test. While the bank originated a substantial majority of loans within its designated AAs, this conclusion is primarily supported by the reasonable performance in the Borrower Profile, Geographic Distribution, and Loan-to-Deposit Ratio criteria. The Geographic Distribution performance was consistent among all AAs receiving a full-scope review. For the limited-scope review in the Milwaukee MSA AA, the bank’s performance was below the performance in the full-scope AAs. Performance varied for the Borrower Profile criterion. See the subsequent sections for details.

Loan-to-Deposit Ratio

The bank’s net loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and AA needs. The average net loan-to-deposit ratio is 82.2 percent, based on the 12 quarters since the previous evaluation dated February 18, 2020. The ratio has remained relatively stable over the evaluation period, ranging from a low of 75.6 percent as of December 31, 2021, to a high of 97.7 percent as of March 31, 2020.

Horicon Bank’s average net loan-to-deposit ratio is within the range of the ratios of four similarly-situated banks and is reflective of reasonable performance in this criterion. The similarly-situated institutions’ average net loan-to-deposit ratios range from a low of 74.0 percent to a high of 91.1 percent over the same time period. These institutions are local banks ranging in asset size from \$594.0 million to \$1.7 billion that have comparable market areas, lending focus, and loan product offerings. Loans sold in the secondary market are not considered in the loan-to-deposit ratios.

Assessment Area Concentration

The bank made a substantial majority of home mortgage, small business, and small farm loans in the AAs. The bank’s performance in this criterion is shown in the following table.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	1,105	89.3	133	10.7	1,238	195,547	87.6	27,592	12.4	223,139
2021	886	89.6	103	10.4	989	157,311	86.0	25,659	14.0	182,970
2022	422	90.0	47	10.0	469	73,664	79.7	18,754	20.3	92,418
Subtotal	2,413	89.5	283	10.5	2,696	426,522	85.6	72,005	14.4	498,527
Small Business										
2020	1,322	91.6	121	8.4	1,443	169,504	89.2	20,600	10.8	190,104
2021	1,040	92.3	87	7.7	1,127	135,770	91.6	12,461	8.4	148,231
2022	684	91.1	67	8.9	751	106,837	88.2	14,310	11.8	121,147
Subtotal	3,046	91.7	275	8.3	3,321	412,111	89.7	47,371	10.3	459,482
Small Farm										
2020	337	85.5	57	14.5	394	41,088	82.2	8,893	17.8	49,981
2021	425	90.6	44	9.4	469	34,404	84.4	6,381	15.6	40,785
2022	227	85.0	40	15.0	267	25,466	80.4	6,195	19.6	31,661
Subtotal	989	87.5	141	12.5	1,130	100,958	82.5	21,469	17.5	122,427
Total	6,448	90.2	699	9.8	7,147	939,591	87.0	140,845	13.0	1,080,436

Source: HMDA and CRA data for 2020, 2021, and 2022

Geographic Distribution

The geographic distribution of home mortgage, small business, and small farm loans reflects reasonable dispersion throughout the AAs. This conclusion is supported by reasonable lending performance in the Non-MSA, Fond du Lac, and Appleton CSA AAs. Performance in the Milwaukee MSA AA, which carries the least weight in overall ratings, is below the performance in the other AAs. Overall bank performance in this criterion is reasonable.

Borrower Profile

The distribution of loans to borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels and businesses and farms of different sizes. While performance varies throughout the AAs, the conclusion is supported by reasonable performance in home mortgage, small business, and small farm loans in the most heavily weighted Non-MSA AA. In the Fond du Lac MSA AA, performance is reasonable in home mortgage and small farm lending, and excellent in small business lending. In the Appleton CSA AA, performance is reasonable in small business lending and poor in home mortgage lending. In the Milwaukee MSA AA, performance is reasonable in home mortgage lending and excellent in small business lending. Overall bank performance in this criterion is reasonable.

Wisconsin Housing and Economic Development Authority (WHEDA) Mortgage Loans

The bank originates mortgage products through WHEDA homeownership loan programs, which further strengthens Borrower Profile of home mortgage loans. These loan programs offer lower down payment requirements and more flexible underwriting standards to first-time homebuyers and low- and moderate-income borrowers who likely will not be able to qualify for a conventional mortgage. During this evaluation period, the bank originated eight WHEDA loans totaling \$995,860 in 2020, five for \$695,580 in 2021, and three for \$492,275 in 2022. These loans are not reported in the bank's HMDA data and do not appear in the loan tables.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

An "Outstanding" rating is assigned under the Community Development Test. The excellent performance in all four AAs supports this conclusion. The bank demonstrated excellent responsiveness to the community development needs of its AAs through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities. While qualified investment results were more modest, the leadership in the community development lending and solid community development service activity support the rating.

Community Development Loans

Horicon Bank originated or renewed 307 community development loans totaling \$177.7 million in the AAs and 117 community development loans totaling \$137.5 million throughout the broader statewide or regional area since the prior evaluation. The total level of activity represents 27.4 percent of average total assets and 37.4 percent of average net loans in the 12 quarters since the prior evaluation. Examiners considered community development loans in the broader statewide or regional area because the bank has been responsive to the community development needs and opportunities in the AAs.

Of the 424 community development loans, 333 loans totaling \$67.5 million were made through the Small Business Administration's Paycheck Protection Program (SBA PPP). During the COVID-19 pandemic, businesses were required to shut down for an extended period of time. This program was created in an effort to help the businesses survive and retain employees. PPP loans are not secured but are fully guaranteed by the federal government and administered by the SBA. If certain terms are met, the PPP loans are forgiven and business owners do not have to repay the funds. PPP loans were available in 2020 and 2021. The bank has shown responsiveness to community needs as this program helped retain jobs and enable businesses to survive the lockdowns.

Besides the SBA PPP lending activity, the bank originated 91 community development loans totaling \$247.7 million in the AAs and broader statewide or regional area. This level of activity represents 21.6 percent of average total assets and 29.4 percent of average net loans since the prior

CRA evaluation. This level of lending exceeds the 87 loans equaling \$148.7 million at the previous evaluation, which equated to 20.5 percent of average assets and 23.3 percent of average net loans.

Examiners compared performance to three similarly-situated banks in Wisconsin that were assessed under Interagency Intermediate Small Institution Examination Procedures. Examiners compared the bank’s performance with and without the SBA PPP loans. Horicon Bank’s dollar volume and percentages of average assets and average net loans significantly exceeded all three banks’ performance. Including the SBA PPP loans, similarly-situated bank performance ranged from 7.5 percent to 16.1 percent of average assets and 12.4 percent to 20.9 percent of average net loans. Horicon Bank’s community development lending represented 27.4 percent of average assets and 37.4 percent of average loans.

Horicon Bank’s performance still significantly exceeds similarly situated institutions when PPP loans are excluded. Similarly-situated bank performance ranged from 6.6 percent to 11.8 percent of average assets and 11.0 percent to 15.3 percent of average net loans. Horicon Bank’s community development lending aside from PPP lending represented 21.6 percent of average assets and 29.4 percent of average net loans.

The bank’s community development loans consist of loans for affordable housing for low- and moderate-income persons, economic development of small businesses and small farms, and revitalization and stabilization of low- and moderate-income census tracts. The following two tables show the breakdown of community development loans by AA and by year. The level of community development lending within each AA is generally commensurate with the level of loans and deposits within each AA and is reflective of excellent performance in all AAs.

Community Development Loans by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA AA	5	15,795	0	0	112	49,106	0	0	117	64,901
Fond du Lac MSA AA	1	720	0	0	67	47,842	2	479	70	49,041
Appleton CSA AA	2	1,040	0	0	73	27,326	3	24,667	78	53,033
Milwaukee MSA AA	2	639	0	0	40	10,074	0	0	42	10,713
Statewide or Regional	0	0	0	0	117	137,476	0	0	117	137,476
Total	10	18,194	0	0	409	271,824	5	25,146	424	315,164

Source: Bank Records

Community Development Loans by Activity Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	5	9,827	0	0	230	79,246	1	8,823	236	97,896
2021	3	1,375	0	0	149	106,169	1	8,282	153	115,826
2022	2	6,992	0	0	29	86,057	3	8,041	34	101,090
2023	0	0	0	0	1	352	0	0	1	352
Total	10	18,194	0	0	409	271,824	5	25,146	424	315,164

Source: Bank Records

The vast majority of community development loans are in the economic development category (86.2 percent by dollar volume and 96.5 percent by number of loans). A substantial portion of economic development loans are SBA PPP loans, available in 2020 and 2021. The bank also offers the SBA 504 loan program, which enables small 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. Community contacts have indicated that SBA loan programs are particularly responsive to AA credit needs. The breakdown of economic development loans is detailed in the following table.

Economic Development Category of Community Development Loans by Assessment Area									
Assessment Area	SBA PPP		SBA 504		Non-SBA		Totals		
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	
Non-MSA AA	103	31,867	7	15,335	2	1,904	112	49,106	
Fond du Lac MSA AA	46	11,093	4	2,442	17	34,307	67	47,842	
Appleton CSA AA	53	10,352	10	5,793	10	11,181	73	27,326	
Milwaukee MSA AA	36	7,496	1	353	3	2,225	40	10,074	
Statewide or Regional	95	6,705	13	65,600	9	65,171	117	137,476	
Total	333	67,513	35	89,523	41	114,788	409	271,824	

Source: Bank Records

Notable examples of the bank’s community development loans in the broader statewide or regional area are highlighted below.

- The bank made a loan to construct a cold storage facility in Minnesota in 2021 and 2022.

Other funding sources for this project include new market tax credits and government grants.

- The bank made a loan to construct a 60,000 square foot manufacturing/office facility in a Tax Increment Financing (TIF) district in Austin, MN in 2021 and 2022. Horicon Bank is the lead bank with two other participating banks. Other funding sources for this project include TIF funds from the City of Austin and a loan from the Austin Economic Development Corporation.
- The bank made loans in 2021 and 2022 to the business occupying the 60,000 square foot manufacturing/office facility in Austin, MN. The bank provided the SBA 504 loan and interim financing while the SBA 504 loan was being approved.

Qualified Investments

Horicon Bank made 103 qualified investments totaling \$257,000 in the AAs and 8 qualified investments totaling \$282,000 in the broader statewide or regional area since the prior evaluation. The total level of activity represents 0.0 percent of average total assets, 0.5 percent of average equity capital, and 0.6 percent of average securities in the 12 quarters since the prior evaluation. Examiners considered qualified investments in the broader statewide or regional area because the bank has been responsive to the community development needs and opportunities in the AAs.

This level of qualified investments exceeds the \$156,000 at the previous evaluation, which equaled 0.0 percent of average assets, 0.2 percent of average equity capital, and 0.8 percent of average securities. Examiners compared the bank's quantitative performance with three similarly-situated institutions whose level of activity ranged from 0.2 percent to 1.2 percent of average total assets. Horicon Bank's qualified investment performance is below the performance of all three banks who performance ranged from 1.3 percent to 9.7 percent of average equity capital and 0.8 percent to 8.7 percent of average securities. These banks are Intermediate Small Institutions in Wisconsin that demonstrated Outstanding overall Community Development performance.

