

PUBLIC DISCLOSURE

September 29, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Johnson Bank
RSSD# 58243

555 Main Street
Racine, Wisconsin 53403

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Johnson Bank's Overall CRA Rating: Satisfactory

Performance Test Rating Table

The following table indicates the performance level of Johnson Bank with respect to the lending, investment, and service tests.

Johnson Bank			
Performance Levels	Performance Tests		
	Lending Test	Investment Test	Service Test
Outstanding			
High Satisfactory	✓	✓	✓
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

** Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating*

Summary of Major Factors that Support the Rating

Lending Test:

- Lending levels reflect good responsiveness to assessment area credit needs;
- A substantial majority of loans were made in the bank's combined assessment area;
- The geographic distribution of loans reflects good penetration throughout the combined assessment area;
- The distribution of borrowers reflects, given the product lines offered, poor penetration among customers of different income levels and businesses of different sizes;
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses;
- The bank makes a relatively high level of community development loans; and

- The bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Investment Test:

- The bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position;
- The bank makes occasional use of innovative and complex investments to support community development initiatives; and
- The bank exhibits good responsiveness to credit and community development needs.

Service Test:

- Delivery systems are accessible to the bank's geographies and individuals of different income levels in its combined assessment area;
- The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and individuals;
- Services do not vary in a way that inconveniences its assessment areas, particularly low- and moderate-income geographies and individuals; and
- The bank provides a relatively high level of community development services.

JOHNSON BANK

DESCRIPTION OF INSTITUTION

Johnson Bank is a wholly owned subsidiary of Johnson Financial Group (JFG), a large non-complex holding company headquartered in Racine, Wisconsin (WI). The bank has one affiliate through common ownership, Johnson Wealth Inc., based out of Milwaukee, Wisconsin, as well as a subsidiary, Johnson Community Development Corporation, based out of Racine, Wisconsin. While no changes have occurred since the previous exam related to bank-level subsidiaries, Johnson Insurance Services, LLC, a non-bank subsidiary held by Johnson Financial Group providing general insurance products to customers, was sold in June 2023.

Johnson Bank is a large intrastate bank that operates within ten individual assessment areas throughout the state of Wisconsin. The bank's operations include 33 branch office locations, including the main office, 29 automated teller machines (ATMs), and one loan production office (LPO). Since the previous evaluation, the bank has opened three branch offices, one with a full-service ATM, and closed one LPO. Of the newly opened operations, one branch is located in a moderate-income census tract, whereas the remaining branch offices and ATM that were opened are located in middle- and upper-income census tracts. Further, the bank relocated two branch offices and ATMs since the previous evaluation. Of which, one branch office and ATM in Appleton, Wisconsin was relocated from a low-income census tract to an upper-income census tract, whereas one branch office and ATM located in Madison, Wisconsin was relocated from an

upper-income census tract to a moderate-income census tract. Finally, the LPO that was closed was located within a moderate-income census tract.

According to the Uniform Bank Performance Report, the bank reported total assets of \$7.0 billion and total deposits of \$5.5 billion as of June 30, 2025. The bank offers a full range of loan products with commercial lending representing the majority of the loan portfolio at 64.4 percent, by dollar volume. The portfolio is also comprised of residential real estate loans (25.1 percent), consumer loans (5.8 percent), other loans (4.7 percent), and agricultural loans (0.1 percent) as of June 30, 2025. In addition, the bank participates in various government-sponsored loan programs including, but not limited to, those offered through the Small Business Administration (SBA), Veteran Affairs (VA), United States Department of Agriculture (USDA), Freddie Mac Home Possible program, and the Wisconsin Housing and Economic Development Authority (WHEDA) mortgage program.

Deposit products include, but are not limited to, personal checking and savings, Health Savings Accounts, business/commercial checking and savings, money market, certificates of deposit, investment, and retirement accounts. Further, the bank has maintained its Bank On National Certification for the low-cost digital checking account offered by the bank. The Bank On Certified digital checking account meets over 20 safe and affordable features. The goal of Bank On is to ensure that everyone has access to safe and affordable financial products and services. Customers have access to their accounts via phone, internet, and mobile banking. The bank's website, www.johnsonfinancialgroup.com, provides customers with online bill-pay, account transfers, and e-statements. Further, individuals may submit mortgage loan applications online through the website, as well as inquire about automobile loans, personal lines of credit, financial planning, and investment management services. The bank's mobile application, MyJFG, allows customers to check balances, view transaction history, deposit checks, make loan and bill payments, and transfer funds via Zelle.

As of June 30, 2025, according to the Federal Deposit Insurance Corporation (FDIC) Summary of Deposits Market Share Report, Johnson Bank ranked fifth out of 109 financial institutions operating within the combined assessment area. The bank held \$5.5 billion in total deposits representing a market share of 3.7 percent. The financial institutions with the largest percentage of the deposit market share are U.S. Bank National Association and Associated Bank National Association at 20.3 percent and 14.2 percent, respectively. As one of the leaders in deposit market share amongst FDIC-insured financial institutions, Johnson Bank's ability to meet various credit needs is not materially inhibited due to competition within the combined assessment area.

Marketing efforts are generally for brand awareness and targeted throughout the entirety of the bank's assessment area. Content is primarily focused on commercial, consumer, and residential real estate products and services through a variety of mediums including social media platforms such as Facebook, X, Instagram, and LinkedIn.

Details of the composition of the bank's loan portfolio are provided in the following table.

Composition of Loan Portfolio as of June 30, 2025 (000's)		
Type	\$	%
Commercial	3,446,331	64.4
Residential Real Estate	1,341,974	25.1
Consumer	308,113	5.8
Other	253,082	4.7
Agricultural	3,184	0.1
Total	5,352,684	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

There are no known legal, financial or other factors impeding the bank's ability to help meet the credit needs in its communities.

At its previous evaluation conducted on June 12, 2023, the bank was rated **Satisfactory** under the Community Reinvestment Act (CRA).

SCOPE OF THE EXAMINATION

Johnson Bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC) Large Institution CRA Examination Procedures. Performance was evaluated in the context of information about the institution and its assessment areas, including the bank's asset size, financial condition, competition, and the economic and demographic characteristics of the assessment areas.

Products reviewed include Home Mortgage Disclosure Act (HMDA-) and CRA-reportable small business loans originated from January 1, 2023, through December 31, 2024. HMDA-reportable loans were used to analyze home mortgage lending activity, and CRA-reportable loans were used to analyze small business lending activity. CRA-reportable small farm lending was not considered as it comprised only 0.1 percent of all reportable loans by dollar volume. The evaluation places equal emphasis on HMDA- and CRA-reportable small business loans given both comprise the majority of the bank's lending volume. Further, lending performance in 2023 was weighed more heavily for CRA-reportable small business loans as peer lending data was not available for the 2024 calendar year during the time of analysis. That said, HMDA-reportable lending in 2023 and 2024 are weighed equally as peer HMDA-reportable lending data is available for both aforementioned years.

The bank's performance was evaluated using the following performance standards:

- **Lending Activity** – HMDA-reportable and CRA-reportable small business loans were reviewed to determine the bank's responsiveness to credit needs in the bank's assessment areas from January 1, 2023, through December 31, 2024.

- *Lending in the Assessment Area* – HMDA-reportable and CRA-reportable small business loans were reviewed to determine the percentage of loans originated in the combined assessment area from January 1, 2023, through December 31, 2024.
- *Geographic Distribution of Lending in the Assessment Areas* – HMDA-reportable and CRA-reportable small business loans were analyzed to determine the extent to which the bank is making loans in census tracts of different income levels, including those designated as low- or moderate-income, from January 1, 2023, through December 31, 2024.
- *Lending to Borrowers of Different Incomes and Businesses of Different Sizes* – HMDA-reportable and CRA-reportable small business loans were analyzed to determine the loan distribution among borrowers of different income levels and businesses of different revenue sizes from January 1, 2023, through December 31, 2024.
- *Community Development Lending* – The number, volume, innovativeness, and complexity of community development loans were reviewed from June 13, 2023, through September 29, 2025.
- *Innovative or Flexible Lending Practices* – The degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals, small businesses, and geographies.
- *Investments* – Qualified investments from June 13, 2023, through September 29, 2025, were reviewed to determine the bank’s responsiveness to community development needs. Qualified investments were also evaluated to determine the bank’s use of innovative or complex investments.
- *Services* – The distribution of the bank’s branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services were reviewed from June 13, 2023, through September 29, 2025.

Full-scope examination procedures were conducted for designated assessment areas, which were selected based on several factors including deposit market share, branch office and ATM concentration, volume of HMDA- and CRA-reportable lending, economic and demographic characteristics, and community development needs. The following assessment areas received full reviews:

Full Review Assessment Areas:

- Racine-Mount Pleasant, WI Metropolitan Statistical Area (MSA) #39540
- Milwaukee-Waukesha, WI MSA #33340

- Green Bay, WI MSA #24580
- Madison, WI MSA #31540
- Sheboygan, WI MSA #43100

Further, the Racine-Mount Pleasant, WI MSA and the Milwaukee-Waukesha, WI MSA were given greater weight as a higher concentration of branch offices, including the main office, ATMs, and lending and deposit volume exist within these assessment areas.

Assessment areas under limited review were evaluated for consistency with the bank's overall performance. Performance in assessment areas under limited review do not affect the overall rating. The following assessment areas received limited reviews:

Limited Review Assessment Areas:

- Appleton-Oshkosh-Neenah, WI CSA #118
- Kenosha County, WI MSA #28450
- Janesville-Beloit, WI MSA #27500
- Northwest, WI Non-Metropolitan Statistical Area (Non-MSA)
- Southeast, WI Non-MSA

In addition, ten community representatives were contacted in connection with this evaluation to provide information regarding local economic and socio-economic conditions in the assessment area. The following types of organizations were contacted: affordable housing, community development, and economic development.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Johnson Bank's performance relative to the lending test is rated High Satisfactory based on its performance across the combined assessment area. Factors contributing to the rating include: lending levels reflect good responsiveness to assessment area credit needs; a substantial majority of loans were made in the bank's combined assessment area; loans reflect good geographic distribution throughout the bank's combined assessment area, including low- and moderate-income geographies; the bank demonstrates poor distribution of loans among individuals of different income levels and businesses of different sizes; the bank makes use of innovative and/or flexible lending practices to address the credit needs of low- or moderate-income individuals or geographies; and the bank makes a relatively high level of community development loans.

Level of Lending Activity

Johnson Bank's lending levels reflect good responsiveness to credit needs in its combined assessment area, taking into account the number and amount of HMDA-reportable and CRA-reportable small business loans in its combined assessment area. During the review period, the

bank's HMDA-reportable and CRA-reportable small business lending activity comprised 6,150 loans for a total of \$2.1 billion. The level of lending activity represents a decrease from the previous evaluation both in number and dollar volume during which time the bank originated 9,941 loans for a total of \$2.9 billion. This represents a decrease of 38.1 percent by number and 27.3 percent by dollar volume.

As it pertains to HMDA-reportable lending, the bank's performance declined 35.3 percent by number and 26.1 percent by dollar volume when compared to the previous evaluation. This decline is being driven by the decrease in HMDA-reportable refinance loans, which experienced a decline in number (79.2 percent) and dollar volume (77.0 percent). In contrast, HMDA-reportable home purchase, home improvement, and multi-family housing lending experienced increases in number and dollar volume during the same time period. The previous evaluation assessed performance during 2021 and 2022, which included a portion of the COVID-19 pandemic. During this time home mortgage rates fell to historic lows, which incentivized homeowners to seek more affordable mortgage payments by refinancing their existing home mortgage loans. As interest rates have risen the cost benefit of refinancing existing mortgages has declined.

As it relates to CRA-reportable small business lending, the bank's performance declined 46.8 percent by number and 31.5 percent by dollar volume when compared to the previous evaluation during which time the bank originated 2,476 small business loans for \$621.8 million. The decline in CRA-reportable small business lending can be partially attributable to Johnson Bank's prior participation in the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) lending program in response to the COVID-19 pandemic which ended in 2021. That, in concert with the higher interest rate environment has constrained traditional small business lending opportunities.

Overall, the bank's performance demonstrates good responsiveness to assessment area credit needs when considering the overall lending environment and in comparison to other lenders within the market during the same timeframe.

The following table summarizes the bank's lending activity from January 1, 2023, through December 31, 2024.

Summary of Lending Activity January 1, 2023 – December 31, 2024				
Loan Type	#	%	\$(000s)	%
Home Purchase	3,220	52.4	1,183,362	56.8
Refinancing	846	13.8	231,982	11.1
Home Improvement	725	11.8	94,619	4.5
Multi-Family Housing	42	0.7	148,055	7.1
Total HMDA Reportable	4,833	78.6	1,658,018	79.6
Total Small Business Reportable	1,317	21.4	425,683	20.4
Total Loans	6,150	100.0	2,083,701	100.0

Note: Percentages may not total to 100.0 percent due to rounding.

Assessment Area Concentration

Johnson Bank made a substantial majority of its loans in its combined assessment area. Of the 6,150 loans originated during the evaluation period, the bank originated 87.5 percent of total loans by count and 83.8 percent by dollar amount inside the combined assessment area. When evaluating loans by total count, the bank originated 85.6 percent of HMDA-reportable loans and 94.2 percent of small business loans inside the combined assessment area. When evaluating loans by dollar amount, the bank originated 81.4 percent of HMDA-reportable loans and 93.4 percent of small business loans inside the combined assessment area. When compared to the previous examination, during which time the bank originated 9,941 total loans, the proportion of loans originated within the assessment area remained relatively comparable at 89.0 percent by count and 85.7 percent by dollar amount.

The following table summarizes the bank’s lending inside and outside its combined assessment area for HMDA-reportable and CRA-reportable small business loans from January 1, 2023, through December 31, 2024.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	649	89.5	82,324	87.0	76	10.5	12,295	13.0
Home Purchase – Conventional	2,706	84.5	964,429	82.0	495	15.5	212,354	18.0
Home Purchase – VA	16	84.2	5,516	83.8	3	15.8	1,063	16.2
Multi-Family Housing	35	83.3	104,424	70.5	7	16.7	43,631	29.5
Refinancing	732	86.5	192,151	82.8	114	13.5	39,831	17.2
Total HMDA Reportable	4,138	85.6	1,348,844	81.4	695	14.4	309,174	18.6
Total Small Business Reportable	1,241	94.2	397,578	93.4	76	5.8	28,105	6.6
Total Loans	5,379	87.5	1,746,422	83.8	771	12.5	337,279	16.2

Geographic and Borrower Distribution

Johnson Bank's lending activities reflect good geographic distribution throughout the assessment area, while lending activities reflect poor distribution of loans among individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. Further discussion with respect to the geographic and borrower distribution of lending can be found in the individual assessment area analyses.

Johnson Bank exhibits an adequate record of serving the credit needs of highly economically disadvantaged areas in its assessment areas, low-income individuals, and businesses with gross annual revenues of \$1 million or less, consistent with safe and sound operations. Additionally, the bank makes use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies.

Programs include Johnson Bank's internally administered First Step Down Payment Grant Program offering up to \$5,000 to eligible first-time homebuyers for properties located in low- or moderate-income census tracts. Since the previous evaluation, the bank provided 233 First Step grants totaling approximately \$1.1 million with 99.1 percent going to low- or moderate-income recipients, as well as 97.4 percent impacting low- or moderate-income geographies. Additionally, the bank increased the grant amount from a maximum of \$2,500 to \$5,000 demonstrating further responsiveness to assessment area credit needs, particularly low- or moderate-income individuals and geographies. The bank also offers grant assistance through the Federal Home Loan Bank of Chicago's Down Payment Plus program and the Freddie Mac-sponsored "BorrowSmart" program. These programs are designed to provide a responsible financing option for qualified low- or moderate-income borrowers, including first time home buyers, who may lack funds for a larger down payment. Since the previous evaluation, 198 Down Payment Plus grants and 189 "BorrowSmart" grants were provided, of which 97.2 percent and 56.8 percent by number benefited low- or moderate-income individuals and census tracts, respectively. Finally, the bank partners with several other organizations that also provide down-payment and closing cost assistance grants. Including the programs previously mentioned, the bank participated in providing 945 grants totaling approximately \$6.3 million, of which 97.1 percent benefited low- or moderate-income individuals. This is a notable increase when compared to the previous evaluation during which time the bank participated in providing 697 grants totaling approximately \$2.7 million.

Johnson Bank also offers mortgages through the Wisconsin Housing Economic Development Authority (WHEDA) and Guaranteed Rural Housing. These loan programs have a higher concentration of low- and moderate-income (LMI) borrowers as there are income restrictions and utilize targeted geographic areas.

Community Development Lending

Johnson Bank makes a relatively high-level of community development loans. During the review period, the bank originated 105 qualified community development loans totaling \$216.0 million, of which 52 loans totaling \$132.0 million were originated within the full review assessment areas. The majority of community development loans were towards affordable housing and community service purposes representing 87.6 percent by number and 71.2 percent by dollar volume.

The bank's community development lending has declined since the previous evaluation during which the bank originated 139 community development loans totaling \$221.9 million over a 26-month review period. When adjusting for variance in review period length, the bank's current performance in community development lending decreased 27.3 percent by number and 6.2 percent by dollar volume when compared to the previous evaluation. Please refer to the individual assessment areas for more information.

The following table presents the bank's community development loans throughout its combined assessment area during the review period.

Community Development Loans June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Full Review Assessment Areas										
Racine-Mount Pleasant, WI MSA	9	12,078	7	22,400	2	1,750	1	250	19	36,478
Milwaukee-Waukesha, WI MSA	4	23,725	8	19,700	0	0	3	1,250	15	44,675
Green Bay, WI MSA	0	0	0	0	0	0	0	0	0	0
Madison, WI MSA	6	38,861	9	9,600	0	0	0	0	15	48,461
Sheboygan, WI MSA	3	2,430	0	0	0	0	0	0	3	2,430
Full Review Total	22	77,094	24	51,700	2	1,750	4	1,500	52	132,044
Limited Review Assessment Area										
Appleton-Oshkosh-Neenah, WI CSA	0	0	0	0	0	0	1	28,760	1	28,760
Kenosha County, WI MSA	0	0	8	5,800	0	0	2	21,600	10	27,400
Janesville-Beloit, WI MSA	2	1,060	6	9,483	0	0	0	0	8	10,543
Northwest Non-MSA	2	270	0	0	0	0	4	8,626	6	8,896
Southeast Non-MSA	6	1,030	0	0	0	0	0	0	6	1,030
Limited Review Total	10	2,360	14	15,283	0	0	7	58,986	31	76,629
Other										
Statewide or Regional Area	21	6,021	1	1,310	0	0	0	0	22	7,331
Grand Total	53	85,475	39	68,293	2	1,750	11	60,486	105	216,004

INVESTMENT TEST

Johnson Bank's performance relative to the Investment Test is High Satisfactory based on a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex qualified investments to support community development initiatives and demonstrates good responsiveness to the credit and community development needs of its assessment areas.

During the evaluation period, the bank made or maintained, 111 community development investments totaling approximately \$86.3 million, of which 54 investments for \$58.1 million were within the full review assessment areas. Additionally, of the qualified community development investments, nine investments, totaling \$28.8 million, were made within the current review period whereas the remaining investments were made prior to the current evaluation period and still maintained by the bank. Community development investments are comprised largely of less innovative school bonds and mortgage-backed securities. However, the bank also invested in the following: construction of an 84-unit senior living facility utilizing Low-Income Housing Tax Credits as all units are reserved for low- or moderate-income individuals, as well as investing in a financial intermediary that provides gap funding for development of affordable workforce housing projects. During the previous evaluation the bank made, and maintained, 99 community development investments totaling \$57.3 million. When adjusting for variance in review period length, the bank's current performance in community development investments increased 8.0 percent by number and 45.1 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development investments throughout its combined assessment area during the review period.

Community Development Investments June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Full Review Assessment Areas										
Racine-Mount Pleasant, WI MSA	8	4,577	3	5,612	1	710	0	0	12	10,899
Milwaukee-Waukesha, WI MSA	9	21,492	0	0	2	1,979	2	3,909	13	27,380
Green Bay, WI MSA	12	7,513	0	0	1	253	0	0	13	7,766
Madison, WI MSA	10	10,005	0	0	1	1,060	1	107	12	11,172
Sheboygan, WI MSA	3	353	1	500	0	0	0	0	4	853
Full Review Total	42	43,940	4	6,112	5	4,003	3	4,016	54	58,071
Limited Review Assessment Area										
Appleton-Oshkosh-Neenah, WI CSA	7	6,117	0	0	0	0	0	0	7	6,117
Kenosha County, WI MSA	10	8,656	8	2,882	0	0	0	0	18	11,538
Janesville-Beloit, WI MSA	6	743	2	462	1	246	0	0	9	1,451
Northwest Non-MSA	2	82	5	4,174	0	0	0	0	7	4,256
Southeast Non-MSA	3	475	0	0	1	971	0	0	4	1,446
Limited Review Total	28	16,073	15	7,518	2	1,217	0	0	45	24,808
Other										
Statewide or Regional Area	8	694	0	0	3	2,557	1	141	12	3,392
Grand Total	78	60,707	19	13,630	10	7,777	4	4,158	111	86,272
<i>Note: Dollar amounts are rounded and not reflective of exact figures.</i>										

Additionally, the bank made 199 donations totaling \$1.0 million to organizations during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, towards community service efforts targeting low- and moderate-income individuals and communities (85.0 percent) and affordable housing efforts benefiting, or likely to benefit, low- or moderate-income individuals. During the previous evaluation the bank made 220 community development donations totaling \$2.3 million. When adjusting for variance in review period length, the bank's current performance in community development donations decreased 12.9 percent by number and 56.6 percent by dollar volume.

Please refer to the individual assessment areas for more information.

SERVICE TEST

Johnson Bank's performance relative to the Service Test is rated High Satisfactory based on the following major factors in the assessment areas: delivery systems are accessible to the bank's geographies and individuals of different income levels in the assessment areas; the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems,

particularly to LMI geographies and individuals; services do not vary in a way that inconveniences the assessment areas, particularly LMI geographies and individuals, and the bank provides a relatively high level of community development services.

Retail Services

Johnson Bank's retail delivery services are accessible to geographies and individuals of different income levels in its assessment areas. The bank operates a total of 33 branch office locations (including the main office), five of which are located in low- or moderate-income census tracts. In addition, the bank operates a total of 29 ATMs, four of which are located in a low- or moderate-income census tract. Although branch offices are not evenly distributed throughout the combined assessment area, they are accessible to low- and moderate-income individuals and geographies. Alternative delivery systems include phone, internet banking, and mobile banking.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income individuals or geographies. Since the previous evaluation, the bank has opened three branch offices, one with a full-service ATM, and closed one LPO. Of the newly opened operations, one branch is located in a moderate-income census tract, whereas the remaining branch offices and ATM that were opened are located in middle- and upper-income census tracts. Further, the bank relocated two branch offices and ATMs since the previous evaluation. Of which, one branch office and ATM in Appleton, Wisconsin was relocated from a low-income census tract to an upper-income census tract, whereas one branch office and ATM located in Madison, Wisconsin was relocated from an upper-income census tract to a moderate-income census tract. That said, the LPO that was closed was located within a moderate-income census tract. Finally, since the previous evaluation the bank converted all existing ATMs from cash-only to full-service in an effort to modernize its operations to better meet the needs of the individuals and communities it serves.

Bank hours and services do not vary in a way that inconveniences low- and moderate-income individuals or geographies. Office hours are generally 8:30 a.m. to 5:00 p.m., Monday through Friday. Multiple locations also provide drive-up services with extended hours and services on Saturday. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank's website.

Community Development Services

Johnson Bank provided a relatively high level of community development services. During the review period, the bank provided 3,674 hours of community development services. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations; however, the large majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies. This is inclusive of financial literacy education and homeownership counseling, which community representatives identified as significant needs within the bank's assessment areas. This

demonstrates the bank’s understanding and responsiveness to the needs of the communities it serves. During the previous evaluation the bank conducted 6,472 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours decreased 45.3 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its combined assessment area during the review period.

Community Development Services June 13, 2023, through September 29, 2025					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours
	Hours	Hours	Hours	Hours	
Full Review Assessment Areas					
Racine-Mount Pleasant, WI MSA	295.5	883	0	94	1,272.5
Milwaukee-Waukesha, WI MSA	0	443.5	34	9.5	487
Green Bay, WI MSA	0	246	0	0	246
Madison, WI MSA	351.5	173	0	0	524.5
Sheboygan, WI MSA	0	119	0	0	119
Full Review Total	647	1,864.5	34	103.5	2,649
Limited Review Assessment Area					
Appleton-Oshkosh-Neenah, WI CSA	27	0	0	0	27
Kenosha County, WI MSA	51	487	119	0	657
Janesville-Beloit, WI MSA	0	311.5	1	8.5	321
Northwest Non-MSA	0	0	0	0	0
Southeast Non-MSA	0	0	0	20	20
Limited Review Total	78	798.5	120	28.5	1,025
Other					
Regional	0	0	0	0	0
Grand Total	725	2,663	154	132	3,674

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

RACINE-MOUNT PLEASANT, WI MSA #39540 - Full Review

SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate the bank's performance in the Racine-Mount Pleasant, WI MSA assessment area. The review of this assessment area is consistent with the scope discussed in the "Scope of Examination" section of this performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RACINE-MOUNT PLEASANT, WI MSA #39540

Johnson Bank's Racine-Mount Pleasant, WI MSA assessment area remains unchanged from the previous evaluation and consists of Racine County in its entirety. Located within the assessment area is the main office, five branch offices, and six full-service ATMs. Since the previous evaluation the bank converted all six ATMs from cash-only to full-service; however, the location of the ATMs remains unchanged. The main office and an ATM are located in a low-income census tract, two branch offices and ATMs are located within middle-income census tracts, and three branch offices and ATMs are located in upper-income census tracts. In 2024, the assessment area was comprised of 47 census tracts: four low-income, nine moderate-income, 16 middle-income, 16 upper-income, and two unknown-income census tracts. The unknown-income census tracts include one census tract that is comprised of portions of Lake Michigan and another census tract that is comprised largely by the Southern Wisconsin Center operated by the Wisconsin Department of Health Services. It should be noted that the MSA underwent a revision in name only from Racine, WI MSA to the current Racine-Mount Pleasant, WI MSA as a result of the Office of Management and Budget (OMB) Bulletin No. 23-01.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks first among 13 FDIC-insured financial institutions operating within the assessment area. The bank held \$1.9 billion in deposits representing 40.5 percent of the total deposit market share. In comparison, the second ranked institution, BMO Bank National Association, held \$470.8 million in deposits representing 10.1 percent of the deposit market share. The third ranked institution, Community State Bank, held \$431.8 million in deposits representing 9.2 percent of the deposit market share.

In 2024, Johnson Bank ranked third among 274 HMDA-reporters, originating or purchasing 327 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Educators Credit Union and Landmark Credit Union, originated 948 and 415 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked eighth among 75 CRA-reporters, originating 87 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and American Express National Bank, originated 733 and 536 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Racine-Mount Pleasant, WI MSA 39540 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	4	8.5	4,332	8.4	1,292	29.8	10,813	21.0
Moderate	9	19.1	8,430	16.4	1,094	13.0	9,431	18.3
Middle	16	34.0	18,758	36.4	1,364	7.3	10,372	20.1
Upper	16	34.0	19,952	38.8	657	3.3	20,862	40.5
Unknown	2	4.3	6	0.0	0	0.0	0	0.0
Total AA	47	100.0	51,478	100.0	4,407	8.6	51,478	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,485	2,228	4.2	26.3	5,122	60.4	1,135	13.4
Moderate	15,099	7,940	15.0	52.6	6,038	40.0	1,121	7.4
Middle	30,808	20,152	38.1	65.4	8,814	28.6	1,842	6.0
Upper	28,565	22,567	42.7	79.0	4,775	16.7	1,223	4.3
Unknown	20	9	0.0	45.0	3	15.0	8	40.0
Total AA	82,977	52,896	100.0	63.7	24,752	29.8	5,329	6.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	649	9.7	584	9.6	53	10.0	12	17.4
Moderate	973	14.6	914	15.0	55	10.4	4	5.8
Middle	2,491	37.3	2,204	36.2	260	49.1	27	39.1
Upper	2,565	38.4	2,379	39.1	160	30.2	26	37.7
Unknown	3	0.0	2	0.0	1	0.2	0	0.0
Total AA	6,681	100.0	6,083	100.0	529	100.0	69	100.0
Percentage of Total Businesses:				91.0		7.9		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	1	0.6	1	0.6	0	0.0	0	0.0
Moderate	4	2.5	4	2.6	0	0.0	0	0.0
Middle	32	19.8	30	19.4	2	33.3	0	0.0
Upper	125	77.2	120	77.4	4	66.7	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	162	100.0	155	100.0	6	100.0	1	100.0
Percentage of Total Farms:				95.7		3.7		0.6
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 197,727. The assessment area experienced a slight increase in population by 1.5 percent between 2015 and 2020, which is slightly below the state of Wisconsin’s population growth of 2.6 percent during the same period. Two community representatives stated the lack of housing stock is the greatest barrier to population growth within the area. One representative further adding that the old age of available housing further compounds the issue as when prospective buyers are able to finally find a house, the inspection results make them walk away from the transaction. Both community representatives indicated their belief that the trend of Racine County experiencing less population growth than the state of Wisconsin overall will continue.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	194,895	197,727	1.5
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 51,478 families, of which 21.0 percent are designated as low-income, 18.3 percent are moderate-income, 20.1 percent are middle-income, and 40.5 percent are upper-income. However, 8.6 percent of families residing within the assessment area live below the poverty line, which is above the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 American Community Survey (ACS), the median family income (MFI) for the assessment area is \$77,503, which is below the MFI for the state of Wisconsin at \$80,844. From 2015 to 2020, the state of Wisconsin experienced a higher percentage increase in median family income when compared to the assessment area during the same time period at 8.7 percent and 3.2 percent, respectively. Both community representatives stated that Racine County has historically trailed statewide and national averages with respect to MFI. A representative shared that some locally-based employers within the county have a higher concentration of new employees coming from outside the local area. One community representative indicated that they anticipate local MFI to follow historical trends, whereas the other representative stated that the trend of MFI growth may improve as local municipalities are becoming more involved in promoting local employment efforts.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	\$75,091	\$77,503	3.2
State of Wisconsin	\$74,365	\$80,844	8.7

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 82,977 housing units. The majority of housing units are owner-occupied at 63.8 percent, whereas rental units account for 29.8 percent of total units. Within the assessment area, 6.4 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

The following table presents recent housing cost burden for individuals within the assessment area and the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced by the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. There is a higher proportion of both renters and owners within the assessment area that meet the cost burden criteria, at 41.5 and 17.7 percent, respectively, when compared to the state of Wisconsin.