Current period investments consist of qualified donations and one equity investment, and there are no prior period investments. The bank invested \$250,000 in one equity equivalent investment in Wisconsin Women's Business Initiative Corporation (WWBIC). WWBIC is a non-profit Community Development Financial Institution (CDFI) whose mission is to promote economic development by providing direct capital lending, access to capital, quality business education, and business assistance to entrepreneurs with an emphasis on serving low- and moderate-income individuals throughout the State of Wisconsin.

The following two tables show the breakdown of community development investments by AA and by year. By dollar volume within the four AAs, 68.1 percent are in the Non-MSA AA, 17.5 percent are in the Fond du Lac MSA AA, 3.1 percent are in the Appleton CSA AA, and 11.3 percent are in the Milwaukee MSA AA. The level of qualified investments and donations within each AA is generally commensurate with the level of loans and deposits within each AA.

Qualified Investments by Assessment Area										
AA	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Non-MSA AA	0	0	53	175	0	0	0	0	53	175
Fond du Lac MSA AA	0	0	25	45	0	0	0	0	25	45
Appleton CSA AA	0	0	7	8	0	0	0	0	7	8
Milwaukee MSA AA	0	0	18	29	0	0	0	0	18	29
Statewide	0	0	7	32	1	250	0	0	8	282
Total	0	0	110	289	1	250	0	0	111	539
<i>Source: Bank Records</i>										

Qualified Investments by Activity Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	36	156	0	0	0	0	36	156
2021	0	0	43	65	0	0	0	0	43	65
2022	0	0	31	68	1	250	0	0	32	318
Total	0	0	110	289	1	250	0	0	111	539
<i>Source: Bank Records</i>										

Community Development Services

Bank officers, employees, and Board members provided 160 community development services to 43 different community development-related organizations, which is a substantial increase from the 76 community development services at the prior evaluation. Examiners compared the bank's performance with three similarly-situated institutions. The three banks provided 57, 80, and 103 community development services during their respective evaluation periods. Horicon Bank's performance exceeds all three banks' performance and supports the conclusion of excellent performance.

The following two tables show the breakdown of community development services by AA and by year. The bank provided 44.4 percent of services in the Non-MSA AA, 41.9 percent in the Fond du Lac MSA AA, 8.1 percent are in the Appleton CSA AA, and 5.6 percent are in the Milwaukee MSA AA. The average number of bank employees over the prior three year-end dates is 168 employees (76.0 percent) in the Non-MSA AA, 26 employees (11.8 percent) in the Fond du Lac MSA AA, 12 employees (5.4 percent) in the Appleton CSA AA, and 15 employees (6.8 percent) in the Milwaukee MSA AA. The percentage of community development services is higher than the level of bank employment in the Fond du Lac MSA AA, and lower than the level of employment in the Non-MSA AA. Examiners considered the availability of community service opportunities and found the bank's performance to be excellent in all four AAs.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Non-MSA AA	0	42	26	3	71
Fond du Lac MSA AA	6	29	32	0	67
Appleton CSA AA	0	3	10	0	13
Milwaukee MSA AA	1	7	1	0	9
Total	7	81	69	3	160
<i>Source: Bank Records</i>					

Community Development Services by Activity Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	2	30	24	1	57
2021	2	29	24	1	56
2022	3	22	21	1	47
Total	7	81	69	3	160
<i>Source: Bank Records</i>					

In addition to the services listed in these tables, the bank applied for and received grants totaling \$25,000 in 2020 from the Federal Home Loan Bank to provide to qualifying community development organizations. These funds were primarily provided to various food pantries to provide food to those in need.

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 institution’s overall CRA rating.

Non-MSA AA – Full-Scope Review

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

The Non-MSA AA includes all of Dodge and Green Lake Counties, as well as one census tract in Columbia County. Although Columbia County is part of the Madison MSA, it is included with the Non-MSA AA because it is adjacent to and does not substantially exceed the boundaries of the MSA. The AA includes whole geographies and does not arbitrarily exclude low- and moderate-income census tracts. The main office and 11 branches are located in the Non-MSA AA.

Economic and Demographic Data

This AA includes all 20 census tracts in Dodge County, all six census tracts in Green Lake County, and one census tract in Columbia County. Based on the 2015 ACS, there are 1 moderate-income, 22 middle-income, and 4 upper-income census tracts. The moderate-income census tract is located in the northeastern portion of Green Lake County. The Green Lake branch is approximately ten miles from this moderate-income census tract.

Based on the 2020 U.S. Census, there are 2 moderate-income, 20 middle-income, and 5 upper-income census tracts. The moderate-income census tracts are located in Horicon and Watertown. Although the bank does not have any offices near the Watertown moderate-income census tract, the main office is located in the Horicon moderate-income census tract. In addition, the Horicon branch that was opened in June 2021 is in close proximity to this census tract. The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census.

Demographic Information of the Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	0.0	7.4	74.1	18.5	0.0
Population by Geography	112,513	0.0	5.1	74.9	20.0	0.0
Housing Units by Geography	50,331	0.0	5.5	76.4	18.1	0.0
Owner-Occupied Units by Geography	31,664	0.0	4.9	73.0	22.2	0.0
Occupied Rental Units by Geography	12,874	0.0	8.2	80.1	11.6	0.0
Vacant Units by Geography	5,793	0.0	2.4	87.3	10.3	0.0
Businesses by Geography	7,185	0.0	3.8	76.4	19.9	0.0
Farms by Geography	797	0.0	1.8	74.0	24.2	0.0
Family Distribution by Income Level	28,925	16.8	19.2	23.6	40.4	0.0
Median Family Income MSA - 31540 Madison, WI MSA		\$97,334	Median Housing Value			\$170,645
Median Family Income Non-MSAs - WI		\$71,740	Median Gross Rent			\$811
			Families Below Poverty Level			5.5%
<i>Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (* The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 50,331 housing units in the AA, with 62.9 percent owner-occupied, 25.6 percent occupied rental, and 11.5 percent vacant. Type of housing is 83.6 percent 1-4 family, 12.3 percent multifamily (five or more units), and 4.1 percent mobile homes. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

Examiners rely on the Federal Financial Institutions Examination Council (FFIEC)-estimated median family income levels to analyze the home mortgage loans under the Borrower Profile criterion. The FFIEC bases its annual estimates on the most recent U.S. Census or ACS data, and factors in inflation and other economic variables to arrive at a median family income that more

closely reflects current economic conditions. The following table presents the low-, moderate-, middle-, and upper-income levels for the MSA.

Median Family Income Ranges for the Non-MSA AA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$68,000)	<\$34,000	\$34,000 to <\$54,400	\$54,400 to <\$81,600	≥\$81,600
2021 (\$69,600)	<\$34,800	\$34,800 to <\$55,680	\$55,680 to <\$83,520	≥\$83,520
2022 (\$81,500)	<\$40,750	\$40,750 to <\$65,200	\$65,200 to <\$97,800	≥\$97,800

Source: FFIEC; <=less than; ≥=greater than or equal to.

Home sale prices rose over the evaluation period, as shown in the following table. Home sale prices were below the state median sale price in Dodge County and Green Lake County and were relatively similar to the state median sale price in Columbia County. The number of home sales decreased in each county in 2022. Specifically, Dodge County had 1,199 home sales in 2021 and 1,032 in 2022, and Green Lake County had 317 home sales in 2021 and 296 in 2022. Columbia County had 864 home sales in 2021 and 681 home sales in 2022. The same trend occurred statewide, with 91,453 home sales in 2021 and 78,143 in 2022.

Median Home Sales Price			
Area	2020	2021	2022
Dodge County	182,750	210,000	220,000
Green Lake County	173,500	200,000	223,950
Columbia County	225,000	235,225	268,000
State of Wisconsin	220,000	240,000	264,600

Source: Wisconsin Realtors Association

Unemployment rates increased during the evaluation period due to economic struggles brought about by COVID-19, and then improved to pre-pandemic levels. The unemployment rates in Dodge County and Columbia County were consistently below state and national levels, and the unemployment rate in Green Lake County was consistently above the state level and below the national level. See the following table for specific unemployment rates.

Area	Average 2020 %	Average 2021 %	Average 2022 %
Dodge County	5.3	3.2	2.6
Green Lake County	6.9	4.3	3.3
Columbia County	6.0	3.4	2.6
State of Wisconsin	6.3	3.8	3.2
National Average	8.1	5.3	3.3

Source: U.S. Bureau of Labor Statistics

Per D&B, there were 7,982 businesses in the AA in 2022, with 62.8 percent having four or less employees and 89.2 percent operating from a single location. Service industries represent the largest portion of businesses at 30.0 percent; followed by retail trade (11.5 percent); agriculture

(10.0 percent); construction (8.4 percent); finance, insurance, and real estate (7.2 percent); and transportation (5.9 percent). According to the Wisconsin Department of Workforce Development, major employers in Dodge County include John Deere Horicon Works, Quad/Graphics Inc., Dodge County Administration, Michels Corp., and Dodge Correctional Institute. In Green Lake County, major employers include Green Lake Conference Center, Markesan School District, Flash Inc., Clay Lamberton Elementary School, and Markesan Resident Home.

Competition

The Non-MSA AA is moderately competitive in the market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 15 financial institutions operating 43 offices in Dodge and Green Lake Counties. Horicon Bank is the market leader, holding a 25.6 percent market share, followed by The Farmers and Merchants Bank with 18.3 percent and Fortifi Bank with 9.6 percent of the deposit market share.

There is a high level of competition in the AA for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 286 lenders originated or purchased 5,848 HMDA-reportable loans in the AA. Horicon Bank ranked 2nd, reporting a market share of 7.2 percent. Summit Credit Union is the top lender with 11.8 percent market share.

Although not required to report small business and small farm loan data, Horicon Bank collected this data to be analyzed as part of this evaluation. Because the bank does not report this data, the analysis of small business and small farm loans under the Lending Test does not include direct comparison to the aggregate data. However, aggregate data presents a level of demand in the AA for small business and small farm loans.

Aggregate data for 2021 shows 75 lenders reported 2,469 small business loans totaling \$103.6 million in the AA, indicating a moderate level of competition for this product. The top ten small business lenders are national banks with a combined 77.5 percent market share.

Aggregate data for 2021 shows 20 lenders reported 322 small farm loans, totaling \$16.5 million in the AA, indicating a moderate level of competition for this product. The top two small farm lenders are National Exchange Bank and Trust and John Deere Financial FSB with a combined 50.0 percent market share.

Community Contact

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

Examiners contacted a representative of an economic development organization in the AA. The contact stated local financial institutions are generally responsive to area credit needs and are sufficiently involved in the community. Two of the greatest needs in the AA are lending for start-up businesses and affordable housing. The contact indicated that greater access to capital for businesses is needed, particularly venture capital funds for new businesses. Dodge County is also in

need of more affordable housing. Zoning regulations restrict the number of units that can be built on a lot. Some projects are not feasible due to insufficient income that can be generated from the number of allowable housing units on a particular lot. Insufficient affordable housing affects the ability of employers to draw new workers into the area and contributes to the labor shortage in the service and manufacturing industries. Economic development has been adversely affected by rising interest rates and rising equity requirements for developers. The contact stated that the Federal government has provided too much in public funds, which lead to inflation, rising interest rates, and higher equity requirements.

Credit and Community Development Needs and Opportunities

Considering information from bank management, demographic and economic data, and the information gathered from the community contact, examiners determined the AA has credit and community development needs for small businesses, particularly start-ups, and additional affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NON-MSA AA

LENDING TEST

Horicon Bank demonstrates reasonable performance under the Lending Test in the Non-MSA AA. The reasonable borrower profile and geographic distribution performance supports this conclusion. Because there are no low-income and only one or two moderate-income census tracts in the AA, the reasonable geographic distribution performance receives less weight in arriving at the conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Non-MSA AA. The bank's reasonable performance of home mortgage, small business, and small farm loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Non-MSA AA. The bank made no home mortgage loans in the sole moderate-income census tract in 2020 and 2021. This moderate-income census tract is located in the northeast corner of Green Lake County (which includes the town of Berlin) and is approximately ten miles from the bank's nearest branch in Green Lake. According to 2021 HMDA aggregate data, 102 home mortgage loans were made in the sole moderate-income census tract. Fortifi Bank, headquartered in Berlin, made 11 (10.8 percent) of the 2021 HMDA-reportable loans in the moderate-income census tract. No other community bank made more than three HMDA-reportable loans in the moderate-income census tract. In 2022, the changes in census tract designations resulted in Green Lake County not having any low- or moderate-income census tracts, and Dodge County having two moderate-income census tracts. One of these newly designated moderate-income census tracts is where the bank's main office is located. In addition, the Horicon branch is in close proximity to another moderate-income census tract. The bank's performance in 2022 is in line with the percentage of owner-occupied housing units, and is reflective of reasonable performance.

Geographic Distribution of Home Mortgage Loans in the Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2020	2.5	1.7	0	0.0	0	0.0
2021	2.5	1.7	0	0.0	0	0.0
2022	4.9	--	10	4.8	1,176	3.5
Middle						
2020	80.1	79.5	383	71.7	56,814	66.4
2021	80.1	79.4	304	72.7	44,494	65.4
2022	73.0	--	162	77.1	25,356	76.2
Upper						
2020	17.4	18.8	151	28.3	28,721	33.6
2021	17.4	18.8	114	27.3	23,549	34.6
2022	22.2	--	38	18.1	6,754	20.3
Totals						
2020	100.0	100.0	534	100.0	85,536	100.0
2021	100.0	100.0	418	100.0	68,043	100.0
2022	100.0	--	210	100.0	33,286	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the Non-MSA AA. In 2020 and 2021, the bank's performance is below demographic statistics in the moderate-income census tract. Although not a direct comparator, aggregate data for small business loans in the moderate-income census tract is 2.5 percent and 2.3 percent in 2020 and 2021, respectively. As previously mentioned, the sole moderate-income census tract is located in the northeastern corner of Green Lake County and not near any of the bank's branches. In 2022, changes in income designations of the census tracts resulted in Horicon Bank being more closely located to moderate-income census tracts. Therefore, the bank was better situated to meet the credit needs of the area and improved performance. The bank's performance in 2022 compares reasonably well with the percentage of businesses in the moderate-income census tracts, and reflects reasonable performance.

Geographic Distribution of Small Business Loans in the Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2020	3.8	3	0.5	768	1.1
2021	3.8	0	0.0	0	0.0
2022	3.8	9	2.9	985	2.1
Middle					
2020	78.4	444	73.5	47,528	67.4
2021	77.8	393	75.1	42,912	68.9
2022	76.4	258	83.2	38,474	83.9
Upper					
2020	17.8	157	26.0	22,182	31.5
2021	18.5	130	24.9	19,367	31.1
2022	19.9	43	13.9	6,392	13.9
Totals					
2020	100.0	604	100.0	70,478	100.0
2021	100.0	523	100.0	62,279	100.0
2022	100.0	310	100.0	45,851	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion in the Non-MSA AA. The bank did not originate any small farm loans in the moderate-income census tract in 2020 or 2021. Although not a direct comparator, aggregate data for small farm loans in the moderate-income census tract is 0.0 percent and 0.4 percent in 2020 and 2021, respectively, demonstrating low levels of demand. As previously mentioned, the sole moderate-income census tract is located in the northeastern corner of Green Lake County and not near any of the bank’s branches. In 2022, changes in income designations of the census tracts occurred, resulting in improved lending performance. The bank’s performance in 2022 compares reasonably well with the percentage of farms in the moderate-income census tracts, and reflects reasonable performance.

Geographic Distribution of Small Farm Loans in the Non-MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2020	0.9	0	0.0	0	0.0
2021	1.0	0	0.0	0	0.0
2022	1.8	2	1.1	65	0.3
Middle					
2020	76.9	229	83.3	30,286	87.3
2021	76.9	270	79.4	23,470	80.1
2022	74.0	142	78.9	17,598	80.9
Upper					
2020	22.3	46	16.7	4,400	12.7
2021	22.1	70	20.6	5,836	19.9
2022	24.2	36	20.0	4,100	18.8
Totals					
2020	100.0	275	100.0	34,686	100.0
2021	100.0	340	100.0	29,306	100.0
2022	100.0	180	100.0	21,763	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels and small business and small farms of different sizes. The bank's reasonable performance in home mortgage, small business, and small farm lending supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. As demonstrated in the following table, the bank's percentage of loans originated to low-income borrowers was in line with aggregate data in 2020 and 2021. In all years, the bank's lending to low-income borrowers significantly trailed the percentage of low-income families. These families include the 5.5 percent of families living below the poverty level. Due to their limited financial resources, families living below the poverty level generally do not have the capacity to support a home mortgage, thereby limiting the demand and opportunity. Therefore, aggregate comparisons are a more reliable data source for determining performance expectations for the bank.

The percentage of loans originated to moderate-income borrowers was in line with both aggregate and demographic data in 2020 and 2021, and exceeded demographic data in 2022. In summary, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level in the Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	15.3	4.2	22	4.1	1,712	2.0
2021	15.3	5.2	19	4.5	1,736	2.6
2022	16.8	--	7	3.3	651	2.0
Moderate						
2020	19.2	19.1	95	17.8	10,143	11.9
2021	19.2	19.8	81	19.4	8,967	13.2
2022	19.2	--	51	24.3	5,997	18.0
Middle						
2020	23.4	24.0	121	22.7	17,839	20.9
2021	23.4	24.9	113	27.0	15,481	22.8
2022	23.6	--	53	25.2	6,396	19.2
Upper						
2020	42.2	40.9	267	50.0	51,429	60.1
2021	42.2	38.5	190	45.5	39,779	58.5
2022	40.4	--	84	40.0	18,112	54.4
Not Available						
2020	0.0	11.8	29	5.4	4,413	5.2
2021	0.0	11.6	15	3.6	2,080	3.1
2022	0.0	--	15	7.1	2,131	6.4
Totals						
2020	100.0	100.0	534	100.0	85,536	100.0
2021	100.0	100.0	418	100.0	68,043	100.0
2022	100.0	--	210	100.0	33,286	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with revenues of \$1 million or less in the Non-MSA AA. As shown in the following table, the bank's performance exceeds the percentage of businesses with revenues of \$1 million or less in 2020 and 2021, and is below the demographic data in 2022. In addition to demographic data, examiners compared the performance to similarly-situated banks, and considered aggregate data, to determine that the bank's performance is reasonable.

Demographic data represents the percentage of businesses of different revenue sizes operating within the AA and does not necessarily represent those businesses that are seeking or may even qualify for bank financing. Smaller business owners tend to finance their business needs through

credit cards, personal home equity lines of credit, or consumer loans originated in their own name, and are not captured in this analysis. In addition, a significant portion of businesses did not report revenues and are reflected in the Revenue Not Available section, which can skew the data.

Examiners compared the bank’s performance with other banks that have over \$500 million in assets and have designated a non-MSA portion of Wisconsin as one of their AAs. This comparison was conducted to assist in establishing a standard of demand for small business loans. Seven banks were selected for comparison with lending to small businesses in 2020 ranging from 66.7 percent to 88.5 percent. Two banks on the higher end of this analysis demonstrated excellent performance, and the other banks demonstrated reasonable performance. In 2021, five comparable banks were reviewed with performance ranging from 61.9 percent to 86.0 percent. One bank on the higher end of this analysis demonstrated excellent performance, and the other banks demonstrated reasonable performance. In 2022, one comparable bank with reasonable performance originated 70.7 percent of business loans to small businesses.

Aggregate data is not a direct comparator and is not shown in the following table, as the bank does not report CRA small business loan data. However, examiners did consider the record of aggregate lending in conjunction with similarly-situated bank performance to determine the level of demand for such loans. Aggregate data shows that reported loans to small businesses equaled 40.1 percent in 2020 and 55.0 percent in 2021. The bank’s performance greatly exceeds aggregate data. Considering demographic and aggregate data, as well as the similarly-situated bank analysis, examiners determined that the bank’s performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category in the Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	79.1	484	80.1	41,857	59.4
2021	79.3	450	86.0	43,592	70.0
2022	83.6	205	66.1	21,628	47.2
>\$1,000,000					
2020	6.2	120	19.9	28,621	40.6
2021	6.1	73	14.0	18,687	30.0
2022	4.8	105	33.9	24,223	52.8
Revenue Not Available					
2020	14.7	0	0.0	0	0.0
2021	14.6	0	0.0	0	0.0
2022	11.6	0	0.0	0	0.0
Totals					
2020	100.0	604	100.0	70,478	100.0
2021	100.0	523	100.0	62,279	100.0
2022	100.0	310	100.0	45,851	100.0

Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to farms with revenues of \$1 million or less in the Non-MSA AA. The bank’s performance is in line with the comparable demographic.

Distribution of Small Farm Loans by Gross Annual Revenue Category in the Non-MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2020	95.7	255	92.7	30,098	86.8
2021	96.8	325	95.6	25,830	88.1
2022	97.2	164	91.1	17,500	80.4
>\$1,000,000					
2020	2.8	20	7.3	4,588	13.2
2021	2.4	15	4.4	3,476	11.9
2022	2.0	16	8.9	4,263	19.6
Revenue Not Available					
2020	1.5	0	0.0	0	0.0
2021	0.8	0	0.0	0	0.0
2022	0.8	0	0.0	0	0.0
Totals					
2020	100.0	275	100.0	34,686	100.0
2021	100.0	340	100.0	29,306	100.0
2022	100.0	180	100.0	21,763	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

COMMUNITY DEVELOPMENT TEST

Horicon Bank demonstrates excellent responsiveness to the community development needs of the Non-MSA AA through community development loans, qualified investments, and community development services considering the institution’s capacity and the need and availability of such opportunities for community development in this AA. The bank continues to be a leader in making community development loans which supports this conclusion.