Both community representatives indicated that lack of affordable housing stock is a serious challenge within the assessment area. They shared that one challenge homebuyers are experiencing is having to compete with cash offers on properties. In addition, a separate community representative shared that another challenge homebuyers are experiencing is the lack of grant money for down payment assistance and other similar programs. When asked why housing supply is so limited when demand is high, one community representative indicated that, in some cases, local residents have opposed new residential development and that in other cases some municipalities have zoning in place that restricts opportunities to build. They also shared that development within the city of Racine is difficult due to environmental conditions resulting from its manufacturing past. To demonstrate their point, they shared an example of the state government testing different properties to serve as a potential site for a new subdivision within the city but that the vast majority of properties tested, were found to be unsafe due to byproducts from prior manufacturing activity within the area.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	75.4	26.8	41.5	72.3	34.0	17.7
State of Wisconsin	75.0	25.2	38.4	63.9	29.3	16.9
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table shows unemployment statistics for the assessment area and the state of Wisconsin. After increasing notably during the COVID-19 pandemic, the assessment area’s unemployment rate of 3.5 percent remains higher than the state of Wisconsin’s unemployment rate of 3.0 percent. A community representative shared that the demand for skilled workers exceeds supply, especially within the construction (which they project to be the highest growth industry in the near term), healthcare, and manufacturing industries which are all experiencing shortages in skilled labor. The representative indicated that one likely cause of such shortages is the lack of available housing for skilled workers. Another representative shared that some businesses are making efforts locally to address the shortage, such as Microsoft partnering with a local technical college to train workers by offering scholarships to those interested in obtaining a Data Center certificate. Additionally, some local organizations are working with other local colleges to connect graduates with employers, with one community representative observing that there are more businesses becoming active in recruiting talent from community colleges.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	7.3	4.6	3.4	3.2	3.5
State of Wisconsin	6.4	3.8	2.8	2.8	3.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, and retail trade based on data from the U.S. Bureau of Labor Statistics. Community representatives stated that there have not been many changes to major employers within the area. A community representative stated that construction is set to experience the highest growth in the coming years, and that Microsoft’s data center expansion will also bring more jobs to the area once it goes live in 2026. Employment was set to expand further with Foxconn’s expansion within the local area, though it has since been

significantly scaled back.

Community Representatives

Information from two community representatives was considered during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. One representative stated that local financial institutions generally do a satisfactory job of providing financing for multi-family rental projects brought to them but can improve in financing the development of subdivisions of single-family homes. The other representative stated that financial institutions could improve in offering in-house grant programs to help more consumers afford buying a home.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN RACINE-MOUNT PLEASANT, WI MSA #39540

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, adequate penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits a good record of serving the credit needs of low-income individuals and areas and very small businesses. The bank is a leader in making community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including low- and moderate-income census tracts. During the review period the bank originated loans in 45 of the 47 census tracts within the assessment area, including all 13 low- or moderate-income census tracts.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects good dispersion throughout the assessment area. In 2024, Johnson Bank originated 4.6 percent of its total HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 4.6 percent and 4.2 percent, respectively. The bank originated 18.1 percent of its HMDA-reportable loans in moderate-income census tracts, comparable to the aggregate at 17.8 percent and above the percentage of owner-occupied units at 15.0 percent. The bank originated 37.7 percent of its HMDA-reportable loans in middle-income census tracts. This is comparable to the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 39.0 percent and 38.1 percent, respectively. Finally, the largest portion of the bank's HMDA-reportable loans were originated in upper-income census tracts at 39.6 percent, which is comparable to the aggregate at 38.6 percent but below the percentage of owner-occupied units located in upper-income census tracts at 42.7 percent.

Due to low volume, multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home purchase Loans

In 2024, Johnson Bank originated 3.7 percent of its home purchase loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 5.2 percent and 4.2 percent, respectively. The bank originated 19.8 percent of its home purchase loans in moderate-income census tracts, comparable to the aggregate at 18.9 percent and above the percentage of owner-occupied units at 15.0 percent. The largest portion of the bank's home purchase loans were originated in middle-income census tracts at 40.7 percent. This is comparable to the aggregate and above the percentage of owner-occupied units located in middle-income census tracts at 41.0 percent and 38.1 percent, respectively. Finally, the bank originated 35.8 percent of its home purchase loans in upper-income census tracts, which is comparable to the aggregate at 34.9 percent but below the percentage of owner-occupied units located in upper-income census tracts at 42.7 percent.

Refinance Loans

In 2024, Johnson Bank originated 7.8 percent of its refinance loans in low-income census tracts, which is above the aggregate and the percentage of owner-occupied units located in low-income census tracts at 4.7 percent and 4.2 percent, respectively. The bank originated 13.7 percent of its refinance loans in moderate-income census tracts, below the aggregate at 16.7 percent and comparable to the percentage of owner-occupied units at 15.0 percent. The bank originated 27.5 percent of its refinance loans in middle-income census tracts. This is below the aggregate at 37.6

percent and the percentage of owner-occupied units at 38.1 percent. Finally, the largest portion of the bank's refinance loans were originated in upper-income census tracts at 51.0 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 41.0 percent and 42.7 percent, respectively.

Home Improvement Loans

In 2024, Johnson Bank originated 4.4 percent of its home improvement loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 3.8 percent and 4.2 percent, respectively. The bank originated 15.6 percent of its home improvement loans in moderate-income census tracts, comparable to the aggregate at 14.2 percent and the percentage of owner-occupied units at 15.0 percent. The bank originated 37.8 percent of its home improvement loans in middle-income census tracts, which is comparable to the aggregate at 37.0 percent and the percentage of owner-occupied units located in middle-income census tracts at 38.1 percent. Finally, the largest portion of the bank's home improvement loans were originated in upper-income census tracts at 42.2 percent. This is below the aggregate and comparable to the percentage of owner-occupied units located in upper-income census tracts at 45.0 percent and 42.7 percent, respectively.

The bank's 2023 lending performance was generally comparable to 2024 lending performance; however, HMDA-reportable lending to low-income geographies was stronger in 2023. The following table presents the bank's geographic distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Racine-Mount Pleasant, WI MSA 39540													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	21	10.8	5.7	2,613	4.9	3.4	6	3.7	5.2	1,179	2.2	3.0	4.2
Moderate	41	21.1	22.0	6,611	12.5	15.2	32	19.8	18.9	6,269	11.8	12.9	15.0
Middle	67	34.5	38.7	19,034	36.1	37.7	66	40.7	41.0	19,389	36.5	39.2	38.1
Upper	65	33.5	33.5	24,539	46.5	43.7	58	35.8	34.9	26,296	49.5	44.9	42.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	194	100.0	100.0	52,797	100.0	100.0	162	100.0	100.0	53,133	100.0	100.0	100.0
Refinance Loans													
Low	2	4.9	5.1	227	2.9	3.3	4	7.8	4.7	638	5.8	3.4	4.2
Moderate	8	19.5	17.3	1,453	18.5	13.1	7	13.7	16.7	663	6.0	11.4	15.0
Middle	11	26.8	36.3	1,806	23.0	34.6	14	27.5	37.6	2,814	25.4	37.6	38.1
Upper	20	48.8	41.2	4,366	55.6	48.9	26	51.0	41.0	6,964	62.9	47.6	42.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	41	100.0	100.0	7,852	100.0	100.0	51	100.0	100.0	11,079	100.0	100.0	100.0
Home Improvement Loans													
Low	3	7.5	4.8	151	3.6	4.2	2	4.4	3.8	310	6.5	4.2	4.2
Moderate	8	20.0	14.0	304	7.2	10.3	7	15.6	14.2	514	10.7	11.3	15.0
Middle	17	42.5	37.6	2,347	55.9	34.3	17	37.8	37.0	1,356	28.3	32.7	38.1
Upper	12	30.0	43.5	1,394	33.2	51.3	19	42.2	45.0	2,609	54.5	51.9	42.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	40	100.0	100.0	4,196	100.0	100.0	45	100.0	100.0	4,789	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	20.6	0	0.0	8.1	0	0.0	19.4	0	0.0	15.6	14.2
Moderate	1	50.0	29.4	2,600	76.5	9.5	1	50.0	44.4	3,350	69.1	70.5	19.7
Middle	1	50.0	32.4	800	23.5	46.1	1	50.0	22.2	1,500	30.9	4.4	43.8
Upper	0	0.0	17.6	0	0.0	36.3	0	0.0	13.9	0	0.0	9.5	22.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	2	100.0	100.0	3,400	100.0	100.0	2	100.0	100.0	4,850	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	26	9.4	5.0	2,991	4.4	3.8	12	4.6	4.6	2,127	2.9	4.5	4.2
Moderate	58	20.9	19.0	10,968	16.1	13.8	47	18.1	17.8	10,796	14.6	18.9	15.0
Middle	96	34.7	38.2	23,987	35.1	37.9	98	37.7	39.0	25,059	33.9	34.4	38.1
Upper	97	35.0	37.8	30,299	44.4	44.6	103	39.6	38.6	35,869	48.6	42.2	42.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	277	100.0	100.0	68,245	100.0	100.0	260	100.0	100.0	73,851	100.0	100.0	100.0

Source: 2024 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. In 2023, Johnson Bank originated 20.7 percent of its small business loans in low-income census tracts, above the aggregate at 8.9 percent and the percentage of total businesses located in low-income census tracts at 9.7 percent. The bank originated 16.1 percent of its small business loans in moderate-income census tracts, above the aggregate at 13.9 percent and comparable to the percentage of total businesses located in moderate-income census tracts at 14.6 percent. Additionally, the bank originated 35.6 percent of its small business loans in middle-income census tracts, comparable to the aggregate and the percentage of total businesses located in middle-income census tracts at 36.9 percent and 37.3 percent, respectively. Finally, the bank originated 27.6 percent of its small business loans in upper-income census tracts, below the aggregate at 38.4 percent and the percentage of total businesses located in upper-income census tracts at 37.9 percent.

The following table presents the bank’s geographic distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Racine-Mount Pleasant, WI MSA 39540											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	\$(000)	\$%	\$%	#	#%	\$(000)	\$%	
Low	18	20.7	8.9	3,684	16.4	9.5	14	19.4	2,374	10.8	9.7
Moderate	14	16.1	13.9	4,055	18.1	10.3	13	18.1	5,811	26.5	14.6
Middle	31	35.6	36.9	9,185	40.9	41.7	25	34.7	8,378	38.2	37.3
Upper	24	27.6	39.5	5,531	24.6	38.3	20	27.8	5,392	24.6	38.4
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.9	0	0.0	0.2	0	0.0	0	0.0	0.0
Total	87	100.0	100.0	22,455	100.0	100.0	72	100.0	21,955	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Lending to Borrowers of Different Income Levels and Lending to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2024, the bank originated 8.5 percent of its total HMDA-reportable loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.8 percent and 21.0 percent, respectively. The bank originated 19.8 percent of its total HMDA-reportable loans to moderate-income borrowers. This performance is comparable to both the aggregate at 20.7 percent and the percentage of moderate-income families within the assessment area at 18.3 percent. The bank originated 22.1 percent of its total HMDA-reportable loans to middle-income borrowers, comparable to the aggregate at 23.3 percent and above the proportion of middle-income families within the assessment area at 20.1 percent. The bank originated 45.0 percent of its total HMDA-reportable loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 34.6 percent and 40.5 percent, respectively. Finally, the bank originated 4.7 percent of its total HMDA-reportable loans to individuals of unknown-income, below aggregate at 14.5 percent.

Due to low volume, multifamily loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2024, the bank originated 9.3 percent of its home purchase loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.0 percent and 21.0 percent, respectively. The bank originated 20.4 percent of its home purchase loans to moderate-income borrowers. This performance is below the aggregate at 22.1 percent and above the percentage of moderate-income families within the assessment area at 18.3 percent. The bank originated 21.6 percent of its home purchase loans to middle-income borrowers, comparable to the aggregate at 22.3 percent and to the proportion of middle-income families within the assessment area at 20.1 percent. The bank originated 46.3 percent of its home purchase loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 30.6 percent and 40.5 percent, respectively. Finally, the bank originated 2.5 percent of its home purchase loans to individuals of unknown-income, below aggregate at 19.0 percent.

Refinance Loans

In 2024, the bank originated 7.8 percent of its refinance loans to low-income borrowers, which is comparable to the aggregate and below the percentage of low-income families in the assessment area at 7.5 percent and 21.0 percent, respectively. The bank originated 21.6 percent of its refinance loans to moderate-income borrowers. This performance is above both the aggregate at 19.1 percent and the percentage of moderate-income families within the assessment area at 18.3 percent. The bank originated 19.6 percent of its refinance loans to middle-income borrowers, below the aggregate at 21.6 percent and comparable to the proportion of middle-income families within the assessment area at 20.1 percent. The bank originated 43.1 percent of its refinance loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 34.7 percent and 40.5 percent, respectively. Finally, the bank originated 7.8 percent of its refinance loans to individuals of unknown-income, below aggregate at 17.2 percent.

Home Improvement Loans

In 2024, the bank originated 6.7 percent of its home improvement loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 9.4 percent and 21.0 percent, respectively. The bank originated 15.6 percent of its home improvement loans to moderate-income borrowers. This performance is below both the aggregate at 20.7 percent and the percentage of moderate-income families within the assessment area at 18.3 percent. The bank originated 26.7 percent of its home improvement loans to middle-income borrowers, comparable to the aggregate at 25.7 percent and above the proportion of middle-income families within the assessment area at 20.1 percent. The bank originated 42.2 percent of its home improvement loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 40.2 percent and 40.5 percent, respectively. Finally, the bank originated 8.9 percent of its home improvement loans to individuals of unknown-income, above the aggregate at 4.0 percent.

The bank's 2023 lending performance was generally comparable when compared with 2024 lending performance; however, the bank's HMDA-reportable lending to low-income borrowers was stronger in 2023. The following table presents the bank's borrower distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Racine-Mount Pleasant, WI MSA 39540													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	37	19.1	8.3	4,382	8.3	4.4	15	9.3	6.0	2,074	3.9	3.1	21.0
Moderate	46	23.7	23.3	7,893	14.9	16.8	33	20.4	22.1	6,351	12.0	15.6	18.3
Middle	29	14.9	23.5	7,224	13.7	22.2	35	21.6	22.3	8,679	16.3	20.7	20.1
Upper	78	40.2	28.7	32,666	61.9	41.0	75	46.3	30.6	34,921	65.7	42.1	40.5
Unknown	4	2.1	16.2	632	1.2	15.6	4	2.5	19.0	1,108	2.1	18.4	0.0
Total	194	100.0	100.0	52,797	100.0	100.0	162	100.0	100.0	53,133	100.0	100.0	100.0
Refinance Loans													
Low	2	4.9	8.1	211	2.7	4.4	4	7.8	7.5	278	2.5	3.6	21.0
Moderate	6	14.6	21.7	643	8.2	16.9	11	21.6	19.1	1,811	16.3	13.9	18.3
Middle	3	7.3	24.9	461	5.9	21.4	10	19.6	21.6	1,715	15.5	17.6	20.1
Upper	27	65.9	33.7	5,644	71.9	39.8	22	43.1	34.7	6,835	61.7	40.1	40.5
Unknown	3	7.3	11.7	893	11.4	17.5	4	7.8	17.2	440	4.0	24.8	0.0
Total	41	100.0	100.0	7,852	100.0	100.0	51	100.0	100.0	11,079	100.0	100.0	100.0
Home Improvement Loans													
Low	3	7.5	10.0	60	1.4	5.8	3	6.7	9.4	156	3.3	5.8	21.0
Moderate	7	17.5	19.5	319	7.6	13.8	7	15.6	20.7	624	13.0	16.6	18.3
Middle	6	15.0	22.0	386	9.2	19.5	12	26.7	25.7	1,149	24.0	25.1	20.1
Upper	19	47.5	43.7	2,902	69.2	56.0	19	42.2	40.2	2,532	52.9	48.4	40.5
Unknown	5	12.5	4.7	529	12.6	5.0	4	8.9	4.0	328	6.8	4.1	0.0
Total	40	100.0	100.0	4,196	100.0	100.0	45	100.0	100.0	4,789	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	42	15.3	8.2	4,653	7.2	4.5	22	8.5	6.8	2,508	3.6	3.4	21.0
Moderate	59	21.5	21.9	8,855	13.7	16.5	51	19.8	20.7	8,786	12.7	15.1	18.3
Middle	38	13.8	24.5	8,071	12.4	22.1	57	22.1	23.3	11,543	16.7	20.3	20.1
Upper	124	45.1	34.0	41,212	63.6	42.3	116	45.0	34.6	44,288	64.2	42.3	40.5
Unknown	12	4.4	11.4	2,054	3.2	14.6	12	4.7	14.5	1,876	2.7	18.8	0.0
Total	275	100.0	100.0	64,845	100.0	100.0	258	100.0	100.0	69,001	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different revenue sizes. In 2023, Johnson Bank originated 20.7 percent of its small business loans to businesses with gross revenues of \$1 million or less. This is below the aggregate and the percentage of small businesses in the assessment area, at 56.9 percent and 91.0 percent, respectively. Of loans to businesses with revenues of \$1 million or less, 50.0 percent were in amounts of \$100,000 or less. Loans in amounts of \$100,000 or less are generally considered most

beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses.

The following table presents the bank’s borrower distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses											
Assessment Area: Racine-Mount Pleasant, WI MSA 39540											
	Bank And Aggregate Loans By Year										Total Businesses %
	2023					2024*					
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	%	%	#	%	\$(000)	%	
By Revenue											
\$1 Million or Less	18	20.7	56.9	3,270	14.6	31.6	7	9.7	1,579	7.2	91.0
Over \$1 Million	58	66.7		17,897	79.7		53	73.6	18,375	83.7	7.9
Revenue Unknown	11	12.6		1,288	5.7		12	16.7	2,001	9.1	1.0
Total	87	100.0		22,455	100.0		72	100.0	21,955	100.0	100.0
By Loan Size											
\$100,000 or Less	25	28.7	91.8	1,430	6.4	34.0	22	30.6	1,431	6.5	
\$100,001 - \$250,000	34	39.1	4.9	6,155	27.4	21.0	21	29.2	3,620	16.5	
\$250,001 - \$1 Million	28	32.2	3.4	14,870	66.2	45.0	29	40.3	16,904	77.0	
Total	87	100.0	100.0	22,455	100.0	100.0	72	100.0	21,955	100.0	
By Loan Size and Revenues \$1 Million or Less											
\$100,000 or Less	9	50.0		345	10.6		4	57.1	164	10.4	
\$100,001 - \$250,000	3	16.7		597	18.3		0	0.0	0	0.0	
\$250,001 - \$1 Million	6	33.3		2,328	71.2		3	42.9	1,415	89.6	
Total	18	100.0		3,270	100.0		7	100.0	1,579	100.0	
<i>Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>											
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>											

Community Development Lending

Johnson Bank is a leader in making community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the evaluation period, the bank originated 19 qualified community development loans totaling approximately \$36.5 million. The qualified loans addressed a range of credit needs including affordable housing for low- or moderate-income individuals, community services targeted to low- or moderate-income individuals or geographies, and economic development and revitalization/stabilization efforts. Community representatives stated affordable housing is a significant need in the assessment area. The bank made nine affordable housing community development loans, eight of which are government subsidized, demonstrating the bank’s responsiveness to identified community needs. This represents a decrease when compared to the previous examination, during which time the bank originated 21 qualified community development loans for approximately \$69.1 million. When adjusting for variance in review period length, the bank’s current performance in community development lending decreased 12.9 percent by number and 49.2 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development loans throughout its assessment area during the review period.

Community Development Loans June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Racine-Mount Pleasant, WI MSA	9	12,078	7	22,400	2	1,750	1	250	19	36,478

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, often in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community initiatives and demonstrates good responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 12 community development investments totaling approximately \$10.9 million within the assessment area. Of the qualified community development investments, one investment totaling \$4.0 million was made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The majority of qualified investments, by dollar volume, were made toward community services targeted to low- or moderate-income individuals or geographies. In addition, the remaining qualified investments supported affordable housing

benefiting low- or moderate-income individuals and economic development efforts supporting local small businesses. The current period investment was particularly responsive as it helped fund the rehabilitation of an affordable senior living apartment complex primarily benefiting low- or moderate-income individuals, a need identified by community representatives. During the previous evaluation, the bank made or maintained 14 community development investments totaling \$9.7 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments decreased 17.5 percent by number and increased 8.7 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its assessment area during the review period.

Community Development Investments June 13, 2023, through September 29, 2025											
Assessment Area		Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
		#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Racine-Mount Pleasant, WI MSA	Current	1	4,000	0	0	0	0	0	0	1	4,000
	Prior	7	577	3	5,612	1	710	0	0	11	6,899
	Total	8	4,577	3	5,612	1	710	0	0	12	10,899

Note: Dollar amounts are rounded and not reflective of exact figures.

Additionally, the bank made 32 donations totaling \$153,724 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, going towards community service efforts targeting low- and moderate-income individuals and communities (78.9 percent) as well as affordable housing benefiting, or likely to benefit, low- or moderate-income individuals (16.0 percent). During the previous evaluation the bank made 30 community development donations totaling approximately \$394,000. When adjusting for variance in review period length, the bank’s current performance in community development donations increased 2.7 percent by number but decreased 62.4 percent by dollar volume.

SERVICE TEST

Johnson Bank’s delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides a relatively high level of community development services in the assessment area.

Retail Services

Johnson Bank's retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates six branch offices, which includes its main office, and six ATMs in the assessment area. The main office and an ATM are located within a low-income census tract, whereas the remaining branch offices and ATMs are located within middle- or upper-income census tracts. Alternative delivery systems include phone, internet banking, and mobile banking. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. The bank has not opened or closed any branch offices; however, the bank did convert its six existing ATMs from cash-only to full-service since the previous evaluation.

Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area generally have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, and certain offices have extended hours from 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank's website.

Community Development Services

Johnson Bank provides a relatively high level of community development services. During the review period, the bank provided 1,272.5 community development service hours. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations, however the majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies. During the previous evaluation the bank conducted 2,090 community development service hours. When adjusting for variance in review period length, the bank's current performance in community development service hours decreased notably by 41.4 percent when compared to the previous evaluation.

The following table presents the bank's community development services throughout its assessment area during the review period.

Community Development Services June 13, 2023, through September 29, 2025					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/Stabilize	Total
	Hours	Hours	Hours	Hours	Hours
Racine-Mount Pleasant, WI MSA	295.5	883	0	94	1,272.5

MILWAUKEE-WAUKESHA, WI MSA #33340 - Full Review

SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate the bank’s performance in the Milwaukee-Waukesha, WI MSA assessment area. The review of this assessment area is consistent with the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN MILWAUKEE-WAUKESHA, WI MSA #33340

Johnson Bank’s Milwaukee-Waukesha, WI MSA assessment area remains unchanged from the previous evaluation and consists of Milwaukee, Ozaukee, Washington, and Waukesha counties in their entirety which comprises the entirety of the Milwaukee-Waukesha, WI MSA. Located within the assessment area are nine branch locations and seven full-service ATMs. Since the previous evaluation the bank converted existing ATMs from cash-only to full-service. Further, the bank opened one branch without an ATM within a moderate-income census tract and one branch and ATM within an upper-income census tract. Additionally, the bank closed a Loan Production Office located within a moderate-income census tract since the previous performance evaluation. Outside of the new branch office located within a moderate-income census tract, all remaining branch offices and ATMs reside within middle- or upper-income census tracts. In 2024, the assessment area was comprised of 452 census tracts: 81 low-income, 79 moderate-income, 152 middle-income, 130 upper-income, and ten unknown-income census tracts. The unknown-income census tracts include portions of Lake Michigan, as well as geographies that contain educational campuses, including Marquette University.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks 14th among 44 FDIC-insured financial institutions operating within the assessment area. The bank held \$950.1 million in deposits representing 1.2 percent of the total deposit market share. In comparison, the first ranked institution, U.S. Bank National Association, held \$26.2 billion in deposits representing 33.9 percent of the deposit market share. The second ranked institution, BMO Bank National Association, held \$10.6 billion in deposits representing 13.7 percent of the deposit market share.

In 2024, Johnson Bank ranked 12th among 486 HMDA-reporters, originating or purchasing 756 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Landmark Credit Union and University of Wisconsin Credit Union, originated or

purchased 4,519 and 2,575 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked 25th among 127 CRA-reporters, originating 125 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and American Express National Bank, originated 7,514 and 6,121 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Milwaukee-Waukesha, WI MSA 33340 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	81	17.9	42,576	11.1	14,113	33.1	86,341	22.4
Moderate	79	17.5	57,741	15.0	8,484	14.7	64,769	16.8
Middle	152	33.6	139,470	36.2	6,787	4.9	78,859	20.5
Upper	130	28.8	143,847	37.3	3,573	2.5	155,299	40.3
Unknown	10	2.2	1,634	0.4	670	41.0	0	0.0
Total AA	452	100.0	385,268	100.0	33,627	8.7	385,268	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	86,438	20,642	5.4	23.9	52,657	60.9	13,139	15.2
Moderate	109,834	45,551	12.0	41.5	56,061	51.0	8,222	7.5
Middle	256,018	150,930	39.8	59.0	92,251	36.0	12,837	5.0
Upper	222,180	161,855	42.6	72.8	49,362	22.2	10,963	4.9
Unknown	6,421	683	0.2	10.6	4,444	69.2	1,294	20.2
Total AA	680,891	379,661	100.0	55.8	254,775	37.4	46,455	6.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	6,463	10.5	5,997	11.0	434	7.0	32	6.2
Moderate	9,478	15.4	8,548	15.6	869	14.0	61	11.8
Middle	21,603	35.1	19,027	34.7	2,393	38.6	183	35.3
Upper	23,461	38.2	20,764	37.9	2,457	39.6	240	46.2
Unknown	476	0.8	426	0.8	47	0.8	3	0.6
Total AA	61,481	100.0	54,762	100.0	6,200	100.0	519	100.0
Percentage of Total Businesses:				89.1	10.1	0.8		
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	14	2.7	14	2.7	0	0.0	0	0.0
Moderate	21	4.0	21	4.1	0	0.0	0	0.0
Middle	218	41.4	214	41.4	4	40.0	0	0.0
Upper	273	51.8	267	51.6	6	60.0	0	0.0
Unknown	1	0.2	1	0.2	0	0.0	0	0.0
Total AA	527	100.0	517	100.0	10	100.0	0	0.0
Percentage of Total Farms:				98.1	1.9	0.0		
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

The following table presents the population trends for the assessment area, the counties comprising the assessment area, and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 1,574,731. The assessment area experienced a slight increase in population of 0.3 percent between 2015 and 2020, which is below the state of Wisconsin’s population growth of 2.6 percent during the same period. Of the counties comprising the assessment area, Milwaukee County was the only one to experience population decline at 1.7 percent. Ozaukee, Washington, and Waukesha Counties all experienced a population increase greater than the state of Wisconsin at 4.8 percent, 2.9 percent, and 3.3 percent, respectively. Community representatives stated that they anticipate population growth to increase in the coming years; however, the city of Milwaukee is anticipated to continue struggling to retain population. Further, a representative added that they anticipate the growth rate to be below the historical trend seen at the state level, as it pertains to Waukesha County, which is the second largest county within the assessment area behind Milwaukee County.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	1,570,006	1,574,731	0.3
Milwaukee County	955,939	939,489	-1.7
Ozaukee County	87,273	91,503	4.8
Washington County	132,921	136,761	2.9
Waukesha County	393,873	406,978	3.3
State of Wisconsin	5,742,117	5,893,718	2.6

*Source: 2011-2015 – U.S. Census Bureau: American Community Survey
2020 U.S. Census Bureau Decennial Census*

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 385,268 families, of which 22.4 percent are designated as low-income, 16.8 percent are moderate-income, 20.5 percent are middle-income, and 40.3 percent are upper-income. However, 8.7 percent of families residing within the assessment area live below the poverty line, and above the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$84,829, which is above the MFI for the state of Wisconsin at \$80,844. Milwaukee County experienced the largest increase in MFI at 10.2 percent, however the county’s MFI, at \$67,536, is the lowest of all counties within the assessment area. Further, despite having higher MFIs than the state of Wisconsin, Ozaukee, Washington, and Waukesha Counties experienced slower growth in MFI than the state as a whole from 2016-2020. A community representative stated that in recent years there has been a positive number of jobs added to the labor market, but that labor force participation has declined. Further, as it pertains to the city of Milwaukee, a representative shared

that since the COVID-19 pandemic approximately 87.0 percent of the number of jobs lost during the pandemic had been added back to the local economy by mid-2024.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	\$78,408	\$84,829	8.2
Milwaukee County	\$61,271	\$67,536	10.2
Ozaukee County	\$102,113	\$105,801	3.6
Washington County	\$90,931	\$95,735	5.3
Waukesha County	\$103,610	\$110,379	6.5
State of Wisconsin	\$74,365	\$80,844	8.7

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 680,891 housing units. The majority of housing units are owner-occupied at 55.8 percent, whereas rental units account for 37.4 percent of total units. Within the assessment area, 6.8 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

The following table presents recent housing cost burden for individuals within the assessment area, the counties comprising the assessment area, as well as the state of Wisconsin. The housing cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As depicted within the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. Of the counties comprising the assessment area, Waukesha County had the highest proportion of low- and moderate-income renters that met the cost burden criteria at 86.4 percent and 44.3 percent, respectively. As it pertains to homeowners, Ozaukee County experienced the highest proportion of low- and moderate-income homeowners that met the cost burden criteria at 76.0 percent and 41.4 percent, respectively.