Community Development Loans

The bank’s community development loans in the Non-MSA AA declined from \$95.0 million at the prior evaluation to \$64.9 million at the current evaluation; however, the number of community development loans increased from 40 loans to 117 loans. The following table shows the breakdown of community development loans by year.

Community Development Loans by Activity Year in the Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	3	8,803	0	0	80	30,442	0	0	83	39,245
2021	0	0	0	0	29	15,760	0	0	29	15,760
2022	2	6,992	0	0	3	2,904	0	0	5	9,896
Total	5	15,795	0	0	112	49,106	0	0	117	64,901
<i>Source: Bank Records</i>										

Notable community development loans in the Non-MSA AA include the following:

- The bank made three loans for a housing project with low-income housing tax credits. The project involves converting an existing school into apartments for low- and moderate-income individuals.
- The bank made one loan and a standby letter of credit for Phase 2 of a housing project consisting of 20 three-bedroom duplex units for low- and moderate-income families.
- The bank made one loan for a business to acquire an existing business to expand and retain and create new jobs for low- and moderate-income individuals.

Qualified Investments

Horicon Bank's qualified investments equal \$175,000 in the Non-MSA AA, which is higher than the \$79,000 at the prior evaluation. The following table shows the breakdown of qualified investments by year. The qualified investments consist solely of donations.

Qualified Investments by Activity Year in the Non-MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	16	108	0	0	0	0	16	108
2021	0	0	24	40	0	0	0	0	24	40
2022	0	0	13	27	0	0	0	0	13	27
Total	0	0	53	175	0	0	0	0	53	175
<i>Source: Bank Records</i>										

Notable qualified investments in the Non-MSA AA include the following:

- donations to an organization that helps individuals affected by domestic and sexual violence,
- donations to a community service organization that provides a free health and dental clinic to medically under-served individuals, and
- donations to an organization that enhances those individuals with diverse abilities to live independently as contributing members of the community.

Community Development Services

Bank representatives provided 71 community development services in the Non-MSA AA during the evaluation period, which is an increase from the 31 community development services at the prior evaluation. The following table shows the breakdown of community development services by year.

Community Development Services by Activity Year in the Non-MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	0	15	10	1	26
2021	0	15	10	1	26
2022	0	12	6	1	19
Total	0	42	26	3	71
<i>Source: Bank Records</i>					

Notable community development services in the Non-MSA AA include the following:

- a bank officer serves as Board member, finance committee member, and 2019-2022 annual campaign chairperson to raise funds for families that cannot pay full membership or program fees at a local YMCA,
- a bank officer serves as Board member and finance and fundraising committee member of a local food pantry and resource center serving low- and moderate-income individuals, and
- a bank officer serves as the Chairman of a local county-wide revolving small business loan fund.

Fond du Lac MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE FOND DU LAC MSA AA

The Fond du Lac MSA AA includes the entire Fond Du Lac County, which is the sole county in the Fond du Lac MSA. The AA includes whole geographies and does not arbitrarily exclude low- and moderate-income census tracts. Four branches are located in the Fond du Lac MSA AA with two in Fond du Lac and two in Ripon.

Economic and Demographic Data

This AA includes all census tracts in Fond du Lac County. Based on the 2015 ACS, there were 20 census tracts, consisting of 1 low-income, 1 moderate-income, 17 middle-income, and 1 upper-income. The low- and moderate-income census tracts are located in the downtown area of the City of Fond du Lac. The two Fond du Lac branches are located in close proximity to these census tracts.

Based on the 2020 U.S. Census, there are 23 census tracts, consisting of 4 moderate-income, 15 middle-income, and 4 upper-income census tracts. The two Fond du Lac branches are in close proximity to the four moderate-income census tracts, which are located in the City of Fond du Lac. The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census.

Demographic Information of the Fond du Lac MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	23	0.0	17.4	65.2	17.4	0.0
Population by Geography	104,154	0.0	18.9	64.1	17.0	0.0
Housing Units by Geography	45,338	0.0	19.8	62.9	17.3	0.0
Owner-Occupied Units by Geography	29,588	0.0	12.4	67.0	20.5	0.0
Occupied Rental Units by Geography	12,302	0.0	36.8	52.9	10.3	0.0
Vacant Units by Geography	3,448	0.0	22.6	63.0	14.5	0.0
Businesses by Geography	6,590	0.0	19.9	63.7	16.4	0.0
Farms by Geography	516	0.0	3.9	74.4	21.7	0.0
Family Distribution by Income Level	27,483	17.1	20.2	25.2	37.4	0.0
Median Family Income MSA - 22540 Fond du Lac, WI MSA		\$81,968	Median Housing Value			\$163,174
			Median Gross Rent			\$780
			Families Below Poverty Level			5.5%
<i>Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (* The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 45,338 housing units in the AA, with 65.3 percent owner-occupied, 27.1 percent occupied rental, and 7.6 percent vacant. Type of housing is 80.8 percent 1-4 family, 15.5 percent multifamily (five or more units), and 3.7 percent mobile homes. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

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 MSA.

Median Family Income Ranges for Fond du Lac MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2020 (\$79,200)	<\$39,600	\$39,600 to <\$63,360	\$63,360 to <\$95,040	≥\$95,040
2021 (\$75,000)	<\$37,500	\$37,500 to <\$60,000	\$60,000 to <\$90,000	≥\$90,000
2022 (\$97,200)	<\$48,600	\$48,600 to <\$77,760	\$77,760 to <\$116,640	≥\$116,640
<i>Source: FFIEC; <=less than; ≥=greater than or equal to.</i>				

Home sale prices rose over the evaluation period, as shown in the following table. Home sale prices were below the state median sale price in Fond du Lac County. The number of home sales had been increasing each year until a decline occurred in 2022. Specifically, Fond du Lac County had 1,489 home sales in 2021 and 1,296 in 2022. The same trend occurred statewide with 91,453 home sales in 2021 and 78,143 in 2022.

Median Home Sales Price			
Area	2020	2021	2022
Fond du Lac County	159,000	180,000	194,950
State of Wisconsin	220,000	240,000	264,600
<i>Source: Wisconsin Realtors Association</i>			

Unemployment rates increased during the evaluation period due to economic struggles brought about by COVID-19, and then improved to pre-pandemic levels. The unemployment rate in Fond du Lac County was consistently below state and national levels. See the following table for specific unemployment rates.

Area	Average 2020 %	Average 2021 %	Average 2022 %
Fond du Lac County	5.9	3.2	2.6
State of Wisconsin	6.3	3.8	3.2
National Average	8.1	5.3	3.3
<i>Source: U.S. Bureau of Labor Statistics</i>			

According to December 2022 economic information from Moody’s Analytics, the business cycle status is Recovery for the Fond du Lac MSA. The labor force has been backsliding after briefly achieving a full recovery in late 2021. Single-family house prices have plateaued amid weaker demand due to rising mortgage rates. The manufacturing industry remained the cornerstone of the economy with Mercury Marine (global leader in marine engine production) being the largest and one of the highest-paying manufacturers. Increased demand for maritime products during the height of the pandemic led to a surge in hiring. Manufacturing accounts for nearly a quarter of all jobs. Factory workers’ salary are well above those in other industries. Milk is the biggest agricultural product. The AA ranks in the top three for milk production in Wisconsin and among the top 20 in the nation. Dairy farmers have seen an increase in profitability. Despite decent population growth, there is a below-average share of prime-age adults and educational attainment is also below average. This limits the supply of qualified labor, which has not recovered from the pandemic. Population skews older than average with the highest concentration in the state of residents in the 65-or-older age group, which ensures high demand for healthcare.

Strengths of the area include below-average business and living costs, above-average consumer credit quality, high labor force participation rate, and improving migration trends. Weaknesses include low diversity and high volatility of industries, relatively low educational attainment, below-average per capita income, and reliance on volatile dairy product prices for farm income.

The economic drivers of the AA are agriculture and manufacturing. Per D&B, there were 7,106 businesses in the AA in 2022, with 62.8 percent having four or less employees and 88.2 percent

operating from a single location. The largest employment sectors in the Fond du Lac MSA are manufacturing (23.8 percent), education and health services (14.9), government (11.7 percent), and retail trade (11.0 percent). Top employers with over 1,000 employees include Agnesian Health Care, Mercury Marine, Moraine Park Technical College, and ALH Holding Inc.

Competition

The Fond du Lac MSA AA is moderately competitive in the market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 11 financial institutions operating 34 offices in the AA. Horicon Bank ranked 2nd with 9.2 percent deposit market share. National Exchange Bank and Trust is the market leader with 46.5 percent deposit market share.

There is a high level of competition in the AA for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 241 lenders originated or purchased 5,524 HMDA-reportable loans in the AA. Horicon Bank ranked 6th, reporting a market share of 4.2 percent by number of loans. National Exchange Bank and Trust is the market leader with 16.0 percent home loan market share.

Although not required to report small business and small farm loan data, Horicon Bank collected this data to be analyzed as part of this evaluation. As stated previously, aggregate data presents a level of demand in the AA for small business and small farm loans.

Aggregate data for 2021 shows 60 lenders reported 1,818 small business loans totaling \$89.2 million in the AA, indicating a moderate level of competition for this product. The top ten small business lenders are national banks with a combined 85.4 percent small business loan market share.

Aggregate data for 2021 shows 14 lenders reported 181 small farm loans, totaling \$8.5 million in the AA, indicating a moderate level of competition for this product. The top two small farm lenders are National Exchange Bank and Trust and John Deere Financial FSB with a combined 56.9 percent small farm loan market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and community development opportunities are available. Examiners reviewed a recently completed community contact with a representative of an economic development organization in Fond du Lac.

According to the contact, there is a lack of affordable housing in the area due to a limited supply of homes. Specifically, the demand for housing exceeds the supply, resulting in limited opportunities for members of the community to own a home. In addition to the limited affordable housing supply, rent in the area continues to increase for those individuals who do not own homes. While the contact noted that local financial institutions meet the financial needs of the area, some individuals and families with low- and moderate-incomes have been seeking financial assistance

from online lenders rather than local financial institutions. The increased availability of online lending further increases competition for the local financial institutions.

In 2020 and 2021, the COVID-19 pandemic briefly affected the area businesses. Very few businesses closed and approximately nine new small businesses opened in the city of Fond du Lac. Competition between local financial institutions and an array of financial programs provided by community organizations benefits small businesses looking to obtain financial assistance. The contact noted an opportunity for financial institutions to provide more microloans to small businesses. Further, start-up small businesses would benefit from more workshops and programs tailored to the financial aspects that come from running a business.

Credit and Community Development Needs and Opportunities

Examiners identified a need for affordable housing in the AA based on economic and demographic information, as well as information obtained from the community contact. In addition, start-up business financing is needed for new small businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE FOND DU LAC MSA AA

LENDING TEST

Horicon Bank demonstrates reasonable performance under the Lending Test in the Fond du Lac MSA AA. The reasonable geographic distribution and the borrower profile performance supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Fond du Lac MSA AA. The bank's reasonable performance of home mortgage, small business, and small farm loans supports this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Fond du Lac MSA AA. The bank's performance in the low- and moderate-income census tracts in 2020 and 2021 compares reasonably with both demographic and aggregate data. In 2022, the overall volume of home mortgage loans is lower than previous years, and the bank's performance in moderate-income census tracts improved. However, performance is below the percentage of owner-occupied housing units. Examiners gave less weight to 2022 performance due to the absence of aggregate data to be used as a comparable.

Geographic Distribution of Home Mortgage Loans in the Fond Du Lac MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	1.2	1.2	1	0.4	80	0.2
2021	1.2	1.6	2	0.9	825	2.2
2022	0.0	0.0	0	0.0	0	0.0
Moderate						
2020	2.5	2.0	4	1.5	480	1.1
2021	2.5	2.1	8	3.4	639	1.7
2022	12.4	--	7	5.9	730	4.1
Middle						
2020	87.1	85.2	229	86.1	35,967	80.8
2021	87.1	85.4	200	85.5	30,576	80.5
2022	67.0	--	97	81.5	14,905	83.5
Upper						
2020	9.2	11.5	32	12.0	8,003	18.0
2021	9.2	11.0	24	10.3	5,931	15.6
2022	20.5	--	15	12.6	2,207	12.4
Totals						
2020	100.0	100.0	266	100.0	44,530	100.0
2021	100.0	100.0	234	100.0	37,971	100.0
2022	100.0	--	119	100.0	17,841	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the Fond du Lac MSA AA. In 2020 and 2021, the bank's performance is reasonably comparable to the demographic. Although not a direct comparator, aggregate data for small business loans is 8.0 percent and 6.5 percent in the sole low-income census tract in 2020 and 2021, respectively, and 3.7 percent and 2.9 percent in the sole moderate-income census tract in 2020 and 2021, respectively. The bank's performance exceeds aggregate data. In 2022, the volume of small business loans is lower than previous years, and the bank's performance is below the percentage of businesses in the moderate-income census tracts.

Geographic Distribution of Small Business Loans in the Fond du Lac MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2020	9.1	26	8.6	4,683	14.3
2021	9.0	20	8.0	2,316	8.2
2022	0.0	0	0.0	0	0.0
Moderate					
2020	5.0	12	4.0	1,599	4.9
2021	5.2	10	4.0	1,192	4.2
2022	19.9	22	11.9	4,064	17.8
Middle					
2020	78.2	237	78.8	24,516	75.1
2021	78.2	196	78.7	23,186	82.1
2022	63.7	144	77.8	15,985	70.2
Upper					
2020	7.7	26	8.6	1,850	5.7
2021	7.6	23	9.3	1,537	5.4
2022	16.4	19	10.3	2,722	12.0
Totals					
2020	100.0	301	100.0	32,648	100.0
2021	100.0	249	100.0	28,231	100.0
2022	100.0	185	100.0	22,771	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion in the Fond du Lac MSA AA. Demographic data shows there are very few farms located in the low- and moderate-income census tracts of this AA, resulting in limited lending opportunities. Although not a direct comparator, aggregate data shows no small farm loans were originated in the low- and moderate-income census tracts in 2020 and 2021. Given this information, the bank's performance compares reasonably well with demographic and aggregate data. In 2022, the volume of small farm loans is lower than previous years, and the bank's performance is below the percentage of farms in the moderate-income census tracts.

Geographic Distribution of Small Farm Loans in the Fond du Lac MSA AA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low					
2020	1.2	2	4.9	127	2.9
2021	0.7	0	0.0	0	0.0
2022	0.0	0	0.0	0	0.0
Moderate					
2020	1.0	0	0.0	0	0.0
2021	0.9	0	0.0	0	0.0
2022	3.9	0	0.0	0	0.0
Middle					
2020	86.9	36	87.8	4,205	95.3
2021	87.7	56	91.8	2,673	96.6
2022	74.4	26	96.3	1,285	96.4
Upper					
2020	11.0	3	7.3	80	1.8
2021	10.7	5	8.2	95	3.4
2022	21.7	1	3.7	48	3.6
Totals					
2020	100.0	41	100.0	4,412	100.0
2021	100.0	61	100.0	2,768	100.0
2022	100.0	27	100.0	1,333	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels and business and farms of different sizes. The bank's reasonable home mortgage and small farm lending performance and excellent small business loan performance supports this conclusion.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. As demonstrated in the following table, the bank's percentage of loans originated to low-income borrowers reflects an increasing trend over the three-year period and exceeds aggregate data in 2021. In all years, the bank's lending to low-income borrowers significantly trailed the percentage of low-income families. These families include the 5.5 percent of families living below the poverty level. Due to their limited financial resources, families living below the poverty level generally do not have the capacity to support a home mortgage, thereby limiting the demand and opportunity. Therefore, aggregate comparisons are a more reliable data source for determining performance expectations.

The bank's percentage of loans originated to moderate-income borrowers was in line with aggregate data in 2020 and 2021, and exceeded demographic data in all three years. In summary, the bank's performance is reasonable.

Distribution of Home Mortgage Loans by Borrower Income Level in the Fond Du Lac MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	17.0	7.8	16	6.0	1,594	3.6
2021	17.0	6.5	23	9.8	2,213	5.8
2022	17.1	--	12	10.1	1,122	6.3
Moderate						
2020	18.4	22.7	57	21.4	6,587	14.8
2021	18.4	21.3	45	19.2	4,778	12.6
2022	20.2	--	33	27.7	4,447	24.9
Middle						
2020	25.2	25.2	65	24.4	9,666	21.7
2021	25.2	24.4	53	22.7	7,809	20.6
2022	25.2	--	31	26.1	4,657	26.1
Upper						
2020	39.4	34.3	115	43.2	25,052	56.3
2021	39.4	36.4	99	42.3	21,221	55.9
2022	37.4	--	31	26.1	5,804	32.5
Not Available						
2020	0.0	10.0	13	4.9	1,631	3.7
2021	0.0	11.4	14	6.0	1,950	5.1
2022	0.0	--	12	10.1	1,811	10.2
Totals						
2020	100.0	100.0	266	100.0	44,530	100.0
2021	100.0	100.0	234	100.0	37,970	100.0
2022	100.0	--	119	100.0	17,842	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of small business loans reflects excellent penetration of loans to businesses with revenues of \$1 million or less in the Fond du Lac MSA AA. As shown in the following table, the bank's performance exceeds the percentage of businesses with revenues of \$1 million or less in 2020 and 2021, and is in line with the demographic data in 2022. In addition to demographic data,

examiners considered the performance of similarly-situated banks, as well as aggregate data, to determine that the bank's performance is excellent.

Examiners compared the bank's performance with other banks that have over \$500 million in assets and have designated an MSA portion of Wisconsin as one of their AAs. This comparison was conducted to assist in establishing a standard of demand for small business loans. Seven banks were selected for comparison with lending to small businesses in 2020 ranging from 53.0 percent to 75.2 percent and reflecting reasonable performance. In 2021, three comparable banks were reviewed with performance ranging from 36.2 percent to 63.6 percent. One bank on the lower end of this analysis demonstrated poor performance, and the other banks demonstrated reasonable performance.

As previously noted, aggregate data is not a direct comparator and is not shown in the following table. However, examiners did consider the record of aggregate lending in conjunction with similarly-situated bank performance to determine the level of demand for such loans. Aggregate data shows that reported loans to small businesses equaled 47.9 percent in 2020 and 60.7 percent in 2021. The bank's performance greatly exceeds aggregate data. Considering demographic and aggregate data, as well as the similarly-situated bank analysis, examiners determined that the bank's performance is excellent.

Distribution of Small Business Loans by Gross Annual Revenue Category in the Fond du Lac MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	78.4	267	88.7	24,668	75.6
2021	78.9	223	89.6	21,345	82.5
2022	82.8	152	82.2	15,795	69.4
>\$1,000,000					
2020	7.0	34	11.3	7,980	24.4
2021	6.8	26	10.4	4,529	17.5
2022	5.3	33	17.8	6,976	30.6
Revenue Not Available					
2020	14.6	0	0.0	0	0.0
2021	14.4	0	0.0	0	0.0
2022	11.9	0	0.0	0	0.0
Totals					
2020	100.0	301	100.0	32,648	100.0
2021	100.0	249	100.0	25,874	100.0
2022	100.0	185	100.0	22,771	100.0

Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration of loans to farms with revenues of \$1 million or less in the Fond du Lac MSA AA. The bank's performance is in line with the percentage of farms with revenues of \$1 million or less. Considering demographic and aggregate data, examiners determined that the bank's performance is reasonable.

Distribution of Small Farm Loans by Gross Annual Revenue Category in the Fond du Lac MSA AA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000					
2020	94.8	40	97.6	4,056	91.9
2021	94.4	58	95.1	1,851	66.9
2022	95.3	26	96.3	1,283	96.2
>\$1,000,000					
2020	4.5	1	2.4	356	8.1
2021	4.9	3	4.9	917	33.1
2022	4.1	1	3.7	50	3.8
Revenue Not Available					
2020	0.7	0	0.0	0	0.0
2021	0.7	0	0.0	0	0.0
2022	0.6	0	0.0	0	0.0
Totals					
2020	100.0	41	100.0	4,412	100.0
2021	100.0	61	100.0	2,768	100.0
2022	100.0	27	100.0	1,333	100.0

Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.

COMMUNITY DEVELOPMENT TEST

Horicon Bank demonstrates excellent responsiveness to the community development needs of the Fond du Lac MSA AA through community development loans, qualified investments, and community development services considering the institution's capacity and the need and availability of such opportunities for community development in this AA. The bank continues to be a leader in making community development loans which supports this conclusion.

Community Development Loans

The bank's community development loans in the Fond du Lac MSA AA increased from 20 loans for \$11.2 million at the prior evaluation to 70 loans for \$49.0 million at the current evaluation. The following table shows the breakdown of community development loans by year.

Community Development Loans by Activity Year in the Fond du Lac MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	0	0	37	19,270	0	0	37	19,270
2021	1	720	0	0	22	15,144	0	0	23	15,864
2022	0	0	0	0	8	13,428	2	479	10	13,907
Total	1	720	0	0	67	47,842	2	479	70	49,041
<i>Source: Bank Records</i>										

Notable community development loans in the Fond du Lac MSA AA include the following:

- The bank annually renewed a loan for the rehabilitation of a retail strip mall to include a grocery store and provide additional jobs for low- and moderate-income individuals.
- The bank made a loan to convert a theater into office space and create jobs for low- and moderate-income individuals.
- The bank made a loan to an organization in the tourist industry to retain employees.