A community representative stated that the city of Milwaukee has been struggling to retain population and lags behind other metropolitan cities with respect to unemployment. That said, the representative stated an uptick in residential real estate lending activity will help the city move in the right direction. They added that in recent years existing home sales within Milwaukee County have outpaced the larger metropolitan area.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	77.9	30.2	42.9	69.8	35.3	18.4
Milwaukee County	76.9	26.5	44.1	70.1	33.4	21.0
Ozaukee County	75.6	34.4	36.2	76.0	41.4	19.2
Washington County	74.8	37.6	36.1	56.9	31.9	13.9
Waukesha County	86.4	44.3	40.5	71.9	39.4	15.9
State of Wisconsin	75.0	25.2	38.4	63.9	29.3	16.9

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy

Employment Conditions

The following table shows unemployment statistics for the assessment area, the counties comprising the assessment area, and the state of Wisconsin. After increasing notably during the COVID-19 pandemic, the assessment area’s unemployment rate of 3.2 percent remains slightly higher than the state of Wisconsin’s unemployment rate of 3.0 percent. Of the counties comprising the assessment area, Milwaukee County is the only one with an unemployment rate higher than the state of Wisconsin, which is a historical trend. As mentioned previously, within the city of Milwaukee, a representative shared that since the COVID-19 pandemic approximately 87.0 percent of the number of jobs lost during the pandemic have been added back to the local economy. That said, the representative added that, while there has been a steady decline in unemployment, the assessment area still lags behind other cities. Further, while jobs are being added to the local economy, a representative shared that labor force participation has decreased in recent years.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	7.3	4.4	3.0	3.0	3.2
Milwaukee County	8.3	5.3	3.5	3.5	3.7
Ozaukee County	5.5	3.0	2.3	2.4	2.5
Washington County	5.8	3.1	2.4	2.4	2.5
Waukesha County	5.8	3.1	2.4	2.5	2.6
State of Wisconsin	6.4	3.8	2.8	2.8	3.0

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of healthcare and social assistance, manufacturing, and retail trade based on data from

the U.S. Bureau of Labor Statistics. Community representatives stated that there have not been many changes to major employers within the area. Further, one representative said in 2023 the top industries also included restaurants, local government, and the management of companies and enterprises.

Community Representatives

Information from two community representatives was considered during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. One representative stated that there is opportunity for banks to increase their involvement with minority-owned businesses. Another representative indicated that increased home mortgage lending, particularly within the city of Milwaukee, could help alleviate broader economic challenges within the metropolitan area such as population retention/attraction and unemployment.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MILWAUKEE- WAUKESHA, WI MSA #33340

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, poor penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes a relatively high level of community development loans, and makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year. A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation

to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects good dispersion throughout the assessment area. In 2024, Johnson Bank originated 6.1 percent of its total HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 6.6 percent and 5.4 percent, respectively. The bank originated 11.5 percent of its HMDA-reportable loans in moderate-income census tracts, below the aggregate at 13.2 percent and comparable the percentage of owner-occupied units at 12.0 percent. The bank originated 27.8 percent of its HMDA-reportable loans in middle-income census tracts, which is below the aggregate at 39.1 percent and the percentage of owner-occupied units located in middle-income census tracts at 39.8 percent. Further, the largest portion of the bank's HMDA-reportable loans were originated in upper-income census tracts at 54.6 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 40.9 percent and 42.6 percent, respectively. Finally, the bank originated 0.0 percent of home purchase loans in unknown-income census tracts, comparable to the aggregate at 0.2 percent.

Due to low volume, multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home purchase Loans

In 2024, Johnson Bank originated 8.1 percent of its home purchase loans in low-income census tracts, which is comparable to the aggregate and above the percentage of owner-occupied units located in low-income census tracts at 7.9 percent and 5.4 percent, respectively. The bank originated 15.8 percent of its home purchase loans in moderate-income census tracts, comparable to the aggregate at 14.7 percent and above the percentage of owner-occupied units at 12.0 percent. The bank originated 30.4 percent of its home purchase loans in middle-income census tracts. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 39.0 percent and 39.8 percent, respectively. Further, the bank originated the largest portion of its home purchase loans in upper-income census tracts at 45.7 percent, which is above the aggregate at 38.1 percent and the percentage of owner-occupied units located in upper-income census tracts at 42.6 percent. Finally, the bank originated 0.0 percent of home purchase loans in unknown-income census tracts, comparable to the aggregate at 0.3 percent.

Refinance Loans

In 2024, Johnson Bank originated 0.7 percent of its refinance loans in low-income census tracts, which is below the aggregate and the percentage of owner-occupied units located in low-income census tracts at 6.1 percent and 5.4 percent, respectively. The bank originated 2.9 percent of its refinance loans in moderate-income census tracts, below the aggregate at 11.6 percent and the

percentage of owner-occupied units at 12.0 percent. The bank originated 22.8 percent of its refinance loans in middle-income census tracts. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 38.3 percent and 39.8 percent, respectively. Further, the bank originated the majority of its refinance loans in upper-income census tracts at 73.5 percent, which is above the aggregate at 43.8 percent and the percentage of owner-occupied units located in upper-income census tracts at 42.6 percent. Finally, the bank originated 0.0 percent of refinance loans in unknown-income census tracts, comparable to the aggregate at 0.2 percent.

Home Improvement Loans

In 2024, Johnson Bank originated 3.6 percent of its home improvement loans in low-income census tracts, which is comparable to the aggregate but below the percentage of owner-occupied units located in low-income census tracts at 3.8 percent and 5.4 percent, respectively. The bank originated 3.6 percent of its home improvement loans in moderate-income census tracts, below the aggregate at 10.1 percent and the percentage of owner-occupied units at 12.0 percent. The bank originated 20.2 percent of its home improvement loans in middle-income census tracts, which is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts, each at 39.8 percent. Further, the largest portion of the bank's home improvement loans were originated in upper-income census tracts at 72.6 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 46.2 percent and 42.6 percent, respectively.

The bank's 2023 lending performance was generally consistent with 2024 lending performance, although it was observed that the bank outperformed aggregate in total HMDA-reportable lending in low-income census tracts. The following table presents the bank's geographic distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Milwaukee-Waukesha, WI MSA 33340													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$ (000)	\$ %	\$ %	#	%	%	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Low	42	9.6	7.9	5,703	3.3	3.7	36	8.1	7.9	5,815	3.5	3.8	5.4
Moderate	59	13.5	14.6	11,399	6.7	9.3	70	15.8	14.7	13,201	8.0	9.7	12.0
Middle	124	28.4	39.4	4,124	24.1	35.3	135	30.4	39.0	41,877	25.3	35.5	39.8
Upper	211	48.3	37.9	112,567	65.8	51.6	203	45.7	38.1	104,390	63.2	50.9	42.6
Unknown	1	0.2	0.2	191	0.1	0.1	0	0.0	0.3	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	437	100.0	100.0	171,074	100.0	100.0	444	100.0	100.0	165,283	100.0	100.0	100.0
Refinance Loans													
Low	2	5.0	7.0	296	3.0	4.2	1	0.7	6.1	160	0.3	3.3	5.4
Moderate	2	5.0	12.5	259	2.7	8.8	4	2.9	11.6	850	1.7	7.9	12.0
Middle	9	22.5	37.7	2,044	21.0	34.0	31	22.8	38.3	7,634	15.5	33.9	39.8
Upper	27	67.5	42.5	7,127	73.3	52.7	100	73.5	43.8	40,629	82.5	54.8	42.6
Unknown	0	0.0	0.3	0	0.0	0.3	0	0.0	0.2	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	40	100.0	100.0	9,726	100.0	100.0	136	100.0	100.0	49,273	100.0	100.0	100.0
Home Improvement Loans													
Low	2	2.0	3.2	69	0.5	2.1	3	3.6	3.8	100	0.8	2.6	5.4
Moderate	3	3.1	8.6	67	0.5	5.8	3	3.6	10.1	190	1.5	6.9	12.0
Middle	24	24.5	38.6	1,839	13.1	31.6	17	20.2	39.8	1,685	13.0	33.7	39.8
Upper	69	70.4	49.4	12,055	85.9	60.5	61	72.6	46.2	10,965	84.7	56.9	42.6
Unknown	0	0.0	0.2	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	98	100.0	100.0	14,030	100.0	100.0	84	100.0	100.0	12,940	100.0	100.0	100.0
Multifamily Loans													
Low	1	7.1	24.0	8,700	13.5	25.7	1	16.7	18.6	402	1.5	9.8	12.5
Moderate	3	21.4	18.6	6,651	10.3	8.6	0	0.0	23.0	0	0.0	21.3	17.6
Middle	2	14.3	34.3	14,925	23.2	30.1	3	50.0	38.5	18,825	71.2	43.9	40.5
Upper	8	57.1	20.4	34,146	53.0	34.0	2	33.3	19.6	7,220	27.3	24.8	26.7
Unknown	0	0.0	2.8	0	0.0	1.7	0	0.0	0.3	0	0.0	0.2	2.7
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	64,422	100.0	100.0	6	100.0	100.0	26,447	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	47	8.0	6.6	14,768	5.7	7.3	41	6.1	6.6	6,477	2.6	4.1	5.4
Moderate	67	11.4	12.9	18,376	7.1	8.8	77	11.5	13.2	14,241	5.6	10.1	12.0
Middle	159	27.0	39.1	60,022	23.2	33.9	186	27.8	39.1	70,021	27.6	35.6	39.8
Upper	315	53.5	41.1	165,895	64.0	49.5	366	54.6	40.9	163,204	64.3	50.1	42.6
Unknown	1	0.2	0.2	191	0.1	0.4	0	0.0	0.2	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	589	100.0	100.0	259,252	100.0	100.0	670	100.0	100.0	253,943	100.0	100.0	100.0

Source: 2024 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. In 2023, Johnson Bank originated 6.4 percent of its small business loans in low-income census tracts, comparable to the aggregate at 7.2 percent but below the percentage of total businesses located in low-income census tracts at 10.5 percent. The bank originated 11.2 percent of its small business loans in moderate-income census tracts, below the aggregate at 14.2 percent and the percentage of total businesses located in moderate-income census tracts at 15.4 percent. Additionally, the bank originated 34.4 percent of its small business loans in middle-income census tracts, comparable to the aggregate and the percentage of total businesses located in middle-income census tracts at 33.0 percent and 35.1 percent, respectively. Further, the bank originated 45.6 percent of its small business loans in upper-income census tracts, comparable to the aggregate at 44.6 percent and above the percentage of total businesses located in upper-income census tracts at 38.2 percent. Finally, the bank originated 2.4 percent of small business loans in unknown-income census tracts, above the aggregate at 0.5 percent.

The following table presents the bank’s geographic distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Milwaukee-Waukesha, WI MSA 33340											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	%	%	#	%	\$(000)	%	
Low	8	6.4	7.2	2,239	4.0	4.7	10	7.7	2,287	4.0	10.5
Moderate	14	11.2	14.2	8,090	14.3	14.0	13	10.0	6,051	10.6	15.4
Middle	43	34.4	33.0	20,549	36.4	33.9	49	37.7	24,279	42.6	35.1
Upper	57	45.6	44.6	23,501	41.7	46.4	57	43.8	23,496	41.2	38.2
Unknown	3	2.4	0.5	2,029	3.6	0.8	1	0.8	900	1.6	0.8
Tract-Unk	0	0.0	0.5	0	0.0	0.1	0	0.0	0	0.0	0.0
Total	125	100.0	100.0	56,408	100.0	100.0	130	100.0	57,013	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Overall, Johnson Bank’s loan distribution reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2024, the bank originated 8.6 percent of its total HMDA-reportable loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.8 percent and 22.4 percent, respectively. The bank originated 14.9 percent of its total HMDA-reportable loans to moderate-income borrowers. This performance is below both the aggregate at 18.7 percent and the percentage of moderate-income families within the assessment area at 16.8 percent. The bank originated 10.1 percent of its total HMDA-reportable loans to middle-income borrowers, below the aggregate at 21.5 percent and to the proportion of middle-income families within the assessment area at 20.5 percent. The bank originated 62.8 percent of its total HMDA-reportable loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 38.8 percent and 40.3 percent, respectively. Finally, the bank originated 3.6 percent of its total HMDA-reportable loans to individuals of unknown-income, below aggregate at 14.3 percent.

Due to low volume, multifamily loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2024, the bank originated 10.6 percent of its home purchase loans to low-income borrowers, which is above the aggregate but below the percentage of low-income families in the assessment area at 6.8 percent and 22.4 percent, respectively. The bank originated 18.0 percent of its home purchase loans to moderate-income borrowers. This performance is below the aggregate at 19.9 percent and comparable to the percentage of moderate-income families within the assessment area at 16.8 percent. The bank originated 11.3 percent of its home purchase loans to middle-income borrowers, below the aggregate at 19.7 percent and to the proportion of middle-income families within the assessment area at 20.5 percent. The bank originated 56.5 percent of its home purchase loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 35.4 percent and 40.3 percent, respectively. Finally, the bank originated 3.6 percent of its home purchase loans to individuals of unknown-income, below aggregate at 18.2 percent.

Refinance Loans

In 2024, the bank originated 3.7 percent of its refinance loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 7.2 percent and 22.4 percent, respectively. The bank originated 8.1 percent of its refinance loans to moderate-income borrowers. This performance is below both the aggregate at 16.9 percent and the percentage of moderate-income families within the assessment area at 16.8 percent. The bank originated 8.8 percent of its refinance loans to middle-income borrowers, below the aggregate at 21.4 percent and to the proportion of middle-income families within the assessment area at 20.5 percent. The bank originated 75.7 percent of its refinance loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 38.0 percent and 40.3 percent, respectively. Finally, the bank originated 3.7 percent of its refinance loans to individuals of unknown-income, below aggregate at 16.5 percent.

Home Improvement Loans

In 2024, the bank originated 6.0 percent of its home improvement loans to low-income borrowers, which is comparable to the aggregate but below the percentage of low-income families in the assessment area at 6.4 percent and 22.4 percent, respectively. The bank originated 9.5 percent of its home improvement loans to moderate-income borrowers. This performance is below both the aggregate at 17.2 percent and the percentage of moderate-income families within the assessment area at 16.8 percent. The bank originated 6.0 percent of its home improvement loans to middle-income borrowers, below the aggregate at 24.3 percent and to the proportion of middle-income families within the assessment area at 20.5 percent. The bank originated 75.0 percent of its home improvement loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 49.5 percent and 40.3 percent, respectively. Finally, the bank originated 3.6 percent of its home improvement loans to individuals of unknown-income, comparable to the aggregate at 2.6 percent.

The bank's 2023 lending performance was generally consistent with 2024 lending performance. The following table presents the bank's borrower distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Milwaukee-Waukesha, WI MSA 33340													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	# %	# %	\$ (000)	\$ %	\$ %	#	# %	# %	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Low	57	13.0	7.6	7,647	4.5	3.6	47	10.6	6.8	7,297	4.4	3.2	22.4
Mo de rate	74	16.9	20.5	15,101	8.8	13.9	80	18.0	19.9	16,382	9.9	13.5	16.8
Middle	44	10.1	20.0	11,293	6.6	17.9	50	11.3	19.7	12,894	7.8	17.6	20.5
Upper	255	58.4	34.7	134,388	78.6	48.2	251	56.5	35.4	126,501	76.5	48.1	40.3
Unkno wn	7	1.6	17.3	2,645	1.5	16.4	16	3.6	18.2	2,209	1.3	17.5	0.0
To tal	437	100.0	100.0	171,074	100.0	100.0	444	100.0	100.0	165,283	100.0	100.0	100.0
Re finance Loans													
Low	1	2.5	9.3	85	0.9	5.3	5	3.7	7.2	783	1.6	3.6	22.4
Mo de rate	5	12.5	20.4	784	8.1	15.7	11	8.1	16.9	1,841	3.7	11.2	16.8
Middle	7	17.5	22.5	912	9.4	20.0	12	8.8	21.4	2,759	5.6	17.8	20.5
Upper	24	60.0	36.4	7,426	76.4	44.6	103	75.7	38.0	42,757	86.8	46.2	40.3
Unkno wn	3	7.5	11.3	519	5.3	14.3	5	3.7	16.5	1,133	2.3	21.3	0.0
To tal	40	100.0	100.0	9,726	100.0	100.0	136	100.0	100.0	49,273	100.0	100.0	100.0
Home Improve ment Loans													
Low	1	1.0	6.4	50	0.4	4.2	5	6.0	6.4	338	2.6	3.8	22.4
Mo de rate	11	11.2	18.0	597	4.3	13.0	8	9.5	17.2	471	3.6	11.9	16.8
Middle	14	14.3	24.6	1,107	7.9	21.3	5	6.0	24.3	395	3.1	20.4	20.5
Upper	66	67.3	48.1	11,480	81.8	58.2	63	75.0	49.5	11,407	88.2	60.4	40.3
Unkno wn	6	6.1	3.0	796	5.7	3.4	3	3.6	2.6	329	2.5	3.5	0.0
To tal	98	100.0	100.0	14,030	100.0	100.0	84	100.0	100.0	12,940	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	59	10.3	7.8	7,782	4.0	4.0	57	8.6	6.8	8,418	3.7	3.4	22.4
Mo de rate	90	15.7	20.0	16,482	8.5	14.1	99	14.9	18.7	18,694	8.2	12.8	16.8
Middle	65	11.3	22.0	13,312	6.8	18.6	67	10.1	21.5	16,048	7.1	17.9	20.5
Upper	345	60.0	38.2	153,294	78.7	48.6	417	62.8	38.8	180,665	79.4	48.6	40.3
Unkno wn	16	2.8	12.0	3,960	2.0	14.7	24	3.6	14.3	3,671	1.6	17.3	0.0
To tal	575	100.0	100.0	194,830	100.0	100.0	664	100.0	100.0	227,496	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different revenue sizes. In 2023, Johnson Bank originated 11.2 percent of its small business loans to businesses with gross revenues of \$1 million or less. This is below the aggregate and the percentage of small businesses in the assessment area, at 55.6 percent and 89.1 percent, respectively. Of loans to businesses with revenues of \$1 million or less, 64.3 percent were in amounts of \$100,000 or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank’s ability to meet the credit needs of small businesses.

The following table presents the bank’s borrower distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Milwaukee-Waukesha, WI MSA 33340													
	Bank And Aggregate Loans By Year										Total Businesses %		
	2023					2024*							
	Bank		Agg			Bank		Agg				Bank	
	#	%	#%	\$(000)	%	%	#	%	\$(000)	%		%	
By Revenue													
\$1 Million or Less	14	11.2	55.6	2,491	4.4	27.5	22	16.9	5,042	8.8	89.1		
Over \$1 Million	102	81.6		51,099	90.6		103	79.2	50,795	89.1	10.1		
Revenue Unknown	9	7.2		2,818	5.0		5	3.8	1,176	2.1	0.8		
Total	125	100.0		56,408	100.0		130	100.0	57,013	100.0	100.0		
By Loan Size													
\$100,000 or Less	21	16.8	92.8	1,368	2.4	33.0	16	12.3	1,174	2.1			
\$100,001 - \$250,000	23	18.4	3.6	4,171	7.4	15.4	25	19.2	4,911	8.6			
\$250,001 - \$1 Million	81	64.8	3.7	50,869	90.2	51.6	89	68.5	50,928	89.3			
Total	125	100.0	100.0	56,408	100.0	100.0	130	100.0	57,013	100.0			
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	9	64.3		555	22.3		7	31.8	447	8.9			
\$100,001 - \$250,000	1	7.1		125	5.0		6	27.3	950	18.8			
\$250,001 - \$1 Million	4	28.6		1,811	72.7		9	40.9	3,645	72.3			
Total	14	100.0		2,491	100.0		22	100.0	5,042	100.0			
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.													

Community Development Lending

Johnson Bank makes a relatively high level community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the evaluation period, the bank originated 15 qualified community development loans totaling approximately \$44.7 million. The qualified loans addressed a range of credit needs including affordable housing for low- or moderate-income individuals, community services targeted to low- or moderate-income individuals or geographies, and revitalization/stabilization efforts. Four loans totaling approximately \$23.7 million were particularly responsive as they involved government subsidies, either through Low-Income Housing Tax Credits or Section 8 Housing Vouchers, and helped provide affordable housing within the assessment area. A community representative stated that housing development within the assessment area is a critical need to help address broader economic issues. That said, this performance represents a decrease when compared to the previous

examination, during which time the bank originated 16 qualified community development loans for approximately \$50.2 million. When adjusting for variance in review period length, the bank’s current performance in community development lending declined 9.7 percent by number and 14.4 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development loans throughout its assessment area during the review period.

Community Development Loans June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Milwaukee-Waukesha, WI MSA	4	23,725	8	19,700	0	0	3	1,250	15	44,675

Note: Dollar amounts are rounded and not reflective of exact figures.

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community initiatives and demonstrates good responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 13 community development investments totaling approximately \$27.4 million within the assessment area. Of the qualified community development investments, four investments totaling \$16.3 million were made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The majority of qualified investments were made toward affordable housing benefiting low- or moderate-income individuals, as well as local economic development and revitalization/stabilization efforts. One current period investment totaling approximately \$3.2 million was particularly responsive as it helped finance the operation of an 89-unit low-income rental apartment development in a moderate-income geography. During the previous evaluation, the bank made or maintained eight community development investments totaling \$7.0 million within the assessment area. When adjusting for variance in review period length, the bank’s current performance in community development investments increased in number by 56.5 percent and 278.9 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank’s community development investments throughout its assessment area during the review period.

Community Development Investments June 13, 2023, through September 29, 2025											
Assessment Area		Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
		#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Milwaukee- Waukesha, WI MSA	Current	4	16,298	0	0	0	0	0	0	4	16,298
	Prior	5	5,194	0	0	2	1,979	2	3,909	9	11,081
	Total	9	21,492	0	0	2	1,979	2	3,909	13	27,379

Note: Dollar amounts are rounded and not reflective of exact figures.

Additionally, the bank made 78 donations totaling \$597,402 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, going towards community service efforts targeting low- and moderate-income individuals and communities (81.2 percent) as well as affordable housing benefiting, or likely to benefit, low- or moderate-income individuals (15.1 percent). During the previous evaluation the bank made 88 community development donations totaling approximately \$1.2 million. When adjusting for variance in review period length, the bank’s current performance in community development donations decreased by 14.6 percent by number and 53.8 percent by dollar volume.

SERVICE TEST

Johnson Bank’s delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides a relatively high level of community development services in the assessment area.

Retail Services

Johnson Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates nine branch offices and seven ATMs in the assessment area. One branch office without an ATM is located within a moderate-income census tract, whereas the remaining branch offices and ATMs are located within middle- or upper-income census tracts. Alternative delivery systems include phone, internet banking, and mobile banking. To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Since the previous evaluation, the bank opened a branch

within a moderate-income census tract, as well as one branch with an ATM within an upper-income census tract. Further, the bank converted all existing ATMs from cash-only to full-service. That said, the bank did close a loan production office located within a moderate-income census tract since the previous evaluation.

Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area generally have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, and certain offices have extended hours from 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank’s website.

Community Development Services

Johnson Bank provides a relatively high level of community development services. During the review period, the bank provided 487 community development service hours. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations, however the majority of community development services had a focus of community services targeting low- and moderate-income individuals and geographies, as well as local economic development and revitalization/stabilization efforts. During the previous evaluation the bank conducted 2,444 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours decreased notably by 421.1 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services June 13, 2023, through September 29, 2025					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/Stabilize	Total
	Hours	Hours	Hours	Hours	Hours
Milwaukee-Waukesha, WI MSA	0	443.5	34	9.5	487

GREEN BAY, WI MSA #24580 - Full Review

SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate the bank's performance in the Green Bay, WI MSA assessment area. The review of this assessment area is consistent with the scope discussed in the "Scope of Examination" section of this performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN GREEN BAY, WI MSA #24580

Johnson Bank's Green Bay, WI MSA assessment area remains unchanged from the previous evaluation and consists of Brown, Kewaunee, and Oconto Counties which comprise the entirety of the MSA. Located within the assessment area are two branch offices, each with a full-service ATM. Since the previous evaluation the bank has not opened or closed any branches or ATMs; however, the bank converted both ATMs from cash-only to full-service. One branch office and ATM is located in a middle-income census tract with the remaining branch office and ATM located in an upper-income census tract. In 2024, the assessment area was comprised of 76 census tracts: one low-income, 20 moderate-income, 39 middle-income, 13 upper-income, and three unknown-income census tracts. The unknown-income census tracts include portions of Lake Michigan and a correctional facility.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks seventh among 20 FDIC-insured financial institutions operating within the assessment area. The bank held \$435.3 million in deposits representing 2.8 percent of the total deposit market share. In comparison, the first ranked institution, Associated Bank National Association, held \$7.5 billion in deposits representing 48.8 percent of the deposit market share. The second ranked institution, Nicolet National Bank, held \$3.0 billion in deposits representing 19.3 percent of the deposit market share.

In 2024, Johnson Bank ranked seventh among 290 HMDA-reporters, originating 299 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Fox Communities Credit Union and Capital Credit Union, originated 857 and 808 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked twelfth among 72 CRA-reporters, originating 59 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Nicolet National Bank and JPMorgan Chase Bank National Association, originated 967 and 888 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Green Bay, WI MSA 24580 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	1.3	306	0.4	98	32.0	15,995	19.1
Moderate	20	26.3	17,264	20.6	2,819	16.3	15,887	19.0
Middle	39	51.3	46,878	56.0	2,202	4.7	19,589	23.4
Upper	13	17.1	19,242	23.0	398	2.1	32,219	38.5
Unknown	3	3.9	0	0.0	0	0.0	0	0.0
Total AA	76	100.0	83,690	100.0	5,517	6.6	83,690	100.0
Housing Units by Tract	Housing Type by Tract							
	Owner-occupied				Rental		Vacant	
	#	% by tract	% by unit	#	% by unit	#	% by unit	
Low	724	161	0.2	22.2	421	58.1	142	19.6
Moderate	37,067	16,709	18.8	45.1	15,647	42.2	4,711	12.7
Middle	79,173	51,597	58.0	65.2	19,622	24.8	7,954	10.0
Upper	27,236	20,443	23.0	75.1	5,963	21.9	830	3.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	144,200	88,910	100.0	61.7	41,653	28.9	13,637	9.5
Total Businesses by Tract	Businesses by Tract & Revenue Size							
	Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%
Low	193	1.7	167	1.7	25	2.1	1	0.6
Moderate	2,778	24.4	2,436	24.3	313	25.9	29	18.4
Middle	5,961	52.3	5,280	52.6	586	48.4	95	60.1
Upper	2,473	21.7	2,154	21.5	286	23.6	33	20.9
Unknown	1	0.0	1	0.0	0	0.0	0	0.0
Total AA	11,406	100.0	10,038	100.0	1,210	100.0	158	100.0
Percentage of Total Businesses:				88.0		10.6		1.4
Total Farms by Tract	Farms by Tract & Revenue Size							
	Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	79	14.3	75	14.2	4	17.4	0	0.0
Middle	397	71.8	381	72.0	15	65.2	1	100.0
Upper	77	13.9	73	13.8	4	17.4	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	553	100.0	529	100.0	23	100.0	1	100.0
Percentage of Total Farms:				95.7		4.2		0.2
<i>Source: 2024 FFIEC Census Data 2024 Data & Breakdown Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Population Characteristics

The following table presents the population trends for the assessment area, the counties comprising the assessment area, and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 328,268. The assessment area experienced an increase in population of 5.0 percent between 2015 and 2020, which outpaced the state of Wisconsin’s population growth of 2.6 percent during the same period. Of the counties comprising the assessment area, Brown and Oconto Counties experienced a population increase at a greater percentage than the state of Wisconsin at 5.5 percent and 4.0 percent, respectively. That said, Kewaunee County experienced a slight increase in population at 0.4 percent, which is lower than the other counties comprising the assessment area and the state of Wisconsin. Community representatives stated that there are a number of factors contributing to local population trends. First, Brown County has been experiencing steady ongoing economic growth, particularly in the northern portion of the county as the medical industry has continued to expand. The representative further elaborated that Oconto County has benefited from the growing medical industry as it is contiguous to Brown County to the north which has contributed to the population increase. Further, a representative mentioned that there has been an increase in amenities offered in Brown County which is attracting younger professionals into the area, as well as helping retain that same demographic which has historically been a struggle. Kewaunee County, unlike the other two counties in the assessment area, is more rural and further from the economic activity occurring in Brown County. As a result, a community representative stated that, due to the aforementioned reasons, Kewaunee County has a more difficult time attracting and retaining individuals/families within the county.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	312,676	328,268	5.0
Brown County	254,717	268,740	5.5
Kewaunee County	20,483	20,563	0.4
Oconto County	37,476	38,965	4.0
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 83,690 families, of which 19.1 percent are designated as low-income, 19.0 percent are moderate-income, 23.4 percent are middle-income, and 38.5 percent are upper-income. However, 6.6 percent of families residing within the assessment area live below the poverty line, which is slightly below the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$81,870, which is above the MFI for the state of Wisconsin at

\$80,844. Oconto County experienced the largest increase in MFI at 12.1 percent, however the county’s MFI, at \$77,582, is the lowest of all counties within the assessment area. Additionally, Kewaunee County experienced a MFI increase of 5.6 percent which is a lower rate than the other counties comprising the assessment area and the state of Wisconsin from 2016-2020. A community representative stated that there has been an influx of higher wage positions as a result of the growing medical industry in the local area, primarily benefiting Brown and Oconto Counties. Additionally, the representative described that southern Brown County has been experiencing growth in the food and manufacturing industry, so residents living in Kewaunee County who commute into Brown County have experienced a positive impact on local MFI; however, not to the same extent as Brown or Oconto Counties. Finally, there has been an increase in the older demographic within Brown and Oconto Counties due to the close proximity to the medical district, as well as access to more amenities, which is more attractive during the later stages in life. Due to this, the representative stated that this has positively impacted local MFI due to the higher retirement incomes of the older demographic living in, or moving into, the area.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	\$73,930	\$81,870	10.7
Brown County	\$74,760	\$82,783	10.7
Kewaunee County	\$76,533	\$80,808	5.6
Oconto County	\$69,221	\$77,582	12.1
State of Wisconsin	\$74,365	\$80,844	8.7

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 144,200 housing units. The majority of housing units are owner-occupied at 61.7 percent, whereas rental units account for 28.9 percent of total units. Within the assessment area, 9.5 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

The following table presents recent housing cost burden for individuals within the assessment area, the counties comprising the assessment area, as well as the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As depicted within the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. Of the counties comprising the assessment area, Brown County had the highest proportion of low-income renters that were cost burdened at 77.0 percent, whereas Oconto County had the highest proportion of moderate-income renters that were cost burdened at 28.3 percent. In addition, as it pertains to owners that are cost burdened within the

assessment area, Brown County had the highest proportion of low- and moderate-income owners at 61.8 percent and 24.7 percent, respectively. Further, in comparison to the state of Wisconsin, the assessment area has less cost burdened renters and owners at 34.7 percent and 14.4 percent, respectively.

A community representative stated that the lack of affordable housing is still a pressing issue in the counties that comprise the assessment area. The representatives elaborated that there are a number of factors contributing to this issue. First, a representative mentioned that the local area is a high-cost market for housing where median income has not kept pace with median home price increases. They elaborated that builders/developers have been reluctant to construct new housing, including affordable housing. Further, the representative described that as interest rates have increased over the past few years, mortgage payments have become less affordable. They stated that this has also resulted in individuals with lower interest rate mortgages remaining in their existing homes because they do not want to incur a new mortgage at a higher interest rate. The representative added that there has been a noticeable increase in short-term home rentals, which has further limited the supply of existing affordable housing. Finally, a representative articulated that, particularly in Oconto and Kewaunee Counties, local housing stock is aged and in need of significant repair further limiting the supply of potential affordable housing options. That said, the supply of affordable housing is generally more available when compared to Brown County which alleviates some of pressure of increasing housing prices.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	75.3	18.1	34.7	61.0	23.9	14.4
Brown County	77.0	17.4	35.1	61.8	24.7	14.2
Kewaunee County	51.0	16.9	28.5	56.1	17.6	13.2
Oconto County	65.4	28.3	31.3	59.9	23.9	15.8
State of Wisconsin	75.0	25.2	38.4	63.9	29.3	16.9

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy

Employment Conditions

The following table shows unemployment statistics for the assessment area, the counties comprising the assessment area, and the state of Wisconsin. After increasing notably during the COVID-19 pandemic, the assessment area’s unemployment rate of 2.7 percent remains lower than the state of Wisconsin’s unemployment rate of 3.0 percent. Of the counties comprising the assessment area, Oconto County is the only county with an unemployment rate higher than the state of Wisconsin, which is a historical trend. A community representative indicated that there is a healthy stratification of job opportunity and growth within the local area contributing to the low unemployment rate. The representative added that there is a lot of local government participation

with businesses to help make Brown County, and the regional area, a more attractive area for people to live in and businesses to move to. They stated that there are several local universities and community colleges that have partnered with local businesses to help address a growing gap in skilled labor, particularly in the manufacturing and agricultural sectors. The representative provided that the slight increase in the unemployment rate being experienced by the local area is due to technological and automation improvements at local manufacturing companies which have resulted in minor and selective staff reductions. Finally, Oconto County has a slightly elevated unemployment rate, which the representative indicated is a result of local economic growth in Oconto County being outpaced by the local population growth.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	6.0	3.4	2.6	2.5	2.7
Brown County	6.1	3.4	2.5	2.5	2.6
Kewaunee County	4.6	2.8	2.4	2.3	2.4
Oconto County	6.6	3.9	3.1	3.1	3.1
State of Wisconsin	6.4	3.8	2.8	2.8	3.0

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, and retail trade based on data from the U.S. Bureau of Labor Statistics. Community representatives stated that there have not been many changes to major employers within the area. They mentioned that there has been growth in particular industries, such as the medical and manufacturing industries. Further, they stated that several large employers have announced current, or future, expansions, including Emplify Health, Schreiber Foods, Georgia-Pacific, Green Bay Packaging, and more. A community representative stated that there has not been as large of an increase in individuals working remotely in the area as they anticipated following the COVID-19 pandemic. That said, they added that the lack of affordable housing availability has stifled some economic growth as individuals and prospective businesses are reluctant to move to the area.

Community Representatives

Information from two community representatives was considered during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. A representative mentioned that there is a need, and interest, in more financial literacy education, especially for low-income individuals. They added that the lack of financial education is a barrier to low-income individuals with homeownership as they often struggle with saving for a downpayment, increasing their credit score, and/or

understanding the entire home buying process. Finally, a representative mentioned that there needs to be a continued effort for public and private partnerships to help address the affordable housing issue.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREEN BAY, WI MSA #24580

LENDING TEST

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, poor penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits a poor record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes a low level of community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects adequate penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts. During the review period the bank originated loans in 69 of the 76 census tracts within the assessment area, including 18 of the 21 low- or moderate-income census tracts.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects poor dispersion throughout the assessment area. In 2024, Johnson Bank originated 0.0 percent of its total HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.3 percent and 0.2 percent, respectively. The bank originated 10.0 percent of its HMDA-reportable loans in moderate-income census tracts, below the aggregate at 21.8 percent and the percentage of owner-occupied units at 18.8 percent.

The largest portion of the bank's HMDA-reportable loans were originated in middle-income census tracts at 46.8 percent. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 54.8 percent and 58.0 percent, respectively. Finally, the bank originated 43.2 percent of its HMDA-reportable loans in upper-income census tracts, which is above the aggregate at 23.1 percent and the percentage of owner-occupied units located in upper-income census tracts at 23.0 percent.

Due to low volume, multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home purchase Loans

In 2024, Johnson Bank originated 0.0 percent of its home purchase loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.3 percent and 0.2 percent, respectively. The bank originated 11.8 percent of its home purchase loans in moderate-income census tracts, below the aggregate at 23.3 percent and the percentage of owner-occupied units at 18.8 percent. The largest portion of the bank's home purchase loans were originated in middle-income census tracts at 45.1 percent. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 53.5 percent and 58.0 percent, respectively. Finally, the bank originated 43.1 percent of its home purchase loans in upper-income census tracts, which is above the aggregate at 22.8 percent and the percentage of owner-occupied units located in upper-income census tracts at 23.0 percent.

Refinance Loans

In 2024, Johnson Bank originated 0.0 percent of its refinance loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.3 percent and 0.2 percent, respectively. The bank originated 2.4 percent of its refinance loans in moderate-income census tracts, below the aggregate at 22.2 percent and the percentage of owner-occupied units at 18.8 percent. The bank originated 45.2 percent of its refinance loans in middle-income census tracts, which is below the aggregate at 55.0 percent and the percentage of owner-occupied units located in middle-income census tracts at 58.0 percent. Finally, the largest portion of the bank's refinance loans were originated in upper-income census tracts at 52.4 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 22.5 percent and 23.0 percent, respectively.

Home Improvement Loans

In 2024, Johnson Bank originated 0.0 percent of its home improvement loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.0 percent and 0.2 percent, respectively. The bank originated 12.1 percent of its home improvement loans in moderate-income census tracts, comparable to the aggregate at 13.0 percent but below the percentage of owner-occupied units at 18.8 percent. The

largest portion of the bank's home improvement loans were originated in middle-income census tracts at 57.6 percent. This is below the aggregate and comparable to the percentage of owner-occupied units located in middle-income census tracts at 64.0 percent and 58.0 percent, respectively. Finally, the bank originated 30.3 percent of its home improvement loans in upper-income census tracts, which is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts, each at 23.0 percent.

The bank's 2023 lending performance was generally consistent with 2024 lending performance. The following table presents the bank's geographic distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Green Bay, WI MSA 24580													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	# %	# %	\$ (000)	\$ %	\$ %	#	# %	# %	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Lo w	0	0.0	0.3	0	0.0	0.1	0	0.0	0.3	0	0.0	0.2	0.2
Mo de rate	10	8.6	24.5	3,136	5.9	16.2	17	11.8	23.3	4,692	7.8	16.5	18.8
Middle	52	44.8	51.8	20,566	38.5	51.3	65	45.1	53.5	23,916	39.7	51.7	58.0
Upper	54	46.6	23.4	29,710	55.6	32.4	62	43.1	22.8	31,577	52.5	31.6	23.0
Unkno wn	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	116	100.0	100.0	53,412	100.0	100.0	144	100.0	100.0	60,185	100.0	100.0	100.0
Refinance Loans													
Lo w	0	0.0	0.5	0	0.0	0.4	0	0.0	0.3	0	0.0	0.3	0.2
Mo de rate	1	2.7	19.2	630	6.9	15.4	1	2.4	22.2	94	0.7	16.9	18.8
Middle	23	62.2	58.5	5,287	57.5	57.8	19	45.2	55.0	5,322	40.9	55.0	58.0
Upper	13	35.1	21.8	3,273	35.6	26.5	22	52.4	22.5	7,593	58.4	27.8	23.0
Unkno wn	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	37	100.0	100.0	9,190	100.0	100.0	42	100.0	100.0	13,009	100.0	100.0	100.0
Home Improvement Loans													
Lo w	0	0.0	0.4	0	0.0	0.2	0	0.0	0.0	0	0.0	0.0	0.2
Mo de rate	3	25.0	16.7	127	8.7	12.7	4	12.1	13.0	171	3.7	6.1	18.8
Middle	4	33.3	58.4	541	37.2	56.5	19	57.6	64.0	2,931	63.8	51.5	58.0
Upper	5	41.7	24.6	785	54.0	30.6	10	30.3	23.0	1,492	32.5	42.4	23.0
Unkno wn	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	12	100.0	100.0	1,453	100.0	100.0	33	100.0	100.0	4,594	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Lo w	0	0.0	2.7	0	0.0	6.1	0	0.0	1.5	0	0.0	0.1	1.2
Mo de rate	0	0.0	49.3	0	0.0	42.4	0	0.0	45.5	0	0.0	37.0	32.3
Middle	0	0.0	38.4	0	0.0	19.3	0	0.0	42.4	0	0.0	36.7	49.0
Upper	0	0.0	9.6	0	0.0	32.2	1	100.0	10.6	400	100.0	26.2	17.6
Unkno wn	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	0	0.0	100.0	0	0.0	100.0	1	100.0	100.0	400	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Lo w	0	0.0	0.3	0	0.0	0.9	0	0.0	0.3	0	0.0	0.2	0.2
Mo de rate	14	8.5	21.4	3,893	6.1	18.9	22	10.0	21.8	4,957	6.3	17.8	18.8
Middle	79	47.9	54.8	26,394	41.2	48.7	103	46.8	54.8	32,169	41.1	51.2	58.0
Upper	72	43.6	23.4	33,768	52.7	31.5	95	43.2	23.1	41,062	52.5	30.8	23.0
Unkno wn	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	165	100.0	100.0	64,055	100.0	100.0	220	100.0	100.0	78,188	100.0	100.0	100.0

Source: 2024 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. In 2023, Johnson Bank originated 1.7 percent of its small business loans in low-income census tracts, comparable to the aggregate at 1.1 percent and the percentage of total businesses located in low-income census tracts at 1.7 percent. The bank originated 15.3 percent of its small business loans in moderate-income census tracts, below the aggregate at 21.3 percent and the percentage of total businesses located in moderate-income census tracts at 24.4 percent. Further, the bank originated 45.8 percent of its small business loans in middle-income census tracts, below the aggregate and the percentage of total businesses located in middle-income census tracts at 51.7 percent and 52.3 percent, respectively. Finally, the bank originated 37.3 percent of its small business loans in upper-income census tracts, above the aggregate at 25.3 percent and the percentage of total businesses located in upper-income census tracts at 21.7 percent.

The following table presents the bank’s geographic distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Green Bay, WI MSA 24580											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg		Bank		Bank				
	#	%	%	\$(000)	%	%	#	%	\$(000)	%	
Low	1	1.7	1.1	125	0.8	2.8	0	0.0	0	0.0	1.7
Moderate	9	15.3	21.3	2,667	16.4	22.6	9	18.4	2,765	15.7	24.4
Middle	27	45.8	51.7	7,535	46.4	50.8	25	51.0	8,723	49.6	52.3
Upper	22	37.3	25.3	5,923	36.4	23.6	15	30.6	6,105	34.7	21.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.6	0	0.0	0.2	0	0.0	0	0.0	0.0
Total	59	100.0	100.0	16,250	100.0	100.0	49	100.0	17,593	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2024, the bank originated 1.4 percent of its total HMDA-reportable loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 7.9 percent and 19.1 percent, respectively. The bank originated 10.0 percent of its total HMDA-reportable loans to moderate-income borrowers. This performance is below both the aggregate at 22.2 percent and the percentage of moderate-income families within the assessment area at 19.0 percent. The bank originated 11.9 percent of its total HMDA-reportable loans to middle-income borrowers, below the aggregate at 22.9 percent and to the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated 74.9 percent of its total HMDA-reportable loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 34.6 percent and 38.5 percent, respectively. Finally, the bank originated 1.8 percent of its total HMDA-reportable loans to individuals of unknown-income, below aggregate at 12.5 percent.

Due to low volume, multifamily loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2024, the bank originated 1.4 percent of its home purchase loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 6.3 percent and 19.1 percent, respectively. The bank originated 9.7 percent of its home purchase loans to moderate-income borrowers. This performance is below both the aggregate at 22.0 percent and the percentage of moderate-income families within the assessment area at 19.0 percent. The bank originated 15.3 percent of its home purchase loans to middle-income borrowers, below the aggregate at 22.1 percent and to the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated 72.9 percent of its home purchase loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 34.9 percent and 38.5 percent, respectively. Finally, the bank originated 0.7 percent of its home purchase loans to individuals of unknown-income, below aggregate at 14.6 percent.

Refinance Loans

In 2024, the bank originated 0.0 percent of its refinance loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 10.5 percent and 19.1 percent, respectively. The bank originated 4.8 percent of its refinance loans to moderate-income borrowers. This performance is below both the aggregate at 21.5 percent and the percentage of moderate-income families within the assessment area at 19.0 percent. The bank originated 4.8 percent of its refinance loans to middle-income borrowers, below the aggregate at 22.5 percent and to the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated 88.1 percent of its refinance loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 29.8 percent and 38.5 percent, respectively. Finally, the bank originated 2.4 percent of its refinance loans to individuals of unknown-income, below aggregate at 15.7 percent.

Home Improvement Loans

In 2024, the bank originated 3.0 percent of its home improvement loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 5.6 percent and 19.1 percent, respectively. The bank originated 18.2 percent of its home improvement loans to moderate-income borrowers. This performance is below both the aggregate at 21.8 percent and comparable to the percentage of moderate-income families within the assessment area at 19.0 percent. The bank originated 6.1 percent of its home improvement loans to middle-income borrowers, below the aggregate at 22.7 percent and to the proportion of middle-income families within the assessment area at 23.4 percent. The bank originated 66.7 percent of its home improvement loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 44.3 percent and 38.5 percent, respectively. Finally, the bank originated 6.1 percent of its home improvement loans to individuals of unknown-income, comparable to the aggregate at 5.7 percent.

The bank's 2023 lending performance was generally consistent with 2024 lending performance. The following table presents the bank's borrower distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Green Bay, WI MSA 24580													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$ (000)	\$ %	\$ %	#	%	%	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Low	3	2.6	9.1	48	0.8	4.3	2	1.4	6.3	320	0.5	3.2	19.1
Moderate	10	8.6	21.7	2,087	3.9	15.6	14	9.7	22.0	3,177	5.3	15.6	19.0
Middle	18	15.5	22.8	6,166	11.5	21.6	22	15.3	22.1	6,539	10.9	20.0	23.4
Upper	83	71.6	29.7	43,907	82.2	42.7	105	72.9	34.9	49,884	82.9	47.6	38.5
Unknown	2	1.7	16.6	834	1.6	15.7	1	0.7	14.6	265	0.4	13.6	0.0
Total	116	100.0	100.0	53,412	100.0	100.0	144	100.0	100.0	60,185	100.0	100.0	100.0
Refinance Loans													
Low	2	5.4	12.9	161	1.8	8.2	0	0.0	10.5	0	0.0	5.3	19.1
Moderate	1	2.7	23.4	85	0.9	18.8	2	4.8	21.5	343	2.6	15.2	19.0
Middle	5	13.5	26.1	798	8.7	23.3	2	4.8	22.5	490	3.8	19.7	23.4
Upper	27	73.0	27.8	7,803	84.9	35.1	37	88.1	29.8	11,897	91.5	35.1	38.5
Unknown	2	5.4	9.8	343	3.7	14.6	1	2.4	15.7	279	2.1	24.8	0.0
Total	37	100.0	100.0	9,190	100.0	100.0	42	100.0	100.0	13,009	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	10.9	0	0.0	5.9	1	3.0	5.6	50	1.1	2.1	19.1
Moderate	1	8.3	22.7	35	2.4	14.8	6	18.2	21.8	472	10.3	11.4	19.0
Middle	4	33.3	25.2	375	25.8	22.8	2	6.1	22.7	232	5.1	13.2	23.4
Upper	6	50.0	35.8	943	64.9	49.6	22	66.7	44.3	3,640	79.2	45.6	38.5
Unknown	1	8.3	5.4	100	6.9	6.9	2	6.1	5.7	200	4.4	27.7	0.0
Total	12	100.0	100.0	1,453	100.0	100.0	33	100.0	100.0	4,594	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	5	3.0	10.4	579	0.9	5.2	3	1.4	7.9	370	0.5	3.8	19.1
Moderate	12	7.3	22.3	2,207	3.4	16.2	22	10.0	22.2	3,992	5.1	15.4	19.0
Middle	27	16.4	24.7	7,339	11.5	22.1	26	11.9	22.9	7,261	9.3	19.8	23.4
Upper	116	70.3	30.8	52,653	82.2	42.0	164	74.9	34.6	65,421	84.1	44.5	38.5
Unknown	5	3.0	11.9	1,277	2.0	14.5	4	1.8	12.5	744	1.0	16.4	0.0
Total	165	100.0	100.0	64,055	100.0	100.0	219	100.0	100.0	77,788	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different revenue sizes. In 2023, Johnson Bank originated 20.3 percent of its small business loans to businesses with gross revenues of \$1 million or less. This is below the aggregate and the percentage of small businesses in the assessment area, at 54.2 percent and 88.0 percent, respectively. Of loans to businesses with revenues of \$1 million or less, 50.0 percent were in amounts of \$100,000 or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank's ability to meet the credit needs of small businesses.

The following table presents the bank’s borrower distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Green Bay, WI MSA 24580													
	Bank And Aggregate Loans By Year										Total Businesses %		
	2023					2024*							
	Bank		Agg			Bank		Agg				Bank	
	#	%	#%	\$(000)	%	%	#	%	\$(000)	%		#	%
By Revenue													
\$1 Million or Less	12	20.3	54.2	1,880	11.6	30.4	11	22.4	2,310	13.1	88.0		
Over \$1 Million	44	74.6		14,179	87.3		33	67.3	14,749	83.8	10.6		
Revenue Unknown	3	5.1		191	1.2		5	10.2	534	3.0	1.4		
Total	59	100.0		16,250	100.0		49	100.0	17,593	100.0	100.0		
By Loan Size													
\$100,000 or Less	20	33.9	85.8	1,571	9.7	22.3	17	34.7	1,156	6.6			
\$100,001 - \$250,000	17	28.8	6.7	3,254	20.0	17.5	7	14.3	1,377	7.8			
\$250,001 - \$1 Million	22	37.3	7.5	11,425	70.3	60.2	25	51.0	15,060	85.6			
Total	59	100.0	100.0	16,250	100.0	100.0	49	100.0	17,593	100.0			
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	6	50.0		530	28.2		6	54.5	418	18.1			
\$100,001 - \$250,000	3	25.0		513	27.3		0	0.0	0	0.0			
\$250,001 - \$1 Million	3	25.0		837	44.5		5	45.5	1,892	81.9			
Total	12	100.0		1,880	100.0		11	100.0	2,310	100.0			
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.													

Community Development Lending

Johnson Bank makes a low level community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the evaluation period, the bank did not originate any community development loans within the assessment area. This represents a decline in performance when compared to the previous evaluation during which time the bank originated two community development loans for approximately \$1.7 million. While the bank’s volume of community development loan activity has declined, a community representative stated that small business lending within the local area has been stifled recently. The representative indicated that the uncertainty surrounding tariffs has resulted in some businesses delaying large projects and/or anticipated expansions. This context, in concert with the bank’s limited presence within the assessment area, has contributed to the lack of overall community development opportunities within the area.

The following table presents the bank's community development loans throughout its assessment area during the review period.

Community Development Loans June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Green Bay, WI MSA	0	0	0	0	0	0	0	0	0	0

Note: Dollar amounts are rounded and not reflective of exact figures.

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community initiatives and demonstrates good responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 13 community development investments totaling approximately \$7.8 million within the assessment area. Of the qualified community development investments, one investment totaling \$2.2 million was made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The majority of qualified investments were made toward affordable housing benefiting, or likely to benefit, low- or moderate-income individuals or geographies. The current period investment was particularly responsive as it helped finance a 61-unit affordable rental complex benefiting low- or moderate-income households. This helps address a primary credit need of the assessment area as community representatives stated that local affordable housing stock has not kept pace with increases in local population. During the previous evaluation, the bank made or maintained 13 community development investments totaling \$5.9 million within the assessment area. When adjusting for variance in review period length, the bank's current performance in community development investments remained consistent by number of investments and increased 26.8 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development investments throughout its assessment area during the review period.

Community Development Investments June 13, 2023, through September 29, 2025											
Assessment Area		Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
		#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Green Bay, WI MSA	Current	1	2,160	0	0	0	0	0	0	1	2,160
	Prior	11	5,353	0	0	1	253	0	0	12	5,606
	Total	12	7,513	0	0	1	253	0	0	13	7,766

Note: Dollar amounts are rounded and not reflective of exact figures.

Additionally, the bank made nine donations totaling \$28,109 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, going towards either community service efforts targeting low- and moderate-income individuals and communities (94.7 percent) or affordable housing benefiting, or likely to benefit, low- or moderate-income individuals (5.3 percent). During the previous evaluation the bank made 16 community development donations totaling approximately \$83,000. When adjusting for variance in review period length, the bank’s current performance in community development donations decreased 45.8 percent by number and 67.4 percent by dollar volume.

SERVICE TEST

Johnson Bank’s delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides an adequate level of community development services in the assessment area.

Retail Services

Johnson Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates two branch offices and ATMs in the assessment area. One branch office and ATM is located within a middle-income census tract, whereas the remaining branch office and ATM is located within an upper-income census tract. Alternative delivery systems include phone, internet banking, and mobile banking. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. The bank has not opened or closed any branch offices; however, the bank converted its two existing ATMs from cash-only to full-service since the

previous evaluation.

Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area generally have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, while one branch has extended hours from 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank’s website.

Community Development Services

Johnson Bank provides an adequate level of community development services. During the review period, the bank provided 246 community development service hours. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations, however all of the community development services had a focus of community services targeting low- or moderate-income individuals and geographies. During the previous evaluation the bank conducted 251 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours decreased by 5.6 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services June 13, 2023, through September 29, 2025					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total
	Hours	Hours	Hours	Hours	Hours
Green Bay, WI MSA	0	246	0	0	246

MADISON, WI MSA #31540 - Full Review

SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate the bank's performance in the Madison, WI MSA assessment area. The review of this assessment area is consistent with the scope discussed in the "Scope of Examination" section of this performance evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MADISON, WI MSA #31540

Johnson Bank's Madison, WI MSA #31540 assessment area remains unchanged from the previous evaluation and consists of Dane County, however, excludes the counties of Columbia, Green, and Iowa from the MSA. Located within the assessment area are four branch offices and two full-service ATMs. Since the previous performance evaluation, the bank opened one branch in a middle-income census tract, as well as relocated one branch and full-service ATM from an upper-income census tract to a moderate-income census tract. Further, since the previous evaluation the bank converted both ATMs from cash-only to full-service; however, the location of the ATMs remains unchanged. One branch and ATM are located within a moderate-income census tract, two branches and one ATM are located within a middle-income census tract, and the remaining branch is located within an unknown-income census tract. In 2024, the assessment area was comprised of 125 census tracts: five low-income, 18 moderate-income, 61 middle-income, 34 upper-income, and seven unknown-income census tracts. The unknown-income census tracts include a portion of the University of Wisconsin, as well as the lakes of Mendota and Monona and the adjacent coastlines.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks fifteenth among 33 FDIC-insured financial institutions operating within the assessment area. The bank held \$602.0 million in deposits representing 2.4 percent of the total deposit market share. In comparison, the three largest financial institutions operating within the assessment area by deposit market share are BMO Bank National Association (12.9 percent), First Business Bank (10.2 percent), and Associated Bank National Association (10.0 percent).