Qualified Investments

Horicon Bank's qualified investments equal \$45,000 in the Fond du Lac MSA AA, which is in line with the \$50,000 at the prior evaluation. The following table shows the breakdown of qualified investments by year. The qualified investments consist solely of donations.

Qualified Investments by Activity Year in the Fond du Lac MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	6	7	0	0	0	0	6	7
2021	0	0	8	11	0	0	0	0	8	11
2022	0	0	11	27	0	0	0	0	11	27
Total	0	0	25	45	0	0	0	0	25	45
<i>Source: Bank Records</i>										

Notable qualified investments in the Fond du Lac MSA AA include the following:

- donations to an organization that helps fund local food pantries,
- donations to an organization that provides affordable housing for low- and moderate-income individuals, and
- donations to an organization that trains, employs, and finds work for mentally-disabled individuals.

Community Development Services

Bank representatives provided 67 community development services in the Fond du Lac MSA AA during the evaluation period, which is an increase from the 30 community development services at the prior evaluation. The following table shows the breakdown of community development services by year.

Community Development Services by Activity Year in the Fond du Lac MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	2	12	12	0	26
2021	2	11	10	0	23
2022	2	6	10	0	18
Total	6	29	32	0	67
<i>Source: Bank Records</i>					

Notable community development services in the Fond du Lac MSA AA include the following:

- a bank officer serves as a committee chairperson to raise funds for the local food pantry,
- a bank officer serves as a Board member of an organization that assists entrepreneurs and inventors in Fond du Lac County, and
- a bank officer serves as Board and executive committee member of the Habitat for Humanity of Fond du Lac County.

Appleton CSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE APPLETON CSA AA

The Appleton CSA AA consists of the entire Winnebago County of the Oshkosh-Neenah MSA plus portions of Calumet and Outagamie Counties in the Appleton MSA. The Appleton-Oshkosh-Neenah CSA is comprised of the Appleton and Oshkosh-Neenah MSAs. This AA has not changed since the prior evaluation.

Economic and Demographic Data

This AA includes all census tracts in Winnebago County and portions of Outagamie and Calumet Counties. Based on the 2015 ACS, there were 60 census tracts, consisting of 11 moderate-income, 42 middle-income, and 7 upper-income census tracts. Based on the 2020 U.S. Census, there are 67 census tracts, consisting of 2 low-income, 14 moderate-income, 42 middle-income, 7 upper-income census tracts, and 2 with no income classification.

The low- and moderate-income census tracts are primarily located in Appleton, Neenah, and Oshkosh. The bank has two branches in this AA, one in Appleton in a middle-income census tract

and one in Oshkosh in an upper-income census tract. Both branches are located in close proximity to the low- and moderate-income census tracts. The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census.

Demographic Information of the Appleton CSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	67	3.0	20.9	62.7	10.4	3.0
Population by Geography	249,623	2.1	17.2	64.8	12.8	3.1
Housing Units by Geography	108,456	1.9	18.7	66.4	10.8	2.1
Owner-Occupied Units by Geography	66,904	0.9	15.6	68.5	14.8	0.2
Occupied Rental Units by Geography	35,538	3.7	24.5	62.9	4.0	4.9
Vacant Units by Geography	6,014	2.7	19.9	63.1	7.3	6.9
Businesses by Geography	16,001	4.6	17.7	62.3	12.1	3.3
Farms by Geography	566	1.2	10.2	62.4	25.3	0.9
Family Distribution by Income Level	60,372	20.0	19.9	23.8	36.3	0.0
Median Family Income MSA - 11540 Appleton, WI MSA		\$86,686	Median Housing Value			\$161,368
Median Family Income MSA - 36780 Oshkosh-Neenah, WI MSA		\$79,200	Median Gross Rent			\$800
			Families Below Poverty Level			6.3%
<i>Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 108,456 housing units in the AA, with 61.7 percent owner-occupied, 32.8 percent occupied rental, and 5.5 percent vacant. Type of housing is 79.4 percent 1-4 family, 19.3 percent multifamily (five or more units), and 1.3 percent mobile homes. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

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 AA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Appleton MSA				
2020 (\$86,400)	<\$43,200	\$43,200 to <\$69,120	\$69,120 to <\$103,680	≥\$103,680
2021 (\$85,600)	<\$42,800	\$42,800 to <\$68,480	\$68,480 to <\$102,720	≥\$102,720
2022 (\$95,900)	<\$47,950	\$47,950 to <\$76,720	\$76,720 to <\$115,080	≥\$115,080
Oshkosh-Neenah MSA				
2020 (\$80,800)	<\$40,400	\$40,400 to <\$64,640	\$64,640 to <\$96,960	≥\$96,960
2021 (\$77,500)	<\$38,750	\$38,750 to <\$62,000	\$62,000 to <\$93,000	≥\$93,000
2022 (\$85,000)	<\$42,500	\$42,500 to <\$68,000	\$68,000 to <\$102,000	≥\$102,000

Source: FFIEC; <=less than; ≥=greater than or equal to.

Home sale prices rose over the evaluation period, as shown in the following table. Home sale prices were below the state median sale price in Outagamie County and Winnebago County, and, after 2020, above the state median sale price in Calumet County. The number of home sales had been increasing each year until a decline occurred in 2022. Specifically, Calumet County had 757 home sales in 2021 and 687 in 2022. Outagamie County had 2,661 in 2021 and 2,233 in 2022. Winnebago County had 2,428 in 2021 and 2,222 in 2022. The same trend occurred statewide.

Median Home Sales Price			
Area	2020	2021	2022
Calumet County	218,000	260,000	285,000
Outagamie County	207,500	234,900	261,100
Winnebago County	174,700	190,000	220,000
State of Wisconsin	220,000	240,000	264,600

Source: Wisconsin Realtors Association

Unemployment rates increased during the evaluation period due to economic struggles brought about by COVID-19, and then improved. The unemployment rates in the AA counties were consistently below state and national levels. See the following table for specific unemployment rates.

Area	Average 2020 %	Average 2021 %	Average 2022 %
Calumet County	4.7	2.8	2.3
Outagamie County	5.5	3.1	2.5
Winnebago County	5.5	3.2	2.5
State of Wisconsin	6.4	3.8	2.9
National Average	8.1	5.3	3.6

Source: U.S. Bureau of Labor Statistics

According to January 2023 economic information from Moody's Analytics, the business cycle status is At Risk for both the Appleton and Oshkosh-Neenah MSAs. Manufacturing is critical to the Appleton MSA, employing one in five workers. Many of the largest employers produce components for the transportation industry, including trucking, aerospace, and farm equipment. Supply-chain conditions are easing, and the prices of critical metal and energy inputs are declining. Appleton's share of high-wage jobs is well below the national average. Beyond manufacturing, high-paying employment opportunities are scarce. Appleton lacks lucrative service industries, which tend to attract recent college graduates. The out-migration weighs on local consumer services such as healthcare.

The Oshkosh-Neenah MSA is among the 15 most factory-dependent metropolitan areas in the U.S., with the industry employing nearly one in four area workers. Federal contracts, including the U.S. Postal Service's planned acquisition of 50,000 vehicles from Oshkosh Corporation, should bring hundreds of jobs to the area. Demand for Oshkosh-produced paper and packaging materials soared during the pandemic as consumers increased their use of online retailers. Labor shortages exist in healthcare, as the industry is still trying to recover from the pandemic-induced wave of job changes and early retirements. The number of residents in their prime working years has been falling steadily since 2010 and does affect capital investments in the area.

Strengths of the Appleton MSA include the proximity to the Port of Green Bay and other Midwest transit hubs, the large commuter workforce, the established manufacturing infrastructure, and the low costs of living and doing business. Weaknesses include low worker productivity, below-average share of high-wage jobs, and weakening migration trends.

Strengths of the Oshkosh-Neenah MSA include the exposure to strong defense spending, the below-average living costs, and the low poverty rate. Weaknesses include the lack of a secondary growth driver and the limited non-manufacturing opportunities.

The economic drivers of the AA are manufacturing and financial services. Per D&B, there were 16,567 businesses in the AA in 2022, with 60.4 percent having four or less employees and 86.6 percent operating from a single location. The largest employment sectors in the Appleton MSA are manufacturing (22.8 percent), professional and business services (12.6 percent), education and health services (12.0 percent), government (12.0 percent), and retail trade (8.9 percent). The largest employment sectors in the Oshkosh-Neenah MSA are manufacturing (19.4 percent), education and health services (13.0 percent), retail trade (11.4 percent), professional and business services (10.8 percent), and government (9.6 percent). Top employers with over 2,000 employees include ThedaCare Inc., Affinity Health System, Kimberly-Clark, Thrivent Financial for Lutherans, Oshkosh Corporation, and Amcor Flexibles North America.

Competition

The Appleton CSA AA is highly competitive in the market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 29 financial institutions operating 84 offices in the AA. Horicon Bank ranked 19th with 1.1 percent deposit market share. Associated Bank NA, BMO Harris Bank NA, and JPMorgan Chase Bank NA lead the market with a combined 41.8 percent deposit market share.

There is a high level of competition in the Appleton CSA AA for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 324 lenders originated or purchased 13,529 HMDA-reportable loans in the AA. Horicon Bank ranked 39th, reporting a market share of 0.6 percent by number of loans. Community First Credit Union, Fox Communities Credit Union, and Verve Credit Union lead the market with a combined 23.0 percent home loan market share.

Aggregate data for 2021 shows 89 lenders reported 6,856 small business loans totaling \$435.4 million in the AA, indicating a moderate level of competition for this product. The top seven small business lenders are national banks with a combined 68.9 percent market share.

Community Contact

Examiners contacted an economic development corporation that focuses on 18 counties in northern Wisconsin, including the Appleton AA. The contact stated that there are always credit needs for small business start-up and business expansion financing, both for capital funds and for ongoing operations. Many banks aren't able to lend to start-up businesses due to the higher risk, which forces the business owners to seek alternative funding sources. The contact stated that labor shortage is a challenge for existing businesses and is a deterrent for attracting new businesses in the area, especially for high technology businesses. The contact indicated that plenty of business and industrial parks are available with some vacant space, as well as vacant buildings for purchase and rehabilitation. Opportunity Zones are present in Appleton, Oshkosh, Menasha, and Neenah, and many TIF districts are also present that allow tax incentives for investments in the area.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and economic and demographic data, examiners determined the primary needs and opportunities in the AA are affordable housing and small business loans. The significant percentage of low- and moderate-income families (20.0 percent and 19.9 percent, respectively) support the need for affordable housing. Comments by the community contact support the need for small business loans, as well as the percentage of businesses with revenues of \$1 million or less (94.1 percent of the businesses reporting revenues in 2022). Furthermore, as indicated by economic and demographic data, the AA has community development opportunities in economic development and community services.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE APPLETON CSA AA

Lending Test

Horicon Bank demonstrates reasonable performance under the Lending Test in the Appleton CSA AA. The reasonable borrower profile and geographic distribution performance supports this conclusion.