In 2024, Johnson Bank ranked ninth among 342 HMDA-reporters, originating 263 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, University of Wisconsin Credit Union and Summit Credit Union, originated 3,884 and 3,455 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked seventeenth among 89 CRA-reporters, originating 56 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and American Express National Bank, originated 2,849 and 1,940 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Madison, WIMSA 31540 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	5	4.0	1,977	1.6	329	16.6	21,536	17.1
Moderate	18	14.4	16,489	13.1	2,363	14.3	22,484	17.9
Middle	61	48.8	70,257	55.8	2,578	3.7	29,307	23.3
Upper	34	27.2	36,613	29.1	836	2.3	52,499	41.7
Unknown	7	5.6	490	0.4	128	26.1	0	0.0
Total AA	125	100.0	125,826	100.0	6,234	5.0	125,826	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	8,819	1,209	0.9	13.7	6,776	76.8	834	9.5
Moderate	34,355	13,613	10.2	39.6	19,249	56.0	1,493	4.3
Middle	122,946	77,213	57.8	62.8	41,172	33.5	4,561	3.7
Upper	63,178	41,398	31.0	65.5	19,596	31.0	2,184	3.5
Unknown	6,904	262	0.2	3.8	6,112	88.5	530	7.7
Total AA	236,202	133,695	100.0	56.6	92,905	39.3	9,602	4.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	1,407	5.7	1,215	5.4	185	9.1	7	2.7
Moderate	3,048	12.3	2,699	12.0	323	15.9	26	10.0
Middle	12,942	52.2	11,896	52.9	920	45.4	126	48.6
Upper	6,665	26.9	6,048	26.9	531	26.2	86	33.2
Unknown	714	2.9	632	2.8	68	3.4	14	5.4
Total AA	24,776	100.0	22,490	100.0	2,027	100.0	259	100.0
Percentage of Total Businesses:				90.8		8.2		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	4	0.5	4	0.5	0	0.0	0	0.0
Moderate	21	2.5	20	2.5	1	5.0	0	0.0
Middle	614	74.2	603	74.6	11	55.0	0	0.0
Upper	186	22.5	178	22.0	8	40.0	0	0.0
Unknown	3	0.4	3	0.4	0	0.0	0	0.0
Total AA	828	100.0	808	100.0	20	100.0	0	0.0
Percentage of Total Farms:				97.6		2.4		0.0
Source: 2024 FFIEC Census Data 2024 Data & Business Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

The following table presents the population trends for the assessment area, the entire Madison, WI MSA, and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 561,504. The assessment area experienced a notable increase in population of 10.1 percent between 2015 and 2020, which is above the Madison, WI MSA as a whole and the state of Wisconsin’s population growth of 8.5 percent and 2.6 percent, respectively, during the same period. A community representative stated that the regional area has seen a steady positive trend in population, particularly Dane County. The representative stated this is due to a few factors, including: growing student population at the University of Wisconsin-Madison, increased social services, and more job opportunity when compared to more rural parts of the MSA and state as a whole. Further, due to the growing Spanish speaking population, there is a large availability of job positions preferring bilingual individuals which is also contributing to the increased and retained population for that demographic. That said, the community representative indicated that the lack of affordable housing is creating challenges in retaining overall population.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	510,198	561,504	10.1
Madison, WI MSA	627,618	680,796	8.5
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 125,826 families of which 17.1 percent are designated as low-income, 17.9 percent are moderate-income, 23.3 percent are middle-income, and 41.7 percent are upper-income. However, 5.0 percent of families residing within the assessment area live below the poverty line, which is above the Madison, WI MSA and below the state of Wisconsin’s poverty rate at 4.9 and 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$101,806, which is above the MFI for the Madison, WI MSA as a whole and the state of Wisconsin at \$97,334 and \$80,844, respectively. A community representative stated that the unemployment in the area is low which has resulted in a tightening labor market. As a result, the representative elaborated that in order to attract and/or retain employees, businesses have had to increase wages, expand benefits offered, work/life balance, or through other means to incentivize prospective individuals to apply for open positions.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	\$92,453	\$101,806	10.1
Madison, WI MSA	\$88,849	\$97,334	9.5
State of Wisconsin	\$74,365	\$80,844	8.7

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 236,202 housing units. The majority of housing units are owner-occupied at 56.6 percent, whereas rental units account for 39.3 percent of total units. Within the assessment area, 4.1 percent of housing units are vacant, which is lower than the percentage of vacant units within the entire Madison, WI MSA and the state of Wisconsin at 4.9 and 12.2 percent, respectively, of total housing units.

The following table presents recent housing cost burden for individuals within the assessment area, the entire Madison, WI MSA, and the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced by the table below, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. There is a higher proportion of both renters and owners within the assessment area that meet the cost burden criteria, at 41.2 and 17.3 percent, respectively, when compared to the state of Wisconsin.

Community representatives indicated that affordable housing remains one of the area’s largest credit needs and is particularly impacting low- or moderate-income individuals. A representative stated that the rise in construction costs, interest rates, and overall inflation has resulted in a growing proportion of middle-income renters/homeowners competing for affordable housing, which has further limited the existing supply. A representative added that there is a noticeable amount of residential construction activity throughout Dane County in recent years; however, the properties being built are market-rate. That said, the representative said that low- or moderate-income individuals struggle to save for a downpayment due to inflation, the rising rental costs, and other large recurring payments, such as student loan payments.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	79.8	27.3	41.2	70.5	33.8	17.3
Madison, WI MSA	78.0	26.6	39.9	68.9	32.9	17.4
State of Wisconsin	75.0	25.2	38.4	63.9	29.3	16.9

Cost Burden is housing cost that equals 30 percent or more of household income

Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy

Employment Conditions

The following table shows unemployment statistics for the assessment area, the entire Madison, WI MSA, and the state of Wisconsin. After increasing notably during the COVID-19 pandemic, the assessment area’s unemployment rate of 2.3 percent remains lower than the state of Wisconsin’s unemployment rate of 3.0 percent. Community representatives stated that the assessment area has a relatively diverse economy and the infrastructure in place to attract individuals and businesses to the local area. The representatives stated healthcare, biotechnology, and higher education are major industries within the local area and have historically maintained stable job opportunities. Further, a representative stated that, due to the amenities offered in Madison, the county has had growing success in retaining younger professionals who have contributed to the increase in new business startups in the area. Finally, a representative mentioned that many local high schools, community colleges, and universities have partnered with businesses in the area to help address the growing skilled labor need, which has also positively impacted local employment rates.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	5.0	2.9	2.1	2.2	2.3
Madison, WI MSA	5.1	2.9	2.2	2.2	2.4
State of Wisconsin	6.4	3.8	2.8	2.8	3.0

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of healthcare and social assistance, retail trade, and accommodation and food services based on data from the U.S. Bureau of Labor Statistics. Community representatives stated that there have not been many changes to major employers within the area. A representative stated that there has been an increase in microbusiness startups which has contributed to the diversity of the local economy. Additionally, representatives provided that the manufacturing and biotechnology industries have been experiencing growth and that they anticipate that trend continuing into the

near future.

Community Representatives

Information from two community representatives was considered during the evaluation to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. Representatives stated that financial literacy education, particularly those for low- or moderate-income families and/or areas is an evergreen need for the community. Further, offering bilingual financial education and/or resources would help reach a broader base of the local low- or moderate-income populations. Finally, a representative provided that there are additional credit needs as they relate to the construction or rehabilitation of affordable housing, as well as childcare facility funding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MADISON, WI MSA #31540

LENDING TEST

The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, poor penetration among individuals of different income levels and businesses of different sizes. Johnson Bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses. The bank makes an adequate level of community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-Reportable and CRA-Reportable small business loans reflects good penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to low- and moderate-income census tracts. During the review period the bank originated loans in 115 of the 125 census tracts within the assessment area, including 18 of the 23 low- or moderate-income census tracts.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation

to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects adequate dispersion throughout the assessment area. In 2024, Johnson Bank originated 0.4 percent of its total HMDA-reportable loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.7 percent and 0.9 percent, respectively. The bank originated 8.1 percent of its HMDA-reportable loans in moderate-income census tracts, comparable to the aggregate at 9.6 percent but below the percentage of owner-occupied units at 10.2 percent. The bank originated 41.3 percent of its HMDA-reportable loans in middle-income census tracts, which is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts, each at 57.8 percent. Further, the largest portion of the bank's HMDA-reportable loans were originated in upper-income census tracts at 49.4 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 31.6 percent and 31.0 percent, respectively. Finally, the bank originated 0.9 percent of HMDA-reportable loans in unknown-income census tracts, comparable to the aggregate at 0.3 percent.

Due to low volume, multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home purchase Loans

In 2024, Johnson Bank originated 0.6 percent of its home purchase loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.7 percent and 0.9 percent, respectively. The bank originated 8.8 percent of its home purchase loans in moderate-income census tracts, comparable to the aggregate at 9.5 percent and the percentage of owner-occupied units at 10.2 percent. The bank originated 43.1 percent of its home purchase loans in middle-income census tracts, which is below the aggregate at 55.4 percent and the percentage of owner-occupied units located in middle-income census tracts at 57.8 percent. Further, the largest portion of the bank's home purchase loans were originated in upper-income census tracts at 46.9 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 34.1 percent and 31.0 percent, respectively. Finally, the bank originated 0.6 percent of home purchase loans in unknown-income census tracts, comparable to the aggregate at 0.3 percent.

Refinance Loans

In 2024, Johnson Bank originated 0.0 percent of its refinance loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.6 percent and 0.9 percent, respectively. The bank originated 4.0 percent of its refinance loans in moderate-income census tracts, below the aggregate at 8.8 percent and the

percentage of owner-occupied units at 10.2 percent. The bank originated 36.0 percent of its refinance loans in middle-income census tracts, which is below the aggregate at 59.8 percent and the percentage of owner-occupied units located in middle-income census tracts at 57.8 percent. Further, the largest portion of the bank's refinance loans were originated in upper-income census tracts at 60.0 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 30.6 percent and 31.0 percent, respectively. Finally, the bank originated 0.0 percent of refinance loans in unknown-income census tracts, comparable to the aggregate at 0.2 percent.

Home Improvement Loans

In 2024, Johnson Bank originated 0.0 percent of its home improvement loans in low-income census tracts, which is comparable to the aggregate and the percentage of owner-occupied units located in low-income census tracts at 0.8 percent and 0.9 percent, respectively. The bank originated 12.5 percent of its home improvement loans in moderate-income census tracts, comparable to the aggregate at 11.0 percent and above the percentage of owner-occupied units at 10.2 percent. The bank originated 41.7 percent of its home improvement loans in middle-income census tracts, which is below the aggregate at 58.9 percent and the percentage of owner-occupied units located in middle-income census tracts at 57.8 percent. Further, the largest portion of the bank's home improvement loans were originated in upper-income census tracts at 45.8 percent. This is above the aggregate and the percentage of owner-occupied units located in upper-income census tracts at 29.3 percent and 31.0 percent, respectively. Finally, the bank originated 0.0 percent of home improvement loans in unknown-income census tracts, comparable to the aggregate at 0.1 percent.

The bank's 2023 lending performance was generally consistent with 2024 lending performance. The following table presents the bank's geographic distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Madison, WI MSA 31540													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	# %	# %	\$ (000)	\$ %	\$ %	#	# %	# %	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Lo w	0	0.0	0.8	0	0.0	0.6	1	0.6	0.7	123	0.2	0.4	0.9
Mo de rate	12	10.4	10.3	3,052	5.6	8.2	14	8.8	9.5	3,616	5.6	7.6	10.2
Middle	59	51.3	56.3	25,857	47.6	53.1	69	43.1	55.4	24,752	38.0	52.7	57.8
Upper	44	38.3	32.4	25,388	46.8	37.9	75	46.9	34.1	36,396	55.9	38.9	31.0
Unkno wn	0	0.0	0.2	0	0.0	0.2	1	0.6	0.3	255	0.4	0.4	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	115	100.0	100.0	54,297	100.0	100.0	160	100.0	100.0	65,142	100.0	100.0	100.0
Refinance Loans													
Lo w	0	0.0	0.5	0	0.0	0.3	0	0.0	0.6	0	0.0	0.4	0.9
Mo de rate	3	14.3	9.9	621	12.7	7.9	2	4.0	8.8	1,016	5.3	6.7	10.2
Middle	9	42.9	57.6	1,849	37.8	53.8	18	36.0	59.8	5,683	29.8	55.3	57.8
Upper	9	42.9	31.8	2,424	49.5	37.7	30	60.0	30.6	12,357	64.8	37.0	31.0
Unkno wn	0	0.0	0.2	0	0.0	0.2	0	0.0	0.2	0	0.0	0.6	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	21	100.0	100.0	4,894	100.0	100.0	50	100.0	100.0	19,056	100.0	100.0	100.0
Home Improvement Loans													
Lo w	0	0.0	0.5	0	0.0	0.3	0	0.0	0.8	0	0.0	0.5	0.9
Mo de rate	0	0.0	10.2	0	0.0	8.0	3	12.5	11.0	297	6.8	8.6	10.2
Middle	7	46.7	59.9	538	30.2	55.8	10	41.7	58.9	1,917	44.1	55.3	57.8
Upper	8	53.3	29.3	1,246	69.8	35.8	11	45.8	29.3	2,130	49.0	35.5	31.0
Unkno wn	0	0.0	0.1	0	0.0	0.1	0	0.0	0.1	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	15	100.0	100.0	1,784	100.0	100.0	24	100.0	100.0	4,344	100.0	100.0	100.0
Multifamily Loans													
Lo w	0	0.0	8.6	0	0.0	11.1	0	0.0	4.8	0	0.0	11.3	8.6
Mo de rate	0	0.0	13.2	0	0.0	10.3	0	0.0	14.3	0	0.0	8.2	22.0
Middle	1	100.0	51.3	240	100.0	49.6	0	0.0	55.1	0	0.0	50.4	36.5
Upper	0	0.0	19.1	0	0.0	23.4	0	0.0	19.0	0	0.0	27.6	25.2
Unkno wn	0	0.0	7.9	0	0.0	5.6	1	100.0	6.8	1,000	100.0	2.5	7.6
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	1	100.0	100.0	240	100.0	100.0	1	100.0	100.0	1,000	100.0	100.0	100.0
Total Home Mortgage Loans													
Lo w	0	0.0	0.7	0	0.0	2.6	1	0.4	0.7	123	0.1	2.3	0.9
Mo de rate	15	9.9	10.1	3,673	6.0	8.5	19	8.1	9.6	4,929	5.5	7.6	10.2
Middle	76	50.0	57.6	28,484	46.5	52.6	97	41.3	57.8	32,352	36.1	52.9	57.8
Upper	61	40.1	31.4	29,058	47.5	35.0	116	49.4	31.6	50,883	56.8	36.3	31.0
Unkno wn	0	0.0	0.3	0	0.0	1.3	2	0.9	0.3	1,255	1.4	0.8	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
To tal	152	100.0	100.0	61,215	100.0	100.0	235	100.0	100.0	89,542	100.0	100.0	100.0

Source: 2024 FFIEC Census Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business loans reflects excellent penetration throughout the assessment area. In 2023, Johnson Bank originated 7.1 percent of its small business loans in low-income census tracts, above the aggregate at 4.3 percent and comparable to the percentage of total businesses located in low-income census tracts at 5.7 percent. The bank originated 14.3 percent of its small business loans in moderate-income census tracts, comparable to the aggregate at 12.9 percent and above the percentage of total businesses located in moderate-income census tracts at 12.3 percent. Additionally, the bank originated 48.2 percent of its small business loans in middle-income census tracts, comparable to the aggregate but below the percentage of total businesses located in middle-income census tracts at 48.7 percent and 52.2 percent, respectively. Further, the bank originated 21.4 percent of its small business loans in upper-income census tracts, below the aggregate at 31.8 percent and the percentage of total businesses located in upper-income census tracts at 26.9 percent. Finally, the bank originated 8.9 percent of small business loans in unknown-income census tracts, above the aggregate at 2.0 percent.

The following table presents the bank’s geographic distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Madison, WI MSA 31540											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	#%	#%	\$(000)	\$%	\$%	#	#%	\$(000)	\$%	
Low	4	7.1	4.3	1,148	5.0	5.3	5	8.9	1,059	4.9	5.7
Moderate	8	14.3	12.9	2,916	12.7	12.8	5	8.9	2,272	10.5	12.3
Middle	27	48.2	48.7	10,295	45.0	49.9	27	48.2	11,355	52.3	52.2
Upper	12	21.4	31.8	5,565	24.3	29.2	13	23.2	4,162	19.2	26.9
Unknown	5	8.9	2.0	2,970	13.0	2.8	6	10.7	2,882	13.3	2.9
Tract-Unk	0	0.0	0.3	0	0.0	0.1	0	0.0	0	0.0	0.0
Total	56	100.0	100.0	22,894	100.0	100.0	56	100.0	21,730	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Lending to Borrowers of Different Income Levels and to Businesses of Different Sizes

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels and businesses of different sizes. Johnson Bank’s loan distribution reflects poor penetration among individuals of different income levels, including low- and moderate-income borrowers, and businesses of different sizes.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As such, when analyzing CRA-reportable small business lending performance, 2023 lending performance was weighted more heavily as peer data was not available for the 2024 calendar year.

A detailed discussion of HMDA-reportable and CRA-reportable small business lending in relation to borrowers of different income levels and businesses of different sizes is provided below.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2024, the bank originated 2.6 percent of its total HMDA-reportable loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 5.8 percent and 17.1 percent, respectively. The bank originated 14.1 percent of its total HMDA-reportable loans to moderate-income borrowers. This performance is below both the aggregate at 18.7 percent and the percentage of moderate-income families within the assessment area at 17.9 percent. The bank originated 16.2 percent of its total HMDA-reportable loans to middle-income borrowers, below the aggregate at 25.8 percent and to the proportion of middle-income families within the assessment area at 23.3 percent. The bank originated 62.8 percent of its total HMDA-reportable loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 41.9 percent and 41.7 percent, respectively. Finally, the bank originated 4.3 percent of its total HMDA-reportable loans to individuals of unknown-income, below aggregate at 7.8 percent.

Due to low volume, multifamily loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2024, the bank originated 3.1 percent of its home purchase loans to low-income borrowers, which is comparable to the aggregate but below the percentage of low-income families in the assessment area at 4.4 percent and 17.1 percent, respectively. The bank originated 18.8 percent of its home purchase loans to moderate-income borrowers. This performance is comparable to both the aggregate at 18.4 percent and the percentage of moderate-income families within the assessment area at 17.9 percent. The bank originated 15.6 percent of its home purchase loans to middle-income borrowers, below the aggregate at 26.0 percent and to the proportion of middle-income families within the assessment area at 23.3 percent. The bank originated 58.1 percent of its home purchase loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 40.5 percent and 41.7 percent, respectively. Finally, the bank originated 4.4 percent of its home purchase loans to individuals of unknown-income, below aggregate at 10.7 percent.

Refinance Loans

In 2024, the bank originated 2.0 percent of its refinance loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 6.2 percent and 17.1 percent, respectively. The bank originated 6.0 percent of its refinance loans to moderate-income borrowers. This performance is below both the aggregate at 18.2 percent and the percentage of moderate-income families within the assessment area at 17.9 percent. The bank originated 16.0 percent of its refinance loans to middle-income borrowers, below the aggregate at 25.2 percent and to the proportion of middle-income families within the assessment area at 23.3 percent. The bank originated 72.0 percent of its refinance loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 42.3 percent and 41.7 percent, respectively. Finally, the bank originated 4.0 percent of its refinance loans to individuals of unknown-income, below aggregate at 8.1 percent.

Home Improvement Loans

In 2024, the bank did not originate any home improvement loans to low- or moderate-income borrowers, which is below the aggregate which originated 6.5 percent and 17.4 percent to low-income and moderate-income borrowers, respectively. This performance is also below the proportion of low- and moderate-income families within the assessment area at 17.1 and 17.9 percent, respectively. The bank originated 20.8 percent of its home improvement loans to middle-income borrowers, below the aggregate at 26.8 percent and to the proportion of middle-income families within the assessment area at 23.3 percent. The bank originated 75.0 percent of its home improvement loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 46.6 percent and 41.7 percent, respectively. Finally, the bank originated 4.2 percent of its home improvement loans to individuals of unknown-income, comparable to the aggregate at 2.8 percent.

The bank's 2023 lending performance was generally consistent with 2024 lending performance. The following table presents the bank's borrower distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Madison, WI MSA 31540													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$ (000)	\$ %	\$ %	#	%	%	\$ (000)	\$ %	\$ %	
Home Purchase Loans													
Low	5	4.3	5.3	732	1.3	2.5	5	3.1	4.4	654	1.0	2.0	17.1
Moderate	15	13.0	18.2	4,120	7.6	12.6	30	18.8	18.4	7,089	10.9	12.9	17.9
Middle	29	25.2	25.7	9,244	17.0	22.7	25	15.6	26.0	8,635	13.3	23.0	23.3
Upper	63	54.8	39.4	39,368	72.5	50.3	93	58.1	40.5	46,634	71.6	50.9	41.7
Unknown	3	2.6	11.4	833	1.5	11.9	7	4.4	10.7	2,130	3.3	11.2	0.0
Total	115	100.0	100.0	54,297	100.0	100.0	160	100.0	100.0	65,142	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	8.2	0	0.0	5.3	1	2.0	6.2	80	0.4	3.4	17.1
Moderate	4	19.0	19.8	633	12.9	15.1	3	6.0	18.2	538	2.8	13.3	17.9
Middle	3	14.3	26.5	466	9.5	23.7	8	16.0	25.2	2,190	11.5	19.8	23.3
Upper	11	52.4	41.1	3,164	64.7	49.4	36	72.0	42.3	15,308	80.3	50.3	41.7
Unknown	3	14.3	4.4	631	12.9	6.5	2	4.0	8.1	940	4.9	13.2	0.0
Total	21	100.0	100.0	4,894	100.0	100.0	50	100.0	100.0	19,056	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	6.9	0	0.0	4.5	0	0.0	6.5	0	0.0	4.6	17.1
Moderate	2	13.3	17.7	141	7.9	13.6	0	0.0	17.4	0	0.0	12.2	17.9
Middle	3	20.0	26.8	301	16.9	23.3	5	20.8	26.8	700	16.1	23.0	23.3
Upper	8	53.3	46.7	834	46.7	55.8	18	75.0	46.6	3,464	79.7	56.2	41.7
Unknown	2	13.3	1.8	508	28.5	2.7	1	4.2	2.8	180	4.1	4.0	0.0
Total	15	100.0	100.0	1,784	100.0	100.0	24	100.0	100.0	4,344	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	5	3.3	6.6	732	1.2	3.2	6	2.6	5.8	734	0.8	2.6	17.1
Moderate	21	13.9	19.0	4,894	8.0	13.3	33	14.1	18.7	7,627	8.6	13.0	17.9
Middle	35	23.2	26.6	10,011	16.4	23.0	38	16.2	25.8	11,525	13.0	22.2	23.3
Upper	82	54.3	41.2	43,366	71.1	50.7	147	62.8	41.9	65,406	73.9	51.2	41.7
Unknown	8	5.3	6.5	1,972	3.2	9.7	10	4.3	7.8	3,250	3.7	10.9	0.0
Total	151	100.0	100.0	60,975	100.0	100.0	234	100.0	100.0	88,542	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business Loans

The distribution of small business loans reflects poor penetration among businesses of different revenue sizes. In 2023, Johnson Bank originated 16.1 percent of its small business loans to businesses with gross revenues of \$1 million or less. This is below the aggregate and the percentage of small businesses in the assessment area, at 57.2 percent and 90.8 percent, respectively. Of loans to businesses with revenues of \$1 million or less, 22.2 percent were in amounts of \$100,000 or less. Loans in amounts of \$100,000 or less are generally considered most beneficial for small businesses, demonstrating the bank's ability to meet the credit needs of small businesses.

The following table presents the bank’s borrower distribution of small business loans in 2023 and 2024. Performance in 2023 was weighted more heavily as aggregate CRA-reportable lending data was not available for 2024.

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Madison, WI MSA 31540													
	Bank And Aggregate Loans By Year										Total Businesses %		
	2023					2024*							
	Bank		Agg			Bank		Agg				Bank	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	\$(000)	\$%		#	#%
By Revenue													
\$1 Million or Less	9	16.1	57.2	2,615	11.4	30.7	9	16.1	3,085	14.2	90.8		
Over \$1 Million	46	82.1		19,779	86.4		46	82.1	18,145	83.5	8.2		
Revenue Unknown	1	1.8		500	2.2		1	1.8	500	2.3	1.0		
Total	56	100.0		22,894	100.0		56	100.0	21,730	100.0	100.0		
By Loan Size													
\$100,000 or Less	10	17.9	92.0	738	3.2	30.4	14	25.0	993	4.6			
\$100,001 - \$250,000	12	21.4	3.5	2,254	9.8	14.1	10	17.9	2,005	9.2			
\$250,001 - \$1 Million	34	60.7	4.4	19,902	86.9	55.5	32	57.1	18,732	86.2			
Total	56	100.0	100.0	22,894	100.0	100.0	56	100.0	21,730	100.0			
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	2	22.2		171	6.5		4	44.4	300	9.7			
\$100,001 - \$250,000	3	33.3		386	14.8		0	0.0	0	0.0			
\$250,001 - \$1 Million	4	44.4		2,058	78.7		5	55.6	2,785	90.3			
Total	9	100.0		2,615	100.0		9	100.0	3,085	100.0			
<i>Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>													
<i>Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.</i>													

Community Development Lending

Johnson Bank makes an adequate level of community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the evaluation period, the bank originated 15 qualified community development loans totaling approximately \$48.5 million. The qualified loans addressed a range of credit needs including affordable housing for low- or moderate-income individuals and community services targeted at low- or moderate-income individuals or geographies. The loans qualified for affordable housing were particularly responsive as community representatives stated the lack of affordable housing as one of the primary challenges experienced within the assessment area. That said, this represents a decrease in number and dollar volume when compared to the previous examination, during which time the bank originated 22 qualified community development loans for approximately \$41.1 million. When adjusting for variance in review period length, the bank’s current performance in

community development lending decreased 34.3 percent by number and increased 13.6 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development loans throughout its assessment area during the review period.

Community Development Loans June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Madison, WI MSA	6	38,861	9	9,600	0	0	0	0	15	48,461
<i>Note: Dollar amounts are rounded and not reflective of exact figures.</i>										

INVESTMENT TEST

Johnson Bank made a significant level of qualified community development investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. Also, the bank makes significant use of innovative and/or complex investments to support community initiatives and demonstrates good responsiveness to credit and community development needs.

During the evaluation period, the bank made or maintained 12 community development investments totaling approximately \$11.2 million within the assessment area. Of the qualified community development investments, three investments totaling \$6.3 million were made within the current review period whereas the remaining investments were made prior to the current evaluation period yet still maintained by the bank. The majority of qualified investments were made toward affordable housing benefiting, or likely to benefit, low- or moderate-income individuals, as well as local economic development and revitalization/stabilization efforts supporting small businesses. One current period investment was particularly innovative and responsive as it provided gap funding for an intermediary that develops affordable workforce housing primarily benefiting low- or moderate-income individuals. During the previous evaluation, the bank made or maintained 10 community development investments totaling \$6.9 million within the assessment area. When adjusting for variance in review period length, the bank's current performance in community development investments increased 15.6 percent by number and 56.8 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development investments throughout its assessment area during the review period.

Community Development Investments June 13, 2023, through September 29, 2025											
Assessment Area		Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
		#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Madison, WI MSA	Current	3	6,318	0	0	0	0	0	0	3	6,318
	Prior	7	3,687	0	0	1	1,060	1	107	9	4,854
	Total	10	10,005	0	0	1	1,060	1	107	12	11,172

Note: Dollar amounts are rounded and not reflective of exact figures.

Additionally, the bank made 15 donations totaling \$100,690 to organizations within the assessment area during the evaluation period. Donations were made to a variety of organizations with the majority of donations, by dollar volume, going towards community service efforts targeting low- and moderate-income individuals and communities (99.0 percent) as well as affordable housing benefiting, or likely to benefit, low- or moderate-income individuals (1.0 percent). During the previous evaluation the bank made 20 community development donations totaling approximately \$199,000. When adjusting for variance in review period length, the bank’s current performance in community development donations decreased by 27.8 percent by number and 51.4 percent by dollar volume.

SERVICE TEST

Johnson Bank’s delivery systems are accessible to the bank’s geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides an adequate level of community development services in the assessment area.

Retail Services

Johnson Bank’s retail delivery services are accessible to geographies and individuals of different income levels in its assessment area. The bank operates four branch offices and two ATMs in the assessment area. One branch office and ATM is located within a moderate-income census tract, whereas the remaining branch offices and ATMs are located within middle-, upper-, or unknown-income census tracts. Alternative delivery systems include phone, internet banking, and mobile banking. To the extent changes have been made, its record of opening and closing branches has improved the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. The bank has opened one branch office, without an ATM, within a middle-income census tract since the previous evaluation. In addition, the bank relocated a branch and full-service ATM from an upper-income census tract to a

moderate-income census tract. Further, the bank did convert its two existing ATMs from cash-only to full-service since the previous evaluation.

Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. Offices in the assessment area generally have standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, while one branch also has drive-thru hours during the same timeframe. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank’s website.

Community Development Services

Johnson Bank provides an adequate level of community development services. During the review period, the bank provided 524.5 community development service hours. As illustrated in the following table, community development services were accomplished in partnership with a variety of organizations with the services focusing on community services targeting low- or moderate-income individuals and geographies, as well as affordable housing benefiting, or likely to benefit, low- or moderate-income individuals. During the previous evaluation the bank provided 152 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours increased by 232.3 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services June 13, 2023, through September 29, 2025					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total
	Hours	Hours	Hours	Hours	Hours
Madison, WI MSA	351.5	173	0	0	524.5

SHEBOYGAN, WI MSA #43100 - Full Review

SCOPE OF THE EXAMINATION

Full-scope examination procedures were used to evaluate the bank's performance in the Sheboygan, WI MSA assessment area. The review of this assessment area deviated from the scope discussed in the "Scope of Examination" section of this performance evaluation. More specifically, an analysis of the geographic distribution and borrower penetration of CRA-reportable small business loans was not conducted due to a low volume of lending.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SHEBOYGAN, WI MSA #43100

Johnson Bank's Sheboygan, WI MSA assessment area remains unchanged from the previous evaluation and consists of Sheboygan County which comprises the entirety of the MSA. Located within the assessment area is one branch office with a full-service ATM. Since the previous evaluation the bank has not opened or closed any branches or ATMs; however, the bank converted its existing ATM from cash-only to full-service. The sole branch and ATM is located within an upper-income census tract. In 2024, the assessment area was comprised of 29 census tracts: two moderate-income, 21 middle-income, five upper-income, and one unknown-income census tract. The unknown-income census tract includes portions of Lake Michigan. The assessment area does not include any low-income census tracts.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks twelfth among 13 FDIC-insured financial institutions operating within the assessment area. The bank held \$62.1 million in deposits representing 2.1 percent of the total deposit market share. In comparison, the first ranked institution, Bank First National Association, held \$676.2 million in deposits representing 23.2 percent of the deposit market share. The second ranked institution, Oostburg State Bank, held \$343.8 million in deposits representing 11.8 percent of the deposit market share.

In 2024, Johnson Bank ranked fifteenth among 215 HMDA-reporters, originating 51 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Kohler Credit Union and Bank First National Association, originated 299 and 256 HMDA-reportable loans, respectively. Additionally, in 2023, the bank was tied with 10 other institutions for 49th among 49 CRA-reporters, originating one CRA-reportable loan in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and U.S. Bank National Association, originated or purchased 304 and 256 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Sheboygan, WI MSA 43100 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,696	15.6
Moderate	2	6.9	1,837	6.1	182	9.9	6,211	20.6
Middle	21	72.4	21,927	72.8	854	3.9	7,447	24.7
Upper	5	17.2	6,370	21.1	96	1.5	11,780	39.1
Unknown	1	3.4	0	0.0	0	0.0	0	0.0
Total AA	29	100.0	30,134	100.0	1,132	3.8	30,134	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	4,055	1,322	3.9	32.6	2,200	54.3	533	13.1
Middle	37,979	24,807	73.9	65.3	10,719	28.2	2,453	6.5
Upper	9,215	7,427	22.1	80.6	1,279	13.9	509	5.5
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	51,249	33,556	100.0	65.5	14,198	27.7	3,495	6.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	274	7.4	245	7.6	28	6.8	1	1.6
Middle	2,739	73.7	2,396	73.9	298	72.7	45	70.3
Upper	705	19.0	603	18.6	84	20.5	18	28.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,718	100.0	3,244	100.0	410	100.0	64	100.0
Percentage of Total Businesses:				87.3		11.0		1.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	135	78.5	125	77.6	9	90.0	1	100.0
Upper	37	21.5	36	22.4	1	10.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	172	100.0	161	100.0	10	100.0	1	100.0
Percentage of Total Farms:				93.6		5.8		0.6
Source: 2024 FFIEC Census Data 2024 Data & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

Population Characteristics

The following table presents the population trends for the assessment area and the state of Wisconsin from 2015 to 2020. According to the 2020 U.S. Census Bureau demographic data, the assessment area’s population is 118,034. The assessment area experienced a slight increase in population of 2.4 percent between 2015 and 2020, which is comparable to the increase in population throughout the state of Wisconsin during the same time period at 2.6 percent. A community representative from the region stated that the current housing inventory in the area is limited and that real estate development has been slow compared to other surrounding counties. The representative added that the housing challenges are stifling local population growth. That said, another community representative stated that the surrounding counties are growing faster than Sheboygan County due to their proximity to larger metropolitan areas such as Milwaukee, Appleton, and Green Bay. The community representative stated the population trend is expected to continue for Sheboygan and the surrounding areas.

Population Change			
Area	2015 Population	2020 Population	Percentage Change (%)
Assessment Area	115,226	118,034	2.4
State of Wisconsin	5,742,117	5,893,718	2.6
<i>Source: 2011-2015 – U.S. Census Bureau: American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

According to the U.S. Census Bureau, the assessment area is comprised of 30,134 families, of which 15.6 percent are designated as low-income, 20.6 percent are moderate-income, 24.7 percent are middle-income, and 39.1 percent are upper-income. However, 3.8 percent of families residing within the assessment area live below the poverty line, which is below the state of Wisconsin’s poverty rate at 6.8 percent. According to the 2016-2020 ACS, the median family income for the assessment area is \$76,845, which is below the MFI for the state of Wisconsin at \$80,844. From 2015 to 2020, the state of Wisconsin experienced a higher percentage increase in median family income when compared to the assessment area during the same time period at 8.7 percent and 5.6 percent, respectively. A community representative stated that the low cost of living has resulted in an overall lower MFI than the statewide average MFI. That said, the community representative added that since the COVID-19 pandemic, the assessment area’s MFI has been increasing at a greater rate than what it has experienced historically as more businesses are opening in the local area, particularly manufacturing businesses.

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	\$72,765	\$76,845	5.6
State of Wisconsin	\$74,365	\$80,844	8.7

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

The bank’s assessment area includes 51,249 housing units. The majority of housing units are owner-occupied at 65.5 percent, whereas rental units account for 27.7 percent of total units. Within the assessment area, 6.8 percent of housing units are vacant, which is lower than the percentage of vacant units within the state of Wisconsin at 12.2 percent of total housing units.

The following table represents recent housing cost burden for individuals within the assessment area and the state of Wisconsin. The cost burden is a measure of affordability via a comparative analysis of individuals of different income levels that spend 30.0 percent or more of their income on housing costs. As evidenced by the following table, low-income individuals are impacted at a higher rate than moderate-income individuals as both renters and owners. There is a lower proportion of both renters and owners within the assessment area that meet the cost burden criteria, at 30.5 and 15.1 percent, respectively, when compared to the state of Wisconsin.

A community representative expressed that the lack of affordable housing has been challenging in recent years, particularly following the COVID-19 pandemic. Following the pandemic, a representative stated that there has been an influx of individuals and businesses interested in moving into the area, but the limited inventory of housing has resulted in rapidly increasing home prices. Further, the representative added that the impact of increasing home prices has caused an elevated demand for undeveloped land for new construction. As a result, the representative stated local farmers are now wanting to sell their land as the price for land has been increasing in recent years. The population growth will continue to lag behind statewide trends until the construction of more affordable housing can satisfy sustained population growth. Finally, a community representative provided that the retired demographic, who own their homes, are reluctant to sell, further limiting the local supply of housing.

Housing Cost Burden						
Area	Cost Burden (%) - Renters			Cost Burden (%) - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	68.5	21.1	30.5	60.5	27.0	15.1
State of Wisconsin	75.0	25.2	38.4	63.9	29.3	16.9
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy</i>						

Employment Conditions

The following table shows unemployment statistics for the assessment area and the state of Wisconsin. After increasing notably during the COVID-19 pandemic, the assessment area’s unemployment rate of 2.5 percent remains below the state of Wisconsin’s unemployment rate of 3.0 percent. A community representative stated that the area tends to attract more workers due to the large presence of local manufacturing and dairy processing facilities. They added that, due to the limited supply of affordable housing, employers have been actively involved in helping address this issue by working with local affordable housing organizations. Further, local businesses have been attracting and retaining their employees by offering better pay, benefits, and work schedule flexibility to compete with the rest of the state.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	5.8	3.1	2.4	2.3	2.5
State of Wisconsin	6.4	3.8	2.8	2.8	3.0
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>					

Industry Characteristics

The assessment area contains a diverse employment base and is most heavily impacted by the industries of manufacturing, healthcare and social assistance, and retail trade based on data from the U.S. Bureau of Labor Statistics. Community representatives stated that there have not been many changes to major employers within the area. Community representatives stated that the area is well known for manufacturing and dairy processing. They added that MillporeSigma recently constructed a new facility that became operational in 2024 and has added 60 manufacturing jobs, with more in the pipeline in coming years. A representative stated that local employment should continue to remain strong and that they anticipate more jobs will be added to the area as more homes are constructed.

Community Representatives

Information from two community representatives was considered during the evaluation to provide information regarding local economic and demographic conditions. The representatives

provided information on housing, employment, and economic development needs within the assessment area. The representatives stated that there are challenges within their respective areas in which local financial institutions can assist. The representatives both stated that the biggest challenge they are seeing in the community is the limited supply of affordable housing and the availability of undeveloped land for sale. One community representative stated that more banks are starting to work with low- or moderate-income borrowers and geographies; however, there are few downpayment assistance programs available than what was available pre-pandemic.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SHEBOYGAN, WI MSA #43100

LENDING TEST

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines offered, good penetration among individuals of different income levels. Johnson Bank exhibits a good record of serving the credit needs of low-income individuals and areas. The bank makes an adequate level of community development loans, and the bank makes use of innovative and flexible lending practices in serving assessment area credit needs.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans was conducted to determine the dispersion of loans among the census tract designations within the assessment area, particularly in low- and moderate-income census tracts. Overall, Johnson Bank's geographic distribution of HMDA-reportable loans reflects adequate penetration throughout the assessment area. There were no conspicuous lending gaps in the bank's lending distribution across the assessment area, including to moderate-income census tracts. During the review period the bank originated loans in 25 of the 29 census tracts within the assessment area, including one of the two low- or moderate-income census tracts.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As mentioned in the "Scope of the Examination" section for this assessment area, CRA-reportable small business lending was not analyzed due to a low volume of lending.

A detailed discussion of HMDA-reportable lending in relation to census demographics is provided below.

HMDA-Reportable Loans

The geographic distribution of HMDA-reportable loans reflects adequate dispersion throughout the assessment area. In 2024, Johnson Bank originated 0.0 percent of its total HMDA-reportable

loans in low-income census tracts, which is comparable to the aggregate at 0.0 percent as there are no low-income census tracts within the assessment area. The bank originated 2.1 percent of its HMDA-reportable loans in moderate-income census tracts, below the aggregate at 6.0 percent and the percentage of owner-occupied units at 3.9 percent. Further, the largest portion of the bank's HMDA-reportable loans were originated in middle-income census tracts at 59.6 percent. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 73.6 percent and 73.9 percent, respectively. Finally, the bank originated 38.3 percent of its HMDA-reportable loans in upper-income census tracts, which is above the aggregate at 20.4 percent and the percentage of owner-occupied units located in upper-income census tracts at 22.1 percent.

The bank's geographic penetration of the two moderate-income census tracts within the assessment area is adequate when viewed in the context of the bank's limited presence within the market, the general level of competition, and the distance between the sole branch operating within the assessment area and the two moderate-income census tracts. Taken together, these factors help explain and support the current level of activity within these tracts.

Due to low volume, multi-family loans were not considered within the analysis of HMDA-reportable lending.

Home purchase Loans

In 2024, Johnson Bank originated 0.0 percent of its home purchase loans in low-income census tracts, which is comparable to the aggregate at 0.0 percent as there are no low-income census tracts within the assessment area. The bank originated 0.0 percent of its home purchase loans in moderate-income census tracts, below the aggregate at 7.0 percent and the percentage of owner-occupied units at 3.9 percent. Further, the largest portion of the bank's home purchase loans were originated in middle-income census tracts at 56.3 percent. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 74.1 percent and 73.9 percent, respectively. Finally, the bank originated 43.8 percent of its home purchase loans in upper-income census tracts, which is above the aggregate at 19.0 percent and the percentage of owner-occupied units located in upper-income census tracts at 22.1 percent.

Refinance Loans

In 2024, Johnson Bank originated 0.0 percent of its refinance loans in low-income census tracts, which is comparable to the aggregate at 0.0 percent as there are no low-income census tracts within the assessment area. The bank originated 7.1 percent of its refinance loans in moderate-income census tracts, above the aggregate at 4.7 percent and the percentage of owner-occupied units at 3.9 percent. Further, the largest portion of the bank's refinance loans were originated in middle-income census tracts at 50.0 percent. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 73.2 percent and 73.9 percent, respectively. Finally, the bank originated 42.9 percent of its refinance loans in upper-income census

tracts, which is above the aggregate at 22.0 percent and the percentage of owner-occupied units located in upper-income census tracts at 22.1 percent.

Home Improvement Loans

In 2024, Johnson Bank originated 0.0 percent of its home improvement loans in low-income census tracts, which is comparable to the aggregate at 0.0 percent as there are no low-income census tracts within the assessment area. The bank originated 0.0 percent of its home improvement loans in moderate-income census tracts, below the aggregate at 4.7 percent and the percentage of owner-occupied units at 3.9 percent. The largest portion of the bank's home improvement loans were originated in middle-income census tracts at 68.8 percent. This is below the aggregate and the percentage of owner-occupied units located in middle-income census tracts at 72.5 percent and 73.9 percent, respectively. Further, the bank originated 31.3 percent of its home improvement loans in upper-income census tracts, which is above the aggregate at 22.8 percent and the percentage of owner-occupied units located in upper-income census tracts at 22.1 percent.

The bank's 2023 lending performance was generally consistent with 2024 lending performance. The following table presents the bank's geographic distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Sheboygan, WI MSA 43100													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.5	0	0.0	4.0	0	0.0	7.0	0	0.0	4.4	3.9
Middle	10	62.5	73.3	3,616	64.6	69.7	9	56.3	74.1	2,320	42.7	72.2	73.9
Upper	6	37.5	20.2	1,983	35.4	26.4	7	43.8	19.0	3,119	57.3	23.4	22.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	16	100.0	100.0	5,599	100.0	100.0	16	100.0	100.0	5,439	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.4	0	0.0	4.2	1	7.1	4.7	120	3.7	3.4	3.9
Middle	2	33.3	73.6	318	34.6	71.3	7	50.0	73.2	2,058	62.9	71.3	73.9
Upper	4	66.7	20.1	601	65.4	24.5	6	42.9	22.0	1,093	33.4	25.3	22.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	6	100.0	100.0	919	100.0	100.0	14	100.0	100.0	3,271	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	2.9	0	0.0	2.4	0	0.0	4.7	0	0.0	3.5	3.9
Middle	10	66.7	71.2	1,022	60.5	71.5	11	68.8	72.5	1,195	67.1	68.3	73.9
Upper	5	33.3	25.9	667	39.5	26.1	5	31.3	22.8	586	32.9	28.2	22.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	15	100.0	100.0	1,689	100.0	100.0	16	100.0	100.0	1,781	100.0	100.0	100.0
Multifamily Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Moderate	0	0.0	34.3	0	0.0	8.5	0	0.0	11.9	0	0.0	1.9	7.2
Middle	0	0.0	58.8	0	0.0	67.7	1	100.0	83.3	1,300	100.0	97.1	83.7
Upper	0	0.0	6.9	0	0.0	23.8	0	0.0	4.8	0	0.0	1.0	9.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	1	100.0	100.0	1,300	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.8	0	0.0	4.4	1	2.1	6.0	120	1.0	3.9	3.9
Middle	22	59.5	72.3	4,956	60.4	69.7	28	59.6	73.6	6,873	58.3	74.2	73.9
Upper	15	40.5	20.9	3,251	39.6	25.9	18	38.3	20.4	4,798	40.7	21.9	22.1
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	37	100.0	100.0	8,207	100.0	100.0	47	100.0	100.0	11,791	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels

An analysis of loans was conducted to determine the level of lending to borrowers of different income levels. Johnson Bank's loan distribution reflects good penetration among individuals of different income levels, including low- and moderate-income borrowers.

When determining performance, the comparison to aggregate lender figures was weighted more heavily than the assessment area demographics as it is a better measure of loan demand. As mentioned in the "Scope of the Examination" section for this assessment area, CRA-reportable small business lending was not analyzed due to a low volume of lending.

A detailed discussion of HMDA-reportable lending in relation to borrowers of different income levels is provided below.

HMDA-Reportable Loans

The distribution of HMDA-reportable loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income borrowers. In 2024, the bank originated 6.5 percent of its total HMDA-reportable loans to low-income borrowers, which is comparable to the aggregate but below the percentage of low-income families in the assessment area at 5.1 percent and 15.6 percent, respectively. The bank originated 19.6 percent of its total HMDA-reportable loans to moderate-income borrowers. This performance is comparable to both the aggregate at 20.9 percent and the percentage of moderate-income families within the assessment area at 20.6 percent. The bank originated 23.9 percent of its total HMDA-reportable loans to middle-income borrowers, comparable to the aggregate at 23.8 percent and to the proportion of middle-income families within the assessment area at 24.7 percent. The bank originated 47.8 percent of its total HMDA-reportable loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 36.5 percent and 39.1 percent, respectively. Finally, the bank originated 2.2 percent of its total HMDA-reportable loans to individuals of unknown-income, below aggregate at 13.7 percent.

Due to low volume, multifamily loans were not considered within the analysis of HMDA-reportable lending.

Home Purchase Loans

In 2024, the bank originated 0.0 percent of its home purchase loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 3.1 percent and 15.6 percent, respectively. The bank originated 31.3 percent of its home purchase loans to moderate-income borrowers. This performance is above both the aggregate at 19.4 percent and the percentage of moderate-income families within the assessment area at 20.6 percent. The bank originated 18.8 percent of its home purchase loans to middle-income borrowers, below the aggregate at 25.0 percent and to the proportion of middle-income families within the assessment

area at 24.7 percent. The bank originated 50.0 percent of its home purchase loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 36.0 percent and 39.1 percent, respectively. Finally, the bank originated 0.0 percent of its home purchase loans to individuals of unknown-income, below aggregate at 16.5 percent.

Refinance Loans

In 2024, the bank originated 0.0 percent of its refinance loans to low-income borrowers, which is below the aggregate and the percentage of low-income families in the assessment area at 7.1 percent and 15.6 percent, respectively. The bank originated 7.1 percent of its refinance loans to moderate-income borrowers. This performance is below both the aggregate at 23.2 percent and the percentage of moderate-income families within the assessment area at 20.6 percent. The bank originated 35.7 percent of its refinance loans to middle-income borrowers, above the aggregate at 21.5 percent and to the proportion of middle-income families within the assessment area at 24.7 percent. The bank originated 50.0 percent of its refinance loans to upper-income borrowers, which is above the aggregate and the percentage of upper-income families in the assessment area at 30.3 percent and 39.1 percent, respectively. Finally, the bank originated 7.1 percent of its refinance loans to individuals of unknown-income, below aggregate at 17.8 percent.

Home Improvement Loans

In 2024, the bank originated 18.8 percent of its home improvement loans to low-income borrowers, which is above the aggregate and the percentage of low-income families in the assessment area at 7.0 percent and 15.6 percent, respectively. The bank originated 18.8 percent of its home improvement loans to moderate-income borrowers. This performance is comparable to the aggregate at 17.6 percent but below the percentage of moderate-income families within the assessment area at 20.6 percent. The bank originated 18.8 percent of its home improvement loans to middle-income borrowers, below the aggregate at 25.1 percent and to the proportion of middle-income families within the assessment area at 24.7 percent. The bank originated 43.8 percent of its home improvement loans to upper-income borrowers, which is below the aggregate and above the percentage of upper-income families in the assessment area at 46.7 percent and 39.1 percent, respectively. Finally, the bank originated 0.0 percent of its home improvement loans to individuals of unknown-income, below aggregate at 3.5 percent.

The bank's 2023 lending performance was below 2024 lending performance. The following table presents the bank's borrower distribution of HMDA-reportable loans in 2023 and 2024.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Sheboygan, WI MSA 43100													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	6.3	10.5	85	1.5	5.8	0	0.0	3.1	0	0.0	1.6	15.6
Moderate	1	6.3	24.3	194	3.5	18.3	5	31.3	19.4	1,026	18.9	13.8	20.6
Middle	0	0.0	21.9	0	0.0	22.2	3	18.8	25.0	653	12.0	22.3	24.7
Upper	14	87.5	29.5	5,320	95.0	40.6	8	50.0	36.0	3,760	69.1	46.6	39.1
Unknown	0	0.0	13.7	0	0.0	13.0	0	0.0	16.5	0	0.0	15.7	0.0
Total	16	100.0	100.0	5,599	100.0	100.0	16	100.0	100.0	5,439	100.0	100.0	100.0
Refinance Loans													
Low	1	16.7	14.7	151	16.4	9.3	0	0.0	7.1	0	0.0	4.5	15.6
Moderate	1	16.7	26.1	109	11.9	21.9	1	7.1	23.2	180	5.5	17.5	20.6
Middle	3	50.0	24.7	369	40.2	26.0	5	35.7	21.5	648	19.8	18.1	24.7
Upper	1	16.7	24.3	290	31.6	32.3	7	50.0	30.3	2,323	71.0	37.7	39.1
Unknown	0	0.0	10.2	0	0.0	10.5	1	7.1	17.8	120	3.7	22.1	0.0
Total	6	100.0	100.0	919	100.0	100.0	14	100.0	100.0	3,271	100.0	100.0	100.0
Home Improvement Loans													
Low	1	6.7	9.3	50	3.0	6.3	3	18.8	7.0	250	14.0	4.7	15.6
Moderate	3	20.0	22.8	370	21.9	17.0	3	18.8	17.6	400	22.5	12.5	20.6
Middle	4	26.7	29.4	415	24.6	27.6	3	18.8	25.1	280	15.7	22.6	24.7
Upper	7	46.7	36.0	854	50.6	45.0	7	43.8	46.7	851	47.8	52.2	39.1
Unknown	0	0.0	2.6	0	0.0	4.2	0	0.0	3.5	0	0.0	7.9	0.0
Total	15	100.0	100.0	1,689	100.0	100.0	16	100.0	100.0	1,781	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	3	8.1	11.2	286	3.5	6.5	3	6.5	5.1	250	2.4	2.6	15.6
Moderate	5	13.5	24.3	673	8.2	18.6	9	19.6	20.9	1,606	15.3	14.8	20.6
Middle	7	18.9	24.5	784	9.6	23.3	11	23.9	23.8	1,581	15.1	21.1	24.7
Upper	22	59.5	30.1	6,464	78.8	40.1	22	47.8	36.5	6,934	66.1	44.9	39.1
Unknown	0	0.0	9.9	0	0.0	11.6	1	2.2	13.7	120	1.1	16.6	0.0
Total	37	100.0	100.0	8,207	100.0	100.0	46	100.0	100.0	10,491	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Community Development Lending

Johnson Bank makes an adequate level community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. During the evaluation period, the bank originated three qualified community development loans totaling approximately \$2.4 million. The qualified loans had a primary focus on providing affordable housing for low- or moderate-income individuals helping address a need identified by community representatives. That said, this represents a relatively comparable performance in number and dollar volume when compared to the previous evaluation, during which time the bank originated

three qualified community development loans for approximately \$2.4 million as well.

The following table presents the bank's community development loans throughout its assessment area during the review period.

Community Development Loans June 13, 2023, through September 29, 2025										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Sheboygan, WI MSA	3	2,430	0	0	0	0	0	0	3	2,430

Note: Dollar amounts are rounded and not reflective of exact figures.

INVESTMENT TEST

Johnson Bank made an adequate level of qualified community development investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position. Also, the bank makes occasional use of innovative and/or complex investments to support community initiatives and demonstrates adequate responsiveness to credit and community development needs.

During the evaluation period, the bank maintained four community development investments totaling approximately \$853,276 within the assessment area. Of the qualified community development investments, zero loans were made within the review period. Rather, all four investments were made prior to the current evaluation period yet still maintained by the bank. The majority of qualified investments were made toward affordable housing benefiting, or likely to benefit, low- or moderate-income individuals, as well as local community services benefiting primarily low- or moderate-income individuals. During the previous evaluation, the bank made or maintained four community development investments totaling \$1.0 million within the assessment area. When adjusting for variance in review period length, the bank's current performance in community development investments remained consistent with respect to the number of investments but declined 17.9 percent by dollar volume when compared to the previous evaluation.

The following table presents the bank's community development investments throughout its assessment area during the review period.

Community Development Investments June 13, 2023, through September 29, 2025											
Assessment Area		Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total	
		#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Sheboygan, WI MSA	Current	0	0	0	0	0	0	0	0	0	0
	Prior	3	353	1	500	0	0	0	0	4	853
	Total	3	353	1	500	0	0	0	0	4	853
<i>Note: Dollar amounts are rounded and not reflective of exact figures.</i>											

Additionally, the bank made three donations totaling approximately \$1,679 to organizations within the assessment area during the evaluation period. Donations were made to organizations focused on providing community service efforts targeting low- or moderate-income individuals and communities. During the previous evaluation the bank made three community development donations totaling approximately \$7,000. When adjusting for variance in review period length, the bank's current performance in community development donations remained consistent with respect to the number of donations but decreased notably by 76.9 percent in dollar volume.

SERVICE TEST

Johnson Bank's delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in its assessment area. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. Its services do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or moderate-income individuals. The bank provides a relatively high level of community development services in the assessment area.

Retail Services

Johnson Bank's retail delivery services are reasonably accessible to geographies and individuals of different income levels in its assessment area. The bank operates one branch office and ATM in the assessment area. The branch office and ATM is located within an upper-income census tract. Alternative delivery systems include phone, internet banking, and mobile banking. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- or moderate-income geographies or to low- or moderate-income individuals. The bank has not opened or closed any branch offices; however, the bank did convert its sole existing ATM from cash-only to full-service since the previous evaluation.

Its services (including, where appropriate, business hours) do not vary in a way that inconveniences its assessment area, particularly low- or moderate-income geographies or low- or

moderate-income individuals. The branch office in the assessment area has standard hours of 8:30 a.m. to 5:00 p.m., Monday through Friday, with extended hours from 9:00 a.m. to 12:00 p.m. on Saturdays, with similar drive-up hours. Applications for loan and deposit products are accepted at each location. Additionally, mortgage applications are accepted online through the bank’s website.

Community Development Services

Johnson Bank provides a relatively high level of community development services. During the review period, the bank provided 119 community development service hours. As illustrated in the following table, all of community development services had a focus of community services targeting low- or moderate-income individuals and geographies. During the previous evaluation the bank conducted 15 community development service hours. When adjusting for variance in review period length, the bank’s current performance in community development service hours increased notably by 664.0 percent when compared to the previous evaluation.

The following table presents the bank’s community development services throughout its assessment area during the review period.

Community Development Services June 13, 2023, through September 29, 2025					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total
	Hours	Hours	Hours	Hours	Hours
Sheboygan, WI MSA	0	119	0	0	119

APPLETON-OSHKOSH-NEENAH, WI CSA #118 – Limited Review

SCOPE OF THE EXAMINATION

Limited-scope examination procedures were used to evaluate the bank’s performance in the Appleton-Oshkosh-Neenah, WI CSA assessment area. The review of this assessment area is consistent with the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN APPLETON-OSHKOSH-NEENAH, WI CSA #118

Johnson Bank’s Appleton-Oshkosh-Neenah, WI CSA assessment area remains unchanged from the previous evaluation and consists of the entirety of the Appleton, WI MSA (Calumet and Outagamie Counties), as well as the Oshkosh-Neenah, WI MSA (Winnebago County). For the purposes of this evaluation both MSAs are being presented as a Combined Statistical Area (CSA). Located within the assessment area is one branch office and full-service ATM. Since the previous evaluation the bank relocated its sole branch and ATM from a low-income census tract to an upper-income census tract and converted its ATM from cash-only to full-service. In 2024, the assessment area was comprised of 103 census tracts: two low-income, 20 moderate-income, 63 middle-income, 16 upper-income, and two unknown-income census tracts. The two unknown-income census tracts are contiguous and are comprised primarily of the University of Wisconsin-Oshkosh campus.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks twenty sixth among 27 FDIC-insured financial institutions operating within the assessment area. The bank held \$14.6 million in deposits representing 0.2 percent of the total deposit market share. In comparison, the first ranked institution, Associated Bank National Association, held \$1.1 billion in deposits representing 15.2 percent of the deposit market share. The second ranked institution, Nicolet National Bank, held \$986.8 million in deposits representing 13.3 percent of the deposit market share.