Geographic Distribution

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

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Appleton CSA AA. There were no low-income census tracts in this AA in 2020 and 2021. The bank's performance in the two low-income census tracts in 2022 exceeds demographic data. In the moderate-income census tracts, the bank's performance was below demographic and aggregate data in 2020 and above these benchmarks in 2021. In 2022, the volume of home mortgage loans is significantly lower than previous years, and the bank's performance in moderate-income census tracts is significantly below the percentage of owner-occupied housing units. Examiners gave less weight to 2022 performance due to the absence of aggregate data to be used as a comparable. In summary, performance is reasonable.

Geographic Distribution of Home Mortgage Loans in the Appleton CSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	0.0	0	0.0	0	0.0
2022	0.9	--	1	3.4	101	1.3
Moderate						
2020	12.5	12.5	9	9.1	1,262	7.1
2021	12.5	12.7	12	14.6	3,522	18.7
2022	15.6	--	1	3.4	162	2.1
Middle						
2020	66.4	62.1	56	56.6	9,826	55.0
2021	66.4	64.2	49	59.8	11,255	59.6
2022	68.5	--	19	65.5	4,792	63.8
Upper						
2020	21.1	25.4	34	34.3	6,768	37.9
2021	21.1	23.1	21	25.6	4,101	21.7
2022	14.8	--	8	27.6	2,462	32.8
Totals						
2020	100.0	100.0	99	100.0	17,856	100.0
2021	100.0	100.0	82	100.0	18,878	100.0
2022	100.0	--	29	100.0	7,517	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the Appleton CSA AA. There were no low-income census tracts in this AA in 2020 and 2021. The bank’s performance in the two low-income census tracts in 2022 is below demographic data. The bank’s performance is in line with both demographic and aggregate data in 2020 and is below the comparable benchmarks in 2021. Although not a direct comparator, aggregate data for small business loans is 19.7 percent and 18.6 percent in the moderate-income census tracts in 2020 and 2021, respectively. In 2022, the volume of small business loans is significantly lower than previous years, and the bank’s performance is below demographic data. In summary, performance is reasonable.

Geographic Distribution of Small Business Loans in the Appleton CSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2020	0.0	0	0.0	0	0.0
2021	0.0	0	0.0	0	0.0
2022	4.6	0	0.0	0	0.0
Moderate					
2020	19.9	50	19.5	7,064	16.4
2021	19.6	20	12.6	2,473	9.2
2022	17.7	10	11.4	1,183	7.9
Middle					
2020	61.8	148	57.8	26,445	61.4
2021	61.7	90	56.6	16,916	63.3
2022	62.3	66	75.0	10,389	69.5
Upper					
2020	18.4	58	22.7	9,581	22.2
2021	18.7	49	30.8	7,357	27.5
2022	12.1	12	13.6	3,372	22.6
Totals					
2020	100.0	256	100.0	45,090	100.0
2021	100.0	159	100.0	26,746	100.0
2022	100.0	88	100.0	14,944	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes. The bank’s reasonable performance in small business lending and poor performance in home mortgage lending supports this conclusion. Examiners gave more weight to small business loans due to the greater number of loans in this AA.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor dispersion throughout the Appleton CSA AA. The bank's poor performance to low- and moderate-income borrowers was consistently and significantly below demographic and aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level in the Appleton CSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	20.0	10.1	5	5.1	506	2.8
2021	20.0	9.8	2	2.4	173	0.9
2022	20.0	--	1	3.4	95	1.3
Moderate						
2020	18.8	22.5	11	11.1	993	5.6
2021	18.8	22.4	9	11.0	1,481	7.8
2022	19.9	--	3	10.3	650	8.6
Middle						
2020	23.9	23.4	23	23.2	3,992	22.4
2021	23.9	22.6	16	19.5	3,234	17.1
2022	23.8	--	3	10.3	560	7.5
Upper						
2020	37.3	30.4	51	51.5	10,381	58.1
2021	37.3	30.5	39	47.6	9,318	49.4
2022	36.3	--	15	51.7	3,399	45.2
Not Available						
2020	0.0	13.6	9	9.1	1,985	11.1
2021	0.0	14.8	16	19.5	4,672	24.7
2022	0.0	--	7	24.1	2,813	37.4
Totals						
2020	100.0	100.0	99	100.0	17,856	100.0
2021	100.0	100.0	82	100.0	18,878	100.0
2022	100.0	--	29	100.0	7,517	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Small Business Loans

The distribution of small business loans reflects reasonable penetration of loans to businesses with revenues of \$1 million or less in the Appleton CSA AA. As shown in the following table, the bank's performance is in line with demographic data in 2020 and 2021, and is significantly below the demographic data in 2022.

Since demographic data represents the percentage of businesses of different revenue sizes operating within the AA and does not necessarily represent those businesses that are seeking or may even qualify for business credit, examiners considered the performance of similarly-situated banks, as well as aggregate data, to determine that the bank’s performance is reasonable.

Examiners compared the bank’s performance with other banks that have over \$500 million in assets and have designated an MSA portion of Wisconsin as one of their AAs. This comparison was conducted to assist in establishing a standard of demand for small business loans. Seven banks were selected for comparison with lending to small businesses in 2020 ranging from 53.0 percent to 75.2 percent and reflecting reasonable performance. In 2021, three comparable banks were reviewed with performance ranging from 36.2 percent to 63.6 percent. One bank on the lower end of this analysis demonstrated poor performance, and the other banks demonstrated reasonable performance.

Aggregate data is not a direct comparator and is not shown in the following table. However, examiners did consider aggregate lending in conjunction with similarly-situated bank performance to determine the level of demand for such loans. Aggregate data shows that reported loans to small businesses equaled 40.1 percent in 2020 and 53.3 percent in 2021. The bank’s performance greatly exceeds aggregate data. Considering demographic and aggregate data, as well as the similarly-situated bank analysis, examiners determined that the bank’s performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category in the Appleton CSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	78.1	193	75.4	23,211	53.9
2021	77.8	126	79.2	17,206	64.3
2022	82.5	51	58.0	6,259	41.9
>\$1,000,000					
2020	7.0	63	24.6	19,879	46.1
2021	7.0	33	20.8	9,540	35.7
2022	5.3	37	42.0	8,685	58.1
Revenue Not Available					
2020	14.9	0	0.0	0	0.0
2021	15.2	0	0.0	0	0.0
2022	12.2	0	0.0	0	0.0
Totals					
2020	100.0	256	100.0	43,090	100.0
2021	100.0	159	100.0	26,746	100.0
2022	100.0	88	100.0	14,944	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

COMMUNITY DEVELOPMENT TEST

Horicon Bank demonstrates excellent responsiveness to the community development needs of the Appleton CSA AA through community development loans, qualified investments, and community development services considering the institution’s capacity and the need and availability of such opportunities for community development in this AA. The bank continues to be a leader in making community development loans which supports this conclusion.

Community Development Loans

The bank’s community development loans in the Appleton CSA AA increased from 15 loans for \$28.4 million at the prior evaluation to 78 loans for \$53.0 million at the current evaluation. The following table shows the breakdown of community development loans by year.

Community Development Loans by Activity Year in the Appleton CSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	1	700	0	0	41	12,435	1	8,823	43	21,958
2021	1	340	0	0	25	10,615	1	8,282	27	19,237
2022	0	0	0	0	7	4,276	1	7,562	8	11,838
Total	2	1,040	0	0	73	27,326	3	24,667	78	53,033
<i>Source: Bank Records</i>										

Notable community development loans in the Appleton CSA AA include the following:

- The bank made a loan for a business acquisition where jobs for low- and moderate-income employees are being retained.
- The bank made one loan and two loan renewals to construct a hotel in a moderate-income census tract in a TIF district.
- The bank made a loan for a business to expand and create jobs for low- and moderate-income employees.

Qualified Investments

Horicon Bank’s qualified investments equal \$8,000 in the Appleton CSA AA, which is lower than the \$17,000 at the prior evaluation. The following table shows the breakdown of qualified investments by year. The qualified investments consist solely of donations.

Qualified Investments by Activity Year in the Appleton CSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	5	6	0	0	0	0	5	6
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	2	2	0	0	0	0	2	2
Total	0	0	7	8	0	0	0	0	7	8
<i>Source: Bank Records</i>										

Notable qualified investments in the Appleton CSA AA include the following:

- donations to an organization that works to eliminate food insecurity and ensure no one goes hungry,
- donations to an organization that collaboratively provides temporary shelter, individualized services, and opportunities for self-sufficiency to empower the most vulnerable adults in the community, and
- donations to an organization that advocates for small businesses and economic development.

Community Development Services

Bank representatives provided 13 community development services in the Appleton CSA AA during the evaluation period, which is an increase from the nine community development services at the prior evaluation. The table shows the breakdown of community development services by year.

Community Development Services by Activity Year in the Appleton CSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	0	1	2	0	3
2021	0	1	4	0	5
2022	0	1	4	0	5
Total	0	3	10	0	13
<i>Source: Bank Records</i>					

Notable community development services in the Appleton CSA AA include the following:

- a bank officer serves as a Board member of the Oshkosh Economic Development Corporation, which support economic development, workforce development and training, and youth initiatives,
- a bank officer serves on the loan committee of an economic development organization that offers a revolving loan fund to small businesses, and
- a bank officer serves on the Oshkosh Industrial Development Committee, which sets rules and governance for the Oshkosh industrial parks.

Milwaukee MSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE MILWAUKEE MSA AA

The Milwaukee MSA AA consists of the entire Milwaukee, Washington, and Waukesha Counties, which are three of the four counties in the Milwaukee-Waukesha MSA. This AA was expanded from a portion of Washington County to the present designation immediately following the prior evaluation. The AA includes whole geographies and does not arbitrarily exclude low- and moderate-income census tracts. Two branches are located in the Milwaukee MSA AA in West Bend and New Berlin. The New Berlin branch was opened in February 2022.

Economic and Demographic Data

This AA includes all census tracts in Milwaukee, Washington, and Waukesha Counties. Based on the 2015 ACS, there were 412 census tracts, including 99 low-income, 68 moderate-income, 131 middle-income, and 112 upper-income census tracts, and 2 with no income classification. Based on the 2020 U.S. Census, there are 430 census tracts, including 81 low-income, 79 moderate-income, 142 middle-income, and 119 upper-income census tracts, and 9 with no income classification.

The downtown area of the City of Waukesha contains three moderate-income census tracts based on the 2015 ACS and four based on the 2020 U.S. Census. The remaining low- and moderate-income census tracts are located in Milwaukee County. The bank does not have any branches near the low- and moderate-income census tracts. The following table illustrates select demographic characteristics of the AA based on the 2020 U.S. Census.