In 2024, Johnson Bank ranked seventeenth among 330 HMDA-reporters, originating 144 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Community First Credit Union and Fox Communities Credit Union, originated 1,650 and 934 HMDA-reportable loans, respectively. Additionally, in 2023, the bank was tied for fourteenth among 84 CRA-reporters, originating 43 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and American Express National Bank, originated 1,432 and 996 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Appleton-Neenah-Oshkosh, WI CSA 118 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	1.9	876	0.8	176	20.1	18,995	18.1
Moderate	20	19.4	14,082	13.4	1,403	10.0	20,191	19.2
Middle	63	61.2	66,806	63.6	3,245	4.9	25,309	24.1
Upper	16	15.5	22,850	21.8	447	2.0	40,541	38.6
Unknown	2	1.9	422	0.4	138	32.7	0	0.0
Total AA	103	100.0	105,036	100.0	5,409	5.1	105,036	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	2,098	615	0.5	29.3	1,322	63.0	161	7.7
Moderate	27,376	15,291	13.2	55.9	10,672	39.0	1,413	5.2
Middle	112,311	74,750	64.4	66.6	31,769	28.3	5,792	5.2
Upper	30,398	25,305	21.8	83.2	4,060	13.4	1,033	3.4
Unknown	2,311	160	0.1	6.9	1,736	75.1	415	18.0
Total AA	174,494	116,121	100.0	66.5	49,559	28.4	8,814	5.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	438	3.3	393	3.4	42	3.1	3	1.9
Moderate	1,863	14.1	1,685	14.5	156	11.5	22	13.6
Middle	8,322	63.2	7,315	62.7	908	67.1	99	61.1
Upper	2,341	17.8	2,079	17.8	227	16.8	35	21.6
Unknown	210	1.6	186	1.6	21	1.6	3	1.9
Total AA	13,174	100.0	11,658	100.0	1,354	100.0	162	100.0
Percentage of Total Businesses:				88.5		10.3		1.2
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1	0.2	1	0.2	0	0.0	0	0.0
Moderate	33	5.6	31	5.4	2	13.3	0	0.0
Middle	451	76.2	440	76.3	11	73.3	0	0.0
Upper	105	17.7	103	17.9	2	13.3	0	0.0
Unknown	2	0.3	2	0.3	0	0.0	0	0.0
Total AA	592	100.0	577	100.0	15	100.0	0	0.0
Percentage of Total Farms:				97.5		2.5		0.0
<i>Source: 2024 FFIEC Census Data 2024 Data & Breakdown Data 2016-2020 U.S. Census Bureau: American Community Survey</i>								
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Appleton-Oshkosh- Neenah, WI CSA #118	Consistent	Consistent	Consistent

Johnson Bank's lending, investment, and service performance in the area is consistent with the institution's performance overall.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	2	4.8	13	308	2.0	0.9	0	0.0	12	0	0.0	0.8	0.5
Moderate	6	14.3	16.0	1980	12.9	11.7	8	13.3	15.9	1453	6.7	12.1	13.2
Middle	20	47.6	61.6	6,842	44.5	59.3	29	48.3	61.0	10,264	47.2	59.1	64.4
Upper	14	33.3	20.6	6,237	40.6	27.6	23	38.3	21.3	10,012	46.1	27.7	21.8
Unknown	0	0.0	0.5	0	0.0	0.5	0	0.0	0.6	0	0.0	0.4	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	42	100.0	100.0	15,367	100.0	100.0	60	100.0	100.0	21,729	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.9	0	0.0	0.9	0	0.0	0.9	0	0.0	0.7	0.5
Moderate	1	14.3	13.9	87	3.7	11.7	7	20.6	14.6	1078	14.9	11.4	13.2
Middle	3	42.9	61.5	1691	71.6	60.8	18	52.9	63.0	3,907	53.9	61.4	64.4
Upper	3	42.9	23.5	585	24.8	26.9	9	26.5	21.4	2,258	31.2	26.3	21.8
Unknown	0	0.0	0.3	0	0.0	0.3	0	0.0	0.1	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	7	100.0	100.0	2,363	100.0	100.0	34	100.0	100.0	7,243	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.6	0	0.0	0.4	0	0.0	0.6	0	0.0	0.4	0.5
Moderate	1	9.1	11.0	51	3.5	8.2	0	0.0	13.2	0	0.0	10.4	13.2
Middle	8	72.7	63.8	1176	81.7	60.8	9	75.0	62.9	941	43.5	58.3	64.4
Upper	2	18.2	24.5	213	14.8	30.5	3	25.0	22.8	1221	56.5	30.1	21.8
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.5	0	0.0	0.7	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	11	100.0	100.0	1440	100.0	100.0	12	100.0	100.0	2,162	100.0	100.0	100.0
Multifamily Loans													
Low	0	0.0	0.8	0	0.0	0.0	0	0.0	3.5	0	0.0	4.5	2.0
Moderate	0	0.0	25.4	0	0.0	14.5	0	0.0	26.1	0	0.0	24.7	19.6
Middle	0	0.0	58.2	0	0.0	56.2	0	0.0	52.1	0	0.0	41.6	65.2
Upper	0	0.0	8.2	0	0.0	25.2	0	0.0	7.0	0	0.0	18.3	9.2
Unknown	0	0.0	7.4	0	0.0	4.1	0	0.0	11.3	0	0.0	10.9	4.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	3.3	10	308	1.6	0.8	0	0.0	10	0	0.0	11	0.5
Moderate	8	13.3	14.6	2,118	11.0	11.7	15	14.2	14.9	2,531	8.1	12.9	13.2
Middle	31	51.7	61.8	9,709	50.6	59.2	56	52.8	61.7	15,112	48.5	57.9	64.4
Upper	19	31.7	22.1	7,035	36.7	27.5	35	33.0	21.8	13,491	43.3	26.8	21.8
Unknown	0	0.0	0.4	0	0.0	0.8	0	0.0	0.5	0	0.0	1.3	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	60	100.0	100.0	19,170	100.0	100.0	106	100.0	100.0	31,134	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	%	\$%	#	%	\$(000)	%	
Low	1	2.3	2.3	780	4.4	2.3	1	2.6	29	0.2	3.3
Moderate	15	34.9	11.2	5,191	29.3	11.9	11	28.2	4,781	30.6	14.1
Middle	24	55.8	63.7	10,667	60.2	64.7	25	64.1	10,194	65.3	63.2
Upper	3	7.0	21.1	1,070	6.0	19.6	1	2.6	368	2.4	17.8
Unknown	0	0.0	1.4	0	0.0	1.4	1	2.6	250	1.6	1.6
Tract-Unk	0	0.0	0.4	0	0.0	0.1	0	0.0	0	0.0	0.0
Total	43	100.0	100.0	17,708	100.0	100.0	39	100.0	15,622	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	2	4.8	9.7	327	2.1	5.4	0	0.0	8.3	0	0.0	4.9	18.1
Moderate	6	14.3	25.3	1265	8.2	18.8	15	25.0	25.6	3,379	15.6	19.3	19.2
Middle	8	19.0	24.2	2,601	16.9	23.8	11	18.3	23.6	2,956	13.6	23.0	24.1
Upper	24	57.1	27.5	10,649	69.3	39.8	32	53.3	28.9	14,828	68.2	39.9	38.6
Unknown	2	4.8	13.3	525	3.4	12.2	2	3.3	13.5	566	2.6	12.9	0.0
Total	42	100.0	100.0	15,367	100.0	100.0	60	100.0	100.0	21,729	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	14.1	0	0.0	9.4	0	0.0	11.8	0	0.0	6.4	18.1
Moderate	0	0.0	25.6	0	0.0	20.9	7	20.6	25.3	1,173	16.2	19.7	19.2
Middle	2	28.6	26.0	172	7.3	24.7	7	20.6	22.7	1,591	22.0	20.8	24.1
Upper	5	71.4	26.1	2,191	92.7	33.4	18	52.9	25.4	4,094	56.5	31.8	38.6
Unknown	0	0.0	8.3	0	0.0	11.6	2	5.9	14.8	385	5.3	21.3	0.0
Total	7	100.0	100.0	2,363	100.0	100.0	34	100.0	100.0	7,243	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	10.8	0	0.0	6.5	0	0.0	9.2	0	0.0	6.0	18.1
Moderate	0	0.0	24.8	0	0.0	18.6	2	16.7	22.2	284	13.1	15.9	19.2
Middle	3	27.3	26.0	268	18.6	24.5	3	25.0	23.6	212	9.8	20.2	24.1
Upper	8	72.7	35.2	1,172	81.4	46.4	6	50.0	40.5	1,566	72.4	48.8	38.6
Unknown	0	0.0	3.1	0	0.0	4.7	1	8.3	4.4	100	4.6	9.1	0.0
Total	11	100.0	100.0	1,440	100.0	100.0	12	100.0	100.0	2,162	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	2	3.3	10.9	327	1.7	6.3	0	0.0	9.6	0	0.0	5.4	18.1
Moderate	6	10.0	25.0	1,265	6.6	19.7	24	22.6	25.0	4,836	15.5	19.2	19.2
Middle	13	21.7	25.4	3,041	15.9	24.0	21	19.8	23.7	4,759	15.3	22.3	24.1
Upper	37	61.7	28.9	14,012	73.1	39.4	56	52.8	30.0	20,488	65.8	38.9	38.6
Unknown	2	3.3	9.8	525	2.7	11.3	5	4.7	11.7	1,051	3.4	14.2	0.0
Total	60	100.0	100.0	19,170	100.0	100.0	106	100.0	100.0	31,134	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses											
Assessment Area: Appleton-Neenah-Oshkosh, WI CSA 118											
	Bank And Aggregate Loans By Year										Total Businesses %
	2023					2024*					
	Bank		Agg		Bank		Agg		Bank		
	#	%	%	\$(000)	\$%	\$%	#	%	\$(000)	\$%	
By Revenue											
\$1 Million or Less	9	20.9	51.7	2,657	15.0	28.3	6	15.4	792	5.1	88.5
Over \$1 Million	32	74.4		14,916	84.2		33	84.6	14,830	94.9	10.3
Revenue Unknown	2	4.7		135	0.8		0	0.0	0	0.0	1.2
Total	43	100.0		17,708	100.0		39	100.0	15,622	100.0	100.0
By Loan Size											
\$100,000 or Less	10	23.3	89.6	651	3.7	27.9	7	17.9	520	3.3	
\$100,001 - \$250,000	9	20.9	4.8	1,703	9.6	15.4	10	25.6	1,829	11.7	
\$250,001 - \$1 Million	24	55.8	5.6	15,354	86.7	56.6	22	56.4	13,273	85.0	
Total	43	100.0	100.0	17,708	100.0	100.0	39	100.0	15,622	100.0	
By Loan Size and Revenues \$1 Million or Less											
\$100,000 or Less	4	44.4		166	6.2		3	50.0	170	21.5	
\$100,001 - \$250,000	1	11.1		143	5.4		2	33.3	254	32.1	
\$250,001 - \$1 Million	4	44.4		2,348	88.4		1	16.7	368	46.5	
Total	9	100.0		2,657	100.0		6	100.0	792	100.0	

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Community Development Activities										
June 13, 2023, through September 29, 2025										
Appleton-Oshkosh-Neenah, WI CSA #118 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	0	0	0	0	0	0	1	28,760	1	28,760
Investments	7	6,117	0	0	0	0	0	0	7	6,117
Donations	0	0	4	9	0	0	0	0	4	9
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	27		0		0		0		27	

KENOSHA, WI MSA #28450 – Limited Review

SCOPE OF THE EXAMINATION

Limited-scope examination procedures were used to evaluate the bank’s performance in the Kenosha County, WI MSA assessment area. The review of this assessment area is consistent with the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN KENOSHA, WI MSA #28450

Johnson Bank’s Kenosha County, WI MSA assessment area consists of Kenosha County, in its entirety. There have been no changes to the assessment area delineation since the previous examination, however Kenosha County, WI used to be part of the Lake County-Kenosha County, IL-WI MD #29404. The OMB Bulletin No. 23-01 resulted in Kenosha County, WI as the sole county within the Kenosha County, WI MSA #28450. That said, located within the assessment area are four branch offices, each with a full-service ATM. Since the previous evaluation, the bank converted all four ATMs from cash-only to full-service. One branch office and ATM are located within a moderate-income census tract, one branch office and ATM are located within a middle-income census tract, and two branch offices and ATMs are located in upper-income census tracts. In 2024, the assessment area was comprised of 43 census tracts: two low-income, 11 moderate-income, 16 middle-income, 12 upper-income, and two unknown-income census tracts. One unknown-income census tract includes a portion of Lake Michigan while the remaining unknown-income census tract includes a predominantly commercial area in downtown Kenosha.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks second among 11 FDIC-insured financial institutions operating within the assessment area. The bank held \$798.4 million in deposits representing 22.1 percent of the total deposit market share. In comparison, the first ranked institution, JP Morgan Chase Bank National Association, held \$867.9 million in deposits representing 24.0 percent of the deposit market share. The third ranked institution, BMO Bank National Association, held \$464.5 million in deposits representing 12.8 percent of the deposit market share.

In 2024, Johnson Bank ranked second among 250 HMDA-reporters, originating 238 HMDA-reportable loans in the assessment area. By comparison, the first and third ranked institutions, Educators Credit Union and TruStone Financial Credit Union, originated 383 and 184 HMDA-reportable loans, respectively. Additionally, in 2023, the bank was tied for seventh among 63 CRA-reporters, originating 92 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and American Express National Bank, originated 681 and 502 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Kenosha, WIMSA 28450 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	4.7	1,598	3.8	508	31.8	8,725	20.8
Moderate	11	25.6	9,423	22.4	1,538	16.3	7,536	17.9
Middle	16	37.2	17,170	40.9	734	4.3	9,163	21.8
Upper	12	27.9	13,424	31.9	568	4.2	16,596	39.5
Unknown	2	4.7	405	1.0	50	12.3	0	0.0
Total AA	43	100.0	42,020	100.0	3,398	8.1	42,020	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	3,132	1,199	2.8	38.3	1,542	49.2	391	12.5
Moderate	16,635	7,599	17.7	45.7	7,561	45.5	1,475	8.9
Middle	28,294	17,943	41.8	63.4	7,673	27.1	2,678	9.5
Upper	21,113	15,751	36.7	74.6	4,032	19.1	1,330	6.3
Unknown	1,581	423	1.0	26.8	872	55.2	286	18.1
Total AA	70,755	42,915	100.0	60.7	21,680	30.6	6,160	8.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	220	5.3	204	5.3	15	4.8	1	2.4
Moderate	974	23.3	903	23.6	64	20.4	7	17.1
Middle	1,488	35.6	1,385	36.2	86	27.5	17	41.5
Upper	1,217	29.1	1,073	28.1	131	41.9	13	31.7
Unknown	280	6.7	260	6.8	17	5.4	3	7.3
Total AA	4,179	100.0	3,825	100.0	313	100.0	41	100.0
Percentage of Total Businesses:				91.5		7.5		1.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	4	6.3	4	6.5	0	0.0	0	0.0
Moderate	2	3.1	2	3.2	0	0.0	0	0.0
Middle	17	26.6	16	25.8	1	50.0	0	0.0
Upper	41	64.1	40	64.5	1	50.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	64	100.0	62	100.0	2	100.0	0	0.0
Percentage of Total Farms:				96.9		3.1		0.0
Source: 2024 FFIEC Census Data 2024 Data & Breadth Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Kenosha, WI MSA #28450	Consistent	Consistent	Consistent

Johnson Bank's lending, investment, and service performance in the area is consistent with the institution's performance overall.

Distribution of 2024 Home Mortgage Lending By Income Level of Geography Assessment Area: Kenosha, WI MSA 28450							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	%	%	\$ (000)	%	%	
Home Purchase Loans							
Low	0	0.0	4.2	0	0.0	2.8	2.8
Moderate	12	10.5	21.5	3,574	8.4	16.4	17.7
Middle	55	48.2	44.0	18,810	44.0	44.2	41.8
Upper	46	40.4	29.3	19,967	46.7	35.7	36.7
Unknown	1	0.9	1.0	431	1.0	0.9	1.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	114	100.0	100.0	42,782	100.0	100.0	100.0
Refinance Loans							
Low	0	0.0	2.3	0	0.0	1.5	2.8
Moderate	6	14.0	19.4	1,023	9.3	15.0	17.7
Middle	8	18.6	43.9	1,882	17.2	42.2	41.8
Upper	29	67.4	34.1	8,053	73.5	41.3	36.7
Unknown	0	0.0	0.3	0	0.0	0.1	1.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	43	100.0	100.0	10,958	100.0	100.0	100.0
Home Improvement Loans							
Low	0	0.0	2.6	0	0.0	1.7	2.8
Moderate	1	3.3	13.4	212	5.7	9.2	17.7
Middle	9	30.0	48.0	769	20.6	46.3	41.8
Upper	20	66.7	36.0	2,744	73.7	42.7	36.7
Unknown	0	0.0	0.0	0	0.0	0.0	1.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	30	100.0	100.0	3,725	100.0	100.0	100.0
Multifamily Loans							Multi-family Units %
Low	0	0.0	8.3	0	0.0	0.3	1.8
Moderate	0	0.0	33.3	0	0.0	7.4	23.2
Middle	0	0.0	16.7	0	0.0	4.4	38.0
Upper	0	0.0	20.8	0	0.0	64.0	28.8
Unknown	0	0.0	20.8	0	0.0	23.9	8.3
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans							Owner Occupied Units %
Low	0	0.0	3.4	0	0.0	2.0	2.8
Moderate	19	10.2	19.8	4,809	8.4	14.2	17.7
Middle	72	38.5	44.5	21,461	37.3	37.3	41.8
Upper	95	50.8	31.6	30,764	53.5	42.0	36.7
Unknown	1	0.5	0.7	431	0.8	4.4	1.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
Total	187	100.0	100.0	57,465	100.0	100.0	100.0
Source: 2024 FFIEC Census Data 2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							

Distribution of 2023 Small Business Lending By Income Level of Geography							
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
Low	15	16.3	10.4	2,687	14.4	12.6	12.9
Moderate	34	37.0	21.8	7,171	38.3	24.5	24.0
Middle	36	39.1	59.9	8,213	43.9	58.0	54.7
Upper	1	1.1	3.1	50	0.3	1.0	3.0
Unknown	6	6.5	4.4	598	3.2	3.9	5.4
Tract-Unk	0	0.0	0.4	0	0.0	0.1	
Total	92	100.0	100.0	18,719	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2024 Home Mortgage Lending By Borrower Income Level							
Assessment Area: Kenosha, WI MSA 28450							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$ (000)	\$%	\$%	
Home Purchase Loans							
Low	7	6.1	6.1	1,075	2.5	3.4	20.8
Moderate	15	13.2	21.5	2,982	7.0	15.6	17.9
Middle	23	20.2	25.0	5,992	14.0	22.8	21.8
Upper	67	58.8	32.0	32,139	75.1	43.1	39.5
Unknown	2	1.8	15.4	594	1.4	15.0	0.0
Total	114	100.0	100.0	42,782	100.0	100.0	100.0
Refinance Loans							
Low	2	4.7	7.3	210	1.9	3.9	20.8
Moderate	6	14.0	20.1	1,127	10.3	14.4	17.9
Middle	11	25.6	20.3	1,864	17.0	15.5	21.8
Upper	23	53.5	29.3	7,478	68.2	34.9	39.5
Unknown	1	2.3	23.1	279	2.5	31.2	0.0
Total	43	100.0	100.0	10,958	100.0	100.0	100.0
Home Improvement Loans							
Low	1	3.3	5.8	50	1.3	3.5	20.8
Moderate	2	6.7	20.5	312	8.4	15.4	17.9
Middle	5	16.7	27.0	405	10.9	23.0	21.8
Upper	21	70.0	45.7	2,848	76.5	56.4	39.5
Unknown	1	3.3	1.0	110	3.0	1.8	0.0
Total	30	100.0	100.0	3,725	100.0	100.0	100.0
Total Home Mortgage Loans							
Low	10	5.3	6.5	1,335	2.3	3.6	20.8
Moderate	23	12.3	20.5	4,421	7.7	15.1	17.9
Middle	39	20.9	24.2	8,261	14.4	21.0	21.8
Upper	111	59.4	34.6	42,465	73.9	42.3	39.5
Unknown	4	2.1	14.2	983	1.7	18.0	0.0
Total	187	100.0	100.0	57,465	100.0	100.0	100.0
Source: 2024 FFIEC Census Data							
2016-2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0 percent due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

Distribution of 2023 Small Business Lending By Revenue Size of Businesses							
Assessment Area: Lake County-Kenosha County, IL-WI MD 29404							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	\$%	\$%	
By Revenue							
\$1 Million or Less	17	18.5	58.2	1,990	10.6	34.7	91.3
Over \$1 Million	61	66.3		15,393	82.2		7.7
Revenue Unknown	14	15.2		1,336	7.1		1.0
Total	92	100.0		18,719	100.0		100.0
By Loan Size							
\$100,000 or Less	42	45.7	92.3	2,694	14.4	33.8	
\$100,001 - \$250,000	26	28.3	4.0	4,648	24.8	17.8	
\$250,001 - \$1 Million	24	26.1	3.7	11,377	60.8	48.5	
Total	92	100.0	100.0	18,719	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less							
\$100,000 or Less	11	64.7		656	33.0		
\$100,001 - \$250,000	4	23.5		658	33.1		
\$250,001 - \$1 Million	2	11.8		676	34.0		
Total	17	100.0		1,990	100.0		
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>							
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>							

Community Development Activities										
June 13, 2023, through September 29, 2025										
Kenosha, WI MSA #28450 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	0	0	8	5,800	0	0	2	21,600	10	27,400
Investments	10	8,656	8	2,882	0	0	0	0	18	11,538
Donations	1	1	20	34	1	3	0	0	22	38
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	51		487		119		0		657	

JANESVILLE-BELOIT, WI MSA #27500 – Limited Review

SCOPE OF THE EXAMINATION

Limited-scope examination procedures were used to evaluate the bank’s performance in the Janesville-Beloit, WI MSA assessment area. The review of this assessment area is consistent with the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN JANESVILLE-BELOIT, WI MSA #27500

Johnson Bank’s Janesville-Beloit, WI MSA assessment area remains unchanged from the previous evaluation and consists of Rock County in its entirety. Located within the assessment area are two branch offices, each with a full-service ATM. Since the previous evaluation, the bank converted both ATMs from cash-only to full-service. One branch office and ATM are located within a low-income census tract while the remaining branch office and ATM are located within a middle-income census tract. In 2024, the assessment area was comprised of 41 census tracts: one low-income, 11 moderate-income, 20 middle-income, and nine upper-income census tracts.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks third among 18 FDIC-insured financial institutions operating within the assessment area. The bank held \$442.8 million in deposits representing 12.7 percent of the total deposit market share. In comparison, the first ranked institution, The First National Bank and Trust Company, held \$578.8 million representing 16.5 percent of the deposit market share. The second ranked institution, BMO Bank National Association, held \$532.2 million in deposits representing 15.2 percent of the deposit market share.

In 2024, Johnson Bank ranked third among 245 HMDA-reporters, originating 344 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Summit Credit Union and Blackhawk Community Credit Union, originated 515 and 476 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked seventh among 58 CRA-reporters, originating 92 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and U.S. Bank National Association, originated or purchased 405 and 311 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Janesville-Beloit, WI MSA 27500 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	1	2.4	132	0.3	43	32.6	8,164	19.7
Moderate	11	26.8	9,430	22.7	1,464	15.5	7,792	18.8
Middle	20	48.8	21,596	52.0	1,663	7.7	9,353	22.5
Upper	9	22.0	10,386	25.0	487	4.7	16,235	39.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	41	100.0	41,544	100.0	3,657	8.8	41,544	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	617	91	0.2	14.7	413	66.9	113	18.3
Moderate	17,242	8,749	19.6	50.7	7,328	42.5	1,165	6.8
Middle	35,630	24,082	54.0	67.6	9,276	26.0	2,272	6.4
Upper	15,789	11,703	26.2	74.1	3,595	22.8	491	3.1
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	69,278	44,625	100.0	64.4	20,612	29.8	4,041	5.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	193	3.8	170	3.7	19	4.4	4	7.0
Moderate	853	16.8	798	17.4	52	12.1	3	5.3
Middle	2,580	50.8	2,329	50.7	213	49.7	38	66.7
Upper	1,454	28.6	1,297	28.2	145	33.8	12	21.1
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	5,080	100.0	4,594	100.0	429	100.0	57	100.0
Percentage of Total Businesses:				90.4		8.4		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	6	2.5	6	2.5	0	0.0	0	0.0
Middle	143	58.8	140	59.1	3	50.0	0	0.0
Upper	94	36.7	91	38.4	3	50.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	243	100.0	237	100.0	6	100.0	0	0.0
Percentage of Total Farms:				97.5		2.5		0.0
Source: 2024 FFIEC Census Data 2024 Data & Breadstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Janesville-Beloit, WI MSA #27500	Consistent	Consistent	Consistent