Demographic Information of the Milwaukee MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	430	18.8	18.4	33.0	27.7	2.1
Population by Geography	1,483,228	13.6	16.6	35.5	33.2	1.1
Housing Units by Geography	643,168	13.4	17.1	37.1	31.4	1.0
Owner-Occupied Units by Geography	352,438	5.9	12.9	39.7	41.4	0.2
Occupied Rental Units by Geography	245,832	21.4	22.8	35.3	18.6	1.8
Vacant Units by Geography	44,898	29.3	18.3	27.2	22.4	2.9
Businesses by Geography	118,406	11.4	16.5	34.4	37.0	0.8
Farms by Geography	2,428	7.9	10.3	36.9	44.5	0.3
Family Distribution by Income Level	360,290	23.0	17.0	20.5	39.5	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha, WI MSA		\$84,829	Median Housing Value			\$204,556
			Median Gross Rent			\$947
			Families Below Poverty Level			9.1%
<i>Source: 2020 U.S. Census and 2022 D&B Data. Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 643,168 housing units in the AA, with 54.8 percent owner-occupied, 38.2 percent occupied rental, and 7.0 percent vacant. Type of housing is 76.5 percent 1-4 family, 22.8 percent multifamily (five or more units), and 0.7 percent mobile homes. This data provides insight into the potential credit needs and opportunities for various types of residential lending.

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 MSA.

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

Source: FFIEC; <=less than; ≥=greater than or equal to.

Home sale prices rose over the evaluation period, as shown in the following table. Home sale prices were below the state median sales price in Milwaukee County, and significantly above the state median sale price in Washington and Waukesha counties. The number of home sales had been increasing each year until a decline occurred in 2022 in Milwaukee and Washington counties. Specifically, Milwaukee County had 13,901 home sales in 2021 and 12,043 in 2022. Washington County had 2,261 in 2021 and 1,800 in 2022. The number of home sales declined in Waukesha County. There were 6,392 home sales in 2021 and 5,444 in 2022. The same trend occurred statewide.

Median Home Sales Price			
Area	2020	2021	2022
Milwaukee County	186,000	207,000	222,400
Washington County	274,000	308,500	335,000
Waukesha County	337,500	369,000	403,169
State of Wisconsin	220,000	240,000	264,600

Source: Wisconsin Realtors Association

Unemployment rates increased during the evaluation period due to economic struggles brought about by COVID-19, and then improved to pre-pandemic levels. The unemployment rates in Waukesha and Washington counties were consistently below state and national levels and consistently above state and national levels in Milwaukee County. See the following table for specific unemployment rates.

Area	Average 2020 %	Average 2021 %	Average 2022 %
Milwaukee County	8.3	5.4	3.7
Washington County	5.7	3.1	2.4
Waukesha County	5.6	3.1	2.5
State of Wisconsin	6.3	3.8	3.2
National Average	8.1	5.3	3.3
<i>Source: U.S. Bureau of Labor Statistics</i>			

According to December 2022 economic information from Moody’s Analytics, the Milwaukee-Waukesha MSA’s business cycle status is in Recovery, which has been exceptionally slow. The MSA remains the furthest from its prerecession employment level among Midwestern metropolitan areas with more than 1 million residents. Job openings in healthcare are at a record high nationally. Milwaukee’s shrinking working-age population and below-average industry wages have placed the MSA in a weak position to compete for healthcare workers. Labor shortages in both healthcare and manufacturing are forcing employers to raise wages and increase hybrid work options where feasible. The manufacturing industry is the furthest from pre-pandemic employment levels in the state and is expected to grow at a slow pace over the next several years.

Strengths of the area include the resilience of manufacturers and builders, the above-average per capita income, and the well-educated workforce. Weaknesses include the long-term negative net migration and stall in population growth, the weak demographically-related spending, and the high cost of doing business.

The economic drivers of the area include manufacturing and financial services. Per D&B, there were 120,834 businesses in the AA in 2022, with 59.5 percent having four or less employees and 90.1 percent operating from a single location. The largest employment sectors are education and health services (20.3 percent), professional and business services (14.1 percent), manufacturing (13.4 percent), government (9.6 percent), and retail trade (9.1 percent). Top employers with over 7,000 employees include Aurora Health Care Inc., Froedtert Health, Ascension Wisconsin, and Quad Graphics Inc.

Competition

The Milwaukee MSA AA is highly competitive in the market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 43 financial institutions operating 411 offices in Milwaukee, Washington, and Waukesha counties. Horicon Bank ranked 32nd with 0.2 percent deposit market share. U.S. Bank NA is the market leader with 41.9 percent deposit market share.

There is a high level of competition in the Milwaukee MSA AA for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 575 lenders originated or purchased 86,083 HMDA-reportable loans in the AA. Horicon Bank ranked 84th, reporting a market share of 0.2 percent by number of loans. Landmark Credit Union is the market leader with 10.0 percent home loan market share.

Aggregate data for 2021 shows 164 lenders reported 33,780 small business loans totaling \$1.8 billion in the AA, indicating a moderate level of competition for this product. The top eight small business lenders are national banks with a combined 66.3 percent market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MILWAUKEE MSA AA

LENDING TEST

The bank’s lending performance in the Milwaukee MSA AA is below the performance in the AAs that were reviewed using full-scope examination procedures; however, it does not change the conclusion for the overall bank rating.

Geographic Distribution

The following tables demonstrate the poor geographic distribution of home mortgage and small business loans in the Milwaukee MSA AA.

Geographic Distribution of Home Mortgage Loans in the Milwaukee MSA AA							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2020	7.9	2.9	0	0.0	0	0.0
	2021	7.9	4.0	0	0.0	0	0.0
	2022	5.9	--	0	0.0	0	0.0
Moderate							
	2020	12.8	8.8	2	1.0	340	0.7
	2021	12.8	10.9	1	0.7	470	1.4
	2022	12.9	--	0	0.0	0	0.0
Middle							
	2020	36.1	34.2	169	82.0	36,841	77.4
	2021	36.1	35.6	119	78.3	22,931	70.7
	2022	39.7	--	40	62.5	7,306	48.6
Upper							
	2020	43.2	54.1	35	17.0	10,445	21.9
	2021	43.2	49.5	32	21.1	9,020	27.8
	2022	41.4	--	24	37.5	7,714	51.4
Totals							
	2020	100.0	100.0	206	100.0	47,626	100.0
	2021	100.0	100.0	152	100.0	32,420	100.0
	2022	100.0	--	64	100.0	15,021	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>							

Geographic Distribution of Small Business Loans in the Milwaukee MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2020	11.8	2	1.3	141	0.6
2021	12.5	1	0.9	975	4.7
2022	11.4	1	1.0	10	0.0
Moderate					
2020	12.7	0	0.0	0	0.0
2021	13.0	1	0.9	356	1.7
2022	16.5	0	0.0	0	0.0
Middle					
2020	34.7	127	83.6	19,173	82.3
2021	34.5	88	80.8	15,844	75.9
2022	34.4	76	75.2	17,065	73.3
Upper					
2020	40.8	23	15.1	3,974	17.1
2021	39.9	19	17.4	3,696	17.7
2022	37.0	24	23.8	6,196	26.6
Totals					
2020	100.0	152	100.0	23,288	100.0
2021	100.0	109	100.0	20,871	100.0
2022	100.0	101	100.0	23,271	100.0
<i>Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The following two tables demonstrate the bank's reasonable home mortgage loan performance and excellent small business loan performance in lending to low- and moderate-income individuals and small businesses in the Milwaukee MSA AA.

Distribution of Home Mortgage Loans by Borrower Income Level in the Milwaukee MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	24.4	5.1	9	4.4	1,202	2.5
2021	24.4	6.7	8	5.3	973	3.0
2022	23.0	--	6	9.4	888	5.9
Moderate						
2020	16.3	17.6	38	18.4	5,637	11.8
2021	16.3	18.3	21	13.8	3,210	9.9
2022	17.0	--	11	17.2	1,774	11.8
Middle						
2020	19.4	22.3	40	19.4	7,879	16.5
2021	19.4	22.7	42	27.6	7,783	24.0
2022	20.5	--	18	28.1	3,321	22.1
Upper						
2020	39.9	42.7	111	53.9	30,640	64.3
2021	39.9	38.8	79	52.0	20,106	62.0
2022	39.5	--	26	40.6	8,319	55.4
Not Available						
2020	0.0	12.3	8	3.9	2,268	4.8
2021	0.0	13.5	2	1.3	349	1.1
2022	0.0	--	3	4.7	719	4.8
Totals						
2020	100.0	100.0	206	100.0	47,626	100.0
2021	100.0	100.0	152	100.0	32,420	100.0
2022	100.0	--	64	100.0	15,021	100.0
<i>Source: 2015 ACS; Bank Data, 2020 & 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%.</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category in the Milwaukee MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2020	80.4	133	87.5	16,926	72.7
2021	80.6	95	87.2	16,257	77.9
2022	85.8	66	65.3	12,183	52.4
>\$1,000,000					
2020	8.2	19	12.5	6,362	27.3
2021	7.9	14	12.8	4,614	22.1
2022	5.6	35	34.7	11,088	47.6
Revenue Not Available					
2020	11.4	0	0.0	0	0.0
2021	11.5	0	0.0	0	0.0
2022	8.6	0	0.0	0	0.0
Totals					
2020	100.0	152	100.0	23,288	100.0
2021	100.0	109	100.0	20,871	100.0
2022	100.0	101	100.0	23,271	100.0

Source: 2020, 2021 & 2022 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.

COMMUNITY DEVELOPMENT TEST

The bank’s community development performance in the Milwaukee MSA AA is consistent with the community development performance in the AAs that were reviewed using full-scope examination procedures. The bank’s performance in community development loans, investments, and services in the Milwaukee MSA AA is excellent.

Community Development Loans

The bank’s community development loans in the Milwaukee MSA AA increased from 4 loans for \$7.3 million at the prior evaluation to 42 loans for \$10.7 million at the current evaluation. The following table shows the breakdown of community development loans by year.

Community Development Loans by Activity Year in the Milwaukee MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	1	324	0	0	22	5,958	0	0	23	6,282
2021	1	315	0	0	17	3,764	0	0	18	4,079
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	1	352	0	0	1	352
Total	2	639	0	0	40	10,074	0	0	42	10,713
<i>Source: Bank Records</i>										

Qualified Investments

Horicon Bank’s qualified investments equal \$29,000 in the Milwaukee MSA AA, which is higher than the \$10,000 at the prior evaluation. The following table shows the breakdown of qualified investments by year. The qualified investments consist solely of donations.

Qualified Investments by Activity Year in the Milwaukee MSA AA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020	0	0	6	10	0	0	0	0	6	10
2021	0	0	10	13	0	0	0	0	10	13
2022	0	0	2	6	0	0	0	0	2	6
Total	0	0	18	29	0	0	0	0	18	29
<i>Source: Bank Records</i>										

Community Development Services

Bank representatives provided nine community development services in the Milwaukee MSA AA during the evaluation period, which is an increase from the six community development services at the prior evaluation. The following table shows the breakdown of community development services by year.

Community Development Services by Activity Year in the Milwaukee MSA AA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2020	0	2	0	0	2
2021	0	2	0	0	2
2022	1	3	1	0	5
Total	1	7	1	0	9
<i>Source: Bank Records</i>					

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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