Johnson Bank's lending, investment, and service performance in the area is consistent with the institution's performance overall.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Janesville-Beloit, WI MSA 27500													
Geographic Income Level	Bank And Aggregate Loans By Year											Owner Occupied Units %	
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%		\$%
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.1	0.2
Moderate	31	18.0	23.3	4,269	9.6	15.7	40	19.0	22.7	7,620	12.9	15.0	19.6
Middle	76	44.2	52.8	16,929	37.9	52.5	104	49.3	53.4	25,458	43.0	52.7	54.0
Upper	65	37.8	23.9	23,420	52.5	318	67	318	23.7	26,070	44.1	312	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	172	100.0	100.0	44,618	100.0	100.0	211	100.0	100.0	59,148	100.0	100.0	100.0
Refinance Loans													
Low	1	2.9	0.2	119	2.0	0.2	0	0.0	0.1	0	0.0	0.1	0.2
Moderate	6	17.6	18.4	693	11.8	14.8	2	4.3	17.4	521	6.1	13.5	19.6
Middle	14	41.2	53.3	2,287	38.8	52.5	28	60.9	56.3	4,594	54.1	54.3	54.0
Upper	13	38.2	28.1	2,794	47.4	32.6	16	34.8	26.1	3,382	39.8	32.1	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	34	100.0	100.0	5,893	100.0	100.0	46	100.0	100.0	8,497	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.5	0	0.0	1.0	1	2.6	0.2	191	4.6	0.6	0.2
Moderate	5	11.6	15.4	299	7.7	11.4	6	15.8	17.0	539	13.1	14.7	19.6
Middle	23	53.5	54.2	1926	49.8	52.6	19	50.0	58.4	2,000	48.5	53.6	54.0
Upper	15	34.9	30.0	1,644	42.5	35.0	12	31.6	24.5	1,391	33.8	31.1	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	43	100.0	100.0	3,869	100.0	100.0	38	100.0	100.0	4,121	100.0	100.0	100.0
Multifamily Loans													
Low	0	0.0	2.0	0	0.0	12	0	0.0	0.0	0	0.0	0.0	5.0
Moderate	0	0.0	51.0	0	0.0	37.5	1	33.3	55.3	200	25.3	413	26.7
Middle	1	100.0	42.9	382	100.0	57.9	2	66.7	38.2	591	74.7	52.6	45.6
Upper	0	0.0	4.1	0	0.0	3.4	0	0.0	6.6	0	0.0	6.1	22.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	1	100.0	100.0	382	100.0	100.0	3	100.0	100.0	791	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	1	0.4	0.2	119	0.2	0.2	1	0.3	0.2	191	0.3	0.1	0.2
Moderate	42	16.8	20.6	5,261	9.6	16.1	49	16.4	20.1	8,880	12.2	16.2	19.6
Middle	114	45.6	53.0	21,524	39.3	52.5	153	51.3	54.6	32,643	45.0	53.1	54.0
Upper	93	37.2	26.2	27,858	50.9	312	95	31.9	25.1	30,843	42.5	30.6	26.2
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	250	100.0	100.0	54,762	100.0	100.0	298	100.0	100.0	72,557	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Janesville-Beloit, WI MSA 27500											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	\$%	\$%	#	%	\$(000)	\$%	
Low	11	12.2	3.1	1,979	7.4	3.9	9	13.8	1,851	10.8	3.8
Moderate	17	18.9	14.9	4,046	15.2	17.2	9	13.8	2,715	15.8	16.8
Middle	38	42.2	50.9	10,796	40.5	46.4	32	49.2	6,664	38.8	50.8
Upper	24	26.7	30.4	9,868	37.0	32.4	15	23.1	5,963	34.7	28.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0.8	0	0.0	0.1	0	0.0	0	0.0	0.0
Total	90	100.0	100.0	26,689	100.0	100.0	65	100.0	17,193	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Janesville-Beloit, WI MSA 27500													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	14	8.1	8.2	1416	3.2	4.2	10	4.7	5.7	1306	2.2	2.9	19.7
Moderate	43	25.0	24.3	7,194	16.1	19.3	50	23.7	20.2	9,291	15.7	15.2	18.8
Middle	36	20.9	25.8	8,128	18.2	25.1	54	25.6	24.8	12,404	21.0	23.6	22.5
Upper	73	42.4	27.8	26,882	60.2	37.3	92	43.6	31.3	34,876	59.0	42.7	39.1
Unknown	6	3.5	14.0	998	2.2	14.1	5	2.4	18.0	1,271	2.1	15.6	0.0
Total	172	100.0	100.0	44,618	100.0	100.0	211	100.0	100.0	59,148	100.0	100.0	100.0
Refinance Loans													
Low	4	11.8	13.7	343	5.8	8.9	1	2.2	8.0	104	1.2	4.7	19.7
Moderate	5	14.7	22.3	603	10.2	18.6	9	19.6	20.0	1,214	14.3	15.6	18.8
Middle	4	11.8	23.6	699	11.9	23.5	10	21.7	23.9	1,675	19.7	21.7	22.5
Upper	19	55.9	31.5	4,161	70.6	36.3	24	52.2	33.3	5,341	62.9	36.9	39.1
Unknown	2	5.9	8.8	87	1.5	12.7	2	4.3	14.8	163	1.9	21.2	0.0
Total	34	100.0	100.0	5,893	100.0	100.0	46	100.0	100.0	8,497	100.0	100.0	100.0
Home Improvement Loans													
Low	4	9.3	10.6	136	3.5	6.1	2	5.3	9.1	46	1.1	4.6	19.7
Moderate	5	11.6	21.1	284	7.3	17.6	4	10.5	20.4	359	8.7	14.6	18.8
Middle	14	32.6	26.0	1,273	32.9	23.4	8	21.1	26.3	425	10.3	25.3	22.5
Upper	19	44.2	40.4	2,111	54.6	50.6	22	57.9	42.7	2,841	68.9	52.9	39.1
Unknown	1	2.3	1.8	65	1.7	2.4	2	5.3	1.5	450	10.9	2.6	0.0
Total	43	100.0	100.0	3,869	100.0	100.0	38	100.0	100.0	4,121	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	22	8.8	10.0	1,895	3.5	5.3	13	4.4	7.1	1,456	2.0	3.5	19.7
Moderate	53	21.3	22.9	8,081	14.9	18.9	63	21.4	19.9	10,864	15.1	15.2	18.8
Middle	54	21.7	25.9	10,100	18.6	24.8	72	24.4	25.1	14,504	20.2	23.3	22.5
Upper	111	44.6	31.7	33,154	61.0	38.4	138	46.8	34.4	43,058	60.0	42.2	39.1
Unknown	9	3.6	9.6	1,150	2.1	12.7	9	3.1	13.4	1,884	2.6	15.9	0.0
Total	249	100.0	100.0	54,380	100.0	100.0	295	100.0	100.0	71,766	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses											
Assessment Area: Janesville-Beloit, WI MSA 27500											
	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg		Bank		Agg		Bank		
	#	%	%	\$(000)	\$%	\$%	#	%	\$(000)	\$%	
By Revenue											
\$1 Million or Less	31	34.4	57.0	6,705	25.1	36.7	18	27.7	3,568	20.8	90.4
Over \$1 Million	57	63.3		19,852	74.4		47	72.3	13,625	79.2	8.4
Revenue Unknown	2	2.2		132	0.5		0	0.0	0	0.0	1.1
Total	90	100.0		26,689	100.0		65	100.0	17,193	100.0	100.0
By Loan Size											
\$100,000 or Less	32	35.6	89.8	2,082	7.8	28.5	18	27.7	1,372	8.0	
\$100,001 - \$250,000	21	23.3	5.1	3,987	14.9	18.0	27	41.5	4,988	29.0	
\$250,001 - \$1 Million	37	41.1	5.1	20,620	77.3	53.6	20	30.8	10,833	63.0	
Total	90	100.0	100.0	26,689	100.0	100.0	65	100.0	17,193	100.0	
By Loan Size and Revenues \$1 Million or Less											
\$100,000 or Less	15	48.4		914	13.6		6	33.3	375	10.5	
\$100,001 - \$250,000	8	25.8		1,552	23.1		10	55.6	1,893	53.1	
\$250,001 - \$1 Million	8	25.8		4,239	63.2		2	11.1	1,300	36.4	
Total	31	100.0		6,705	100.0		18	100.0	3,568	100.0	

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Community Development Activities										
June 13, 2023, through September 29, 2025										
Janesville-Beloit, WI MSA #27500 Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	2	1,060	6	9,483	0	0	0	0	8	10,543
Investments	6	743	2	462	1	246	0	0	9	1,451
Donations	1	1	13	67	0	0	0	0	14	68
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	0		311.5		1		8.5		321	

NORTHWEST WI NON-MSA– Limited Review

SCOPE OF THE EXAMINATION

Limited-scope examination procedures were used to evaluate the bank’s performance in the Northwest WI Non-MSA assessment area. The review of this assessment area is consistent with the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN NORTHWEST WI NON-MSA

Johnson Bank’s Northwest WI Non-MSA assessment area remains unchanged from the previous evaluation and consists of Barron, Sawyer, and Washburn Counties in their entirety. Located within the assessment area are three branch offices, each with a full-service ATM. Since the previous evaluation the bank converted all three ATMs from cash-only to full-service. All branch and ATM operations are located within middle-income census tracts. In 2024, the assessment area was comprised of 26 census tracts: two moderate-income and 24 middle-income census tracts. The assessment area did not include any low- or upper-income census tracts. Further, in 2023 and 2024, 13 census tracts throughout Sawyer and Washburn counties were designated as underserved middle-income geographies due to their remote rural location.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks sixth among 13 FDIC-insured financial institutions operating within the assessment area. The bank held \$226.3 million in deposits representing 9.2 percent of the total deposit market share. In comparison, the first ranked institution, Dairy State Bank, held \$452.1 million representing 18.4 percent of the deposit market share. The second ranked institution, Shell Lake State Bank, held \$298.7 million in deposits representing 12.1 percent of the deposit market share.

In 2024, Johnson Bank ranked third among 211 HMDA-reporters, originating 152 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Royal Credit Union and WESTconsin Credit Union, originated 203 and 176 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked sixth among 49 CRA-reporters, originating 66 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, U.S. Bank National Association and American Express National Bank, originated or purchased 262 and 225 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Northwest WI Non MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	4,775	21.7
Moderate	2	7.7	1,921	8.7	203	10.6	4,377	19.9
Middle	24	92.3	20,113	91.3	1,690	8.4	5,112	23.2
Upper	0	0.0	0	0.0	0	0.0	7,770	35.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	26	100.0	22,034	100.0	1,893	8.6	22,034	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	3,753	1,969	7.5	52.5	785	20.9	999	26.6
Middle	50,339	24,121	92.5	47.9	7,367	14.6	18,851	37.4
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	54,092	26,090	100.0	48.2	8,152	15.1	19,850	36.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	310	8.8	276	8.7	19	7.8	15	14.7
Middle	3,197	91.2	2,885	91.3	225	92.2	87	85.3
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	3,507	100.0	3,161	100.0	244	100.0	102	100.0
Percentage of Total Businesses:				90.1		7.0		2.9
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	39	11.3	37	11.0	2	20.0	0	0.0
Middle	306	88.7	298	89.0	8	80.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	345	100.0	335	100.0	10	100.0	0	0.0
Percentage of Total Farms:				97.1		2.9		0.0
Source: 2024 FFIEC Census Data 2024 Data & Breakdown Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Northwest WI Non-MSA	Consistent	Consistent	Below

Johnson Bank’s lending and investment performance in the area is consistent with the institution’s overall lending and investment performance; however, the institution’s service performance in the area is below its overall service performance.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Northwest WI Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year											Owner Occupied Units %	
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%		\$%
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	6.7	0	0.0	4.9	5	7.9	5.6	132	6.8	4.3	7.5
Middle	37	100.0	93.3	9,775	100.0	95.3	58	92.1	94.4	15,546	93.2	95.7	92.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	37	100.0	100.0	9,775	100.0	100.0	63	100.0	100.0	16,678	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	7.4	9.7	208	3.8	7.7	1	3.7	7.8	103	18	5.3	7.5
Middle	25	92.6	90.0	5,222	96.2	92.2	26	96.3	92.2	5,677	98.2	94.7	92.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.3	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	27	100.0	100.0	5,430	100.0	100.0	27	100.0	100.0	5,780	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	5.0	0	0.0	6.3	0	0.0	8.7	0	0.0	4.3	7.5
Middle	30	100.0	95.0	3,321	100.0	93.9	36	100.0	91.3	4,737	100.0	95.7	92.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	30	100.0	100.0	3,321	100.0	100.0	36	100.0	100.0	4,737	100.0	100.0	100.0
Multifamily Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	7.1	0	0.0	0.7	0	0.0	16.7	0	0.0	24.6	16.1
Middle	0	0.0	92.9	0	0.0	99.3	2	100.0	83.3	717	100.0	75.4	83.9
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	2	100.0	100.0	717	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	2.1	6.8	208	11	5.0	6	4.7	6.4	1235	4.4	4.6	7.5
Middle	92	97.9	93.2	18,318	98.9	95.0	122	95.3	93.6	26,677	95.6	95.4	92.5
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	94	100.0	100.0	18,526	100.0	100.0	128	100.0	100.0	27,912	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Northwest WI Non MSA											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	\$%	\$%	#	%	\$(000)	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	3	4.8	7.3	179	1.5	4.7	2	2.7	498	3.1	8.8
Middle	59	95.2	91.3	12,114	98.5	94.8	73	97.3	15,555	96.9	91.2
Upper	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	1.4	0	0.0	0.5	0	0.0	0	0.0	0.0
Total	62	100.0	100.0	12,293	100.0	100.0	75	100.0	16,053	100.0	100.0

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Northwest WI Non MSA													
Borrower Income Level	Bank And Aggregate Loans By Year											Families by Family Income %	
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%		\$%
Home Purchase Loans													
Low	0	0.0	5.8	0	0.0	2.3	3	4.8	5.2	352	2.1	2.4	217
Moderate	5	13.5	15.9	609	6.2	11.6	10	15.9	18.5	1,614	9.7	12.1	19.9
Middle	6	16.2	21.3	1,195	12.2	17.6	14	22.2	19.7	3,115	18.7	16.2	23.2
Upper	20	54.1	37.1	6,765	69.2	49.9	33	52.4	39.3	11,213	67.2	53.5	35.3
Unknown	6	16.2	19.0	1,206	12.3	18.6	3	4.8	17.3	384	2.3	15.7	0.0
Total	37	100.0	100.0	9,775	100.0	100.0	63	100.0	100.0	16,678	100.0	100.0	100.0
Refinance Loans													
Low	1	3.7	10.8	62	11	5.8	0	0.0	8.5	0	0.0	4.4	217
Moderate	7	25.9	21.1	885	16.3	14.7	6	22.2	19.5	673	11.6	12.8	19.9
Middle	6	22.2	24.8	894	16.5	20.8	5	18.5	23.0	1,009	17.5	18.4	23.2
Upper	12	44.4	33.3	3,546	65.3	47.2	13	48.1	33.1	3,561	61.6	42.1	35.3
Unknown	1	3.7	10.0	43	0.8	12.0	3	11.1	15.9	537	9.3	22.3	0.0
Total	27	100.0	100.0	5,430	100.0	100.0	27	100.0	100.0	5,780	100.0	100.0	100.0
Home Improvement Loans													
Low	3	10.0	12.4	173	5.2	6.6	1	2.8	6.1	25	0.5	2.3	217
Moderate	6	20.0	20.2	552	16.6	15.7	10	27.8	22.4	876	18.5	16.1	19.9
Middle	8	26.7	23.6	708	21.3	20.9	6	16.7	24.9	770	16.3	19.2	23.2
Upper	11	36.7	41.3	1,745	52.5	53.3	18	50.0	43.3	3,020	63.8	55.7	35.3
Unknown	2	6.7	2.5	143	4.3	3.5	1	2.8	3.2	46	1.0	6.7	0.0
Total	30	100.0	100.0	3,321	100.0	100.0	36	100.0	100.0	4,737	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	4	4.3	7.6	235	13	3.2	4	3.2	6.6	377	14	3.0	217
Moderate	18	19.1	18.6	2,046	11.0	12.5	26	20.6	19.1	3,163	11.6	12.4	19.9
Middle	20	21.3	23.5	2,797	15.1	18.7	25	19.8	21.6	4,894	18.0	16.8	23.2
Upper	43	45.7	36.7	12,056	65.1	49.7	64	50.8	39.2	17,794	65.4	51.7	35.3
Unknown	9	9.6	13.5	1,392	7.5	15.9	7	5.6	13.5	967	3.6	16.1	0.0
Total	94	100.0	100.0	18,526	100.0	100.0	126	100.0	100.0	27,195	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses													
Assessment Area: Northwest WI Non MSA													
	Bank And Aggregate Loans By Year										Total Businesses %		
	2023					2024*							
	Bank		Agg			Bank		Agg				Bank	
	#	%	%	\$(000)	\$%	\$%	#	%	\$(000)	\$%		#	%
By Revenue													
\$1 Million or Less	24	38.7	52.7	2,469	20.1	28.6	37	49.3	6,525	40.6	90.1		
Over \$1 Million	26	41.9		9,402	76.5		32	42.7	9,367	58.4	7.0		
Revenue Unknown	12	19.4		422	3.4		6	8.0	161	1.0	2.9		
Total	62	100.0		12,293	100.0		75	100.0	16,053	100.0	100.0		
By Loan Size													
\$100,000 or Less	34	54.8	90.7	1,525	12.4	32.2	34	45.3	1,605	10.0			
\$100,001 - \$250,000	8	12.9	4.3	1,595	13.0	15.8	16	21.3	2,745	17.1			
\$250,001 - \$1 Million	20	32.3	5.0	9,173	74.6	51.9	25	33.3	11,703	72.9			
Total	62	100.0	100.0	12,293	100.0	100.0	75	100.0	16,053	100.0			
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	17	70.8		698	28.3		18	48.6	833	12.8			
\$100,001 - \$250,000	4	16.7		613	24.8		8	21.6	1,260	19.3			
\$250,001 - \$1 Million	3	12.5		1,158	46.9		11	29.7	4,432	67.9			
Total	24	100.0		2,469	100.0		37	100.0	6,525	100.0			

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

Community Development Activities										
June 13, 2023, through September 29, 2025										
Northwest WI Non-MSA Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	2	270	0	0	0	0	4	8,626	6	8,896
Investments	2	82	5	4,174	0	0	0	0	7	4,256
Donations	0	0	10	8	0	0	0	0	10	8
	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total Hours	
	Hours		Hours		Hours		Hours			
Services	0		0		0		0		0	

SOUTHEAST WI NON-MSA– Limited Review

SCOPE OF THE EXAMINATION

Limited-scope examination procedures were used to evaluate the bank’s performance in the Southeast WI Non-MSA assessment area. The review of this assessment area is consistent with the scope discussed in the “Scope of Examination” section of this performance evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SOUTHEAST WI NON-MSA

Johnson Bank’s Southeast WI Non-MSA assessment area remains unchanged from the previous evaluation and consists of Jefferson and Walworth Counties in their entirety. Located within the assessment area is one branch office with a full-service ATM located within an upper-income census tract. Since the previous evaluation the bank converted the ATM from cash-only to full-service. In 2024, the assessment area was comprised of 50 census tracts: one moderate-income, 25 middle-income, and 24 upper-income census tracts. The assessment area did not include any low-income census tracts or any middle-income census tracts designated as distressed and/or underserved.

According to the June 30, 2025, FDIC Deposit Market Share Report, Johnson Bank ranks sixteenth among 20 FDIC-insured financial institutions operating within the assessment area. The bank held \$58.7 million in deposits representing 1.4 percent of the total deposit market share. In comparison, the first ranked institution, PremierBank, held \$427.5 million representing 9.8 percent of the deposit market share. The second ranked institution, Associated Bank National Association, held \$424.1 million in deposits representing 9.8 percent of the deposit market share.

In 2024, Johnson Bank was tied for ninth among 310 HMDA-reporters, originating 122 HMDA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, Summit Credit Union and Landmark Credit Union, originated 478 and 252 HMDA-reportable loans, respectively. Additionally, in 2023, the bank ranked eighteenth among 75 CRA-reporters, originating 19 CRA-reportable loans in the assessment area. By comparison, the first and second ranked institutions, JPMorgan Chase Bank National Association and U.S. Bank National Association, originated 849 and 575 CRA-reportable loans, respectively.

Additional assessment area demographic information is provided in the following table.

2024 Southeast WINon MSA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	6,703	13.6
Moderate	1	2.0	504	1.0	59	11.7	7,658	15.5
Middle	25	50.0	25,539	51.8	1,762	6.9	11,354	23.0
Upper	24	48.0	23,254	47.2	706	3.0	23,582	47.8
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	50	100.0	49,297	100.0	2,527	5.1	49,297	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied		Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	946	290	0.6	30.7	656	69.3	0	0.0
Middle	43,811	25,268	48.4	57.7	15,073	34.4	3,470	7.9
Upper	43,848	26,647	51.0	60.8	6,829	15.6	10,372	23.7
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	88,605	52,205	100.0	58.9	22,558	25.5	13,842	15.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	93	1.4	79	1.3	13	2.2	1	0.9
Middle	3,593	53.7	3,179	53.1	355	59.0	59	55.7
Upper	3,010	45.0	2,730	45.6	234	38.9	46	43.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	6,696	100.0	5,988	100.0	602	100.0	106	100.0
Percentage of Total Businesses:				89.4		9.0		1.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	0	0.0	0	0.0	0	0.0	0	0.0
Middle	152	42.1	146	41.5	6	66.7	0	0.0
Upper	209	57.9	206	58.5	3	33.3	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	361	100.0	352	100.0	9	100.0	0	0.0
Percentage of Total Farms:				97.5		2.5		0.0
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Assessment Area	Lending Test	Investment Test	Service Test
Southeast WI Non-MSA	Consistent	Consistent	Below

Johnson Bank's lending and investment performance in the area is consistent with the institution's overall lending and investment performance; however, the institution's service performance in the area is below its overall service performance.

Distribution of 2023 and 2024 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Southeast WI Non MSA													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.9	0	0.0	0.5	0	0.0	0.8	0	0.0	0.5	0.6
Middle	15	37.5	47.2	5,147	39.0	37.7	24	40.0	46.8	8,028	38.5	38.0	48.4
Upper	25	62.5	51.9	8,038	61.0	61.8	36	60.0	52.3	12,842	61.5	61.5	51.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	40	100.0	100.0	13,185	100.0	100.0	60	100.0	100.0	20,870	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	1.2	0	0.0	0.7	0	0.0	0.9	0	0.0	0.6	0.6
Middle	13	50.0	47.6	2,122	28.2	34.7	15	55.6	46.3	2,358	40.0	38.3	48.4
Upper	13	50.0	51.3	5,398	71.8	64.6	12	44.4	52.8	3,542	60.0	61.1	51.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	26	100.0	100.0	7,520	100.0	100.0	27	100.0	100.0	5,900	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	1.4	0	0.0	0.9	0	0.0	1.0	0	0.0	0.4	0.6
Middle	3	33.3	45.9	327	22.3	38.7	2	20.0	43.5	250	21.0	31.4	48.4
Upper	6	66.7	52.7	1,141	77.7	60.3	8	80.0	55.5	943	79.0	68.2	51.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	9	100.0	100.0	1,468	100.0	100.0	10	100.0	100.0	1,193	100.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	3.6	0	0.0	0.8	0	0.0	2.9	0	0.0	3.8	2.4
Middle	0	0.0	53.6	0	0.0	37.3	0	0.0	74.3	0	0.0	45.2	64.6
Upper	0	0.0	42.9	0	0.0	61.9	0	0.0	22.9	0	0.0	50.9	33.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	1.1	0	0.0	0.6	0	0.0	0.8	0	0.0	0.8	0.6
Middle	31	41.3	47.1	7,596	34.3	37.0	41	42.3	47.2	10,636	38.0	38.5	48.4
Upper	44	58.7	51.8	14,577	65.7	62.4	56	57.7	52.0	17,327	62.0	60.7	51.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	75	100.0	100.0	22,173	100.0	100.0	97	100.0	100.0	27,963	100.0	100.0	100.0

Source: 2024 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Distribution of 2023 and 2024 Small Business Lending By Income Level of Geography											
Assessment Area: Southeast WI Non MSA											
Geographic Income Level	Bank And Aggregate Loans By Year										Total Businesses %
	2023						2024*				
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	\$%	\$%	#	%	\$(000)	\$%	
Low	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Moderate	0	0.0	1.0	0	0.0	1.8	0	0.0	0	0.0	1.4
Middle	7	36.8	48.1	1,823	26.5	47.7	10	50.0	2,523	37.2	53.7
Upper	12	63.2	49.5	5,067	73.5	50.1	10	50.0	4,254	62.8	45.0
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	1.3	0	0.0	0.4	0	0.0	0	0.0	0.0
Total	19	100.0	100.0	6,890	100.0	100.0	20	100.0	6,777	100.0	100.0

Sources: 2024 FFIEC Census Data

2024 Dun & Bradstreet Data

2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.

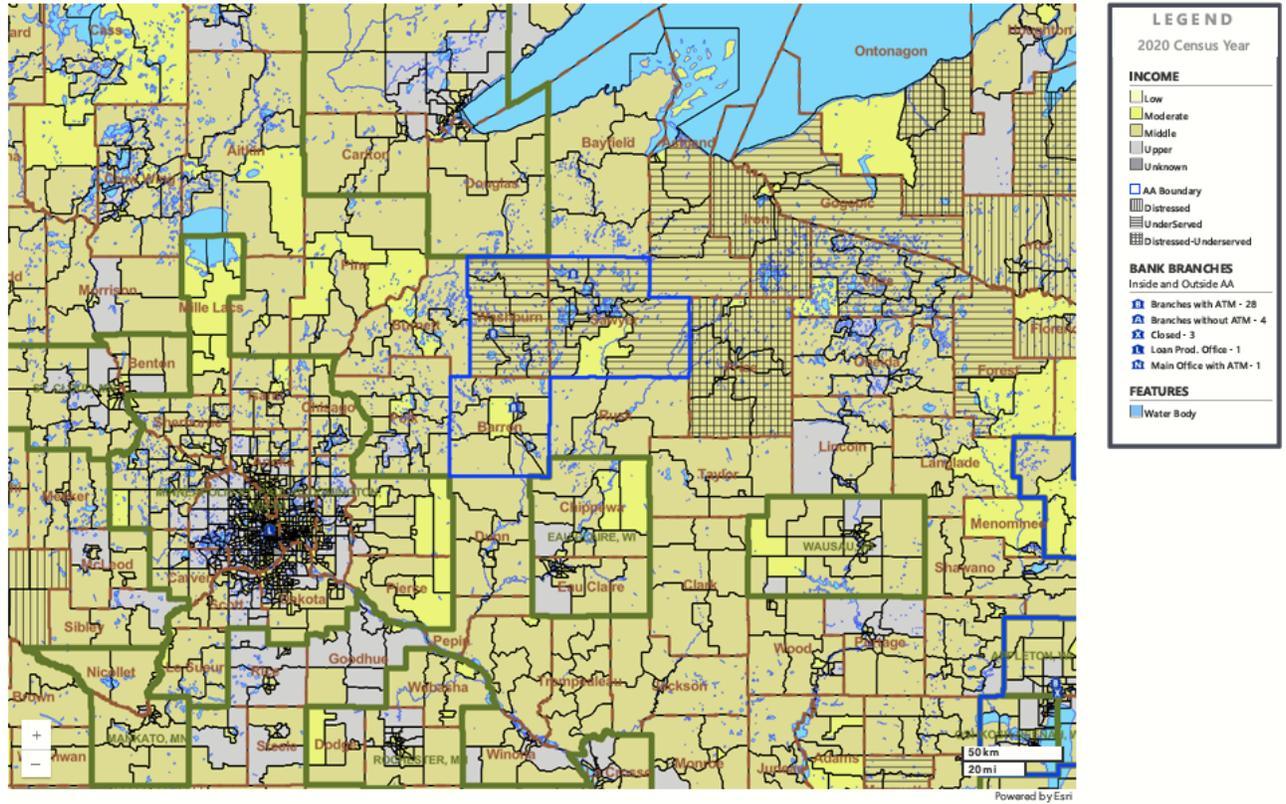
Distribution of 2023 and 2024 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Southeast WI Non MSA													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2023						2024						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	2	5.0	2.5	274	2.1	1.0	1	1.7	2.2	169	0.8	1.0	13.6
Moderate	4	10.0	14.9	580	4.4	8.5	8	13.3	14.5	1,775	8.5	8.3	15.5
Middle	14	35.0	23.3	3,725	28.3	17.8	18	30.0	22.9	5,103	24.5	17.8	23.0
Upper	19	47.5	43.5	8,356	63.4	57.5	31	51.7	43.2	13,251	63.5	56.9	47.8
Unknown	1	2.5	15.7	250	1.9	15.2	2	3.3	17.1	572	2.7	16.0	0.0
Total	40	100.0	100.0	13,185	100.0	100.0	60	100.0	100.0	20,870	100.0	100.0	100.0
Refinance Loans													
Low	1	3.8	4.8	62	0.8	2.2	0	0.0	5.4	0	0.0	2.4	13.6
Moderate	3	11.5	18.7	359	4.8	10.4	6	22.2	16.0	679	11.5	10.0	15.5
Middle	7	26.9	25.7	1,271	16.9	19.6	6	22.2	21.8	1,323	22.4	16.5	23.0
Upper	15	57.7	43.0	5,825	77.5	51.1	12	44.4	42.2	3,409	57.8	51.5	47.8
Unknown	0	0.0	7.7	0	0.0	16.7	3	11.1	14.5	489	8.3	19.6	0.0
Total	26	100.0	100.0	7,520	100.0	100.0	27	100.0	100.0	5,900	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	4.1	0	0.0	2.4	0	0.0	4.8	0	0.0	3.9	13.6
Moderate	0	0.0	15.1	0	0.0	11.3	2	20.0	13.5	147	12.3	8.1	15.5
Middle	2	22.2	23.7	161	11.0	18.4	1	10.0	21.7	144	12.1	13.1	23.0
Upper	7	77.8	53.2	1,307	89.0	62.1	6	60.0	56.5	652	54.7	69.0	47.8
Unknown	0	0.0	3.9	0	0.0	5.8	1	10.0	3.5	250	21.0	6.0	0.0
Total	9	100.0	100.0	1,468	100.0	100.0	10	100.0	100.0	1,193	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	3	4.0	3.5	336	1.5	1.4	1	1.0	3.8	169	0.6	1.6	13.6
Moderate	7	9.3	16.1	939	4.2	9.1	16	16.5	15.2	2,601	9.3	8.8	15.5
Middle	23	30.7	24.3	5,157	23.3	18.1	25	25.8	22.5	6,570	23.5	17.0	23.0
Upper	41	54.7	45.4	15,491	69.9	56.8	49	50.5	45.2	17,312	61.9	56.2	47.8
Unknown	1	1.3	10.7	250	1.1	14.6	6	6.2	13.3	1,311	4.7	16.4	0.0
Total	75	100.0	100.0	22,173	100.0	100.0	97	100.0	100.0	27,963	100.0	100.0	100.0
Source: 2024 FFIEC Census Data													
2016-2020 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Distribution of 2023 and 2024 Small Business Lending By Revenue Size of Businesses											
Assessment Area: Southeast WI Non MSA											
	Bank And Aggregate Loans By Year										Total Businesses %
	2023					2024*					
	Bank		Agg	Bank		Agg	Bank				
	#	%	%	\$(000)	%	%	#	%	\$(000)	%	
By Revenue											
\$1 Million or Less	4	21.1	59.0	496	7.2	34.3	4	20.0	808	11.9	89.4
Over \$1 Million	13	68.4		6,311	91.6		15	75.0	5,899	87.0	9.0
Revenue Unknown	2	10.5		83	1.2		1	5.0	70	1.0	1.6
Total	19	100.0		6,890	100.0		20	100.0	6,777	100.0	100.0
By Loan Size											
\$100,000 or Less	6	31.6	92.5	379	5.5	31.4	6	30.0	443	6.5	
\$100,001 - \$250,000	4	21.1	3.6	803	11.7	15.4	5	25.0	794	11.7	
\$250,001 - \$1 Million	9	47.4	3.9	5,708	82.8	53.2	9	45.0	5,540	81.7	
Total	19	100.0	100.0	6,890	100.0	100.0	20	100.0	6,777	100.0	
By Loan Size and Revenues \$1 Million or Less											
\$100,000 or Less	3	75.0		196	39.5		1	25.0	70	8.7	
\$100,001 - \$250,000	0	0.0		0	0.0		2	50.0	314	38.9	
\$250,001 - \$1 Million	1	25.0		300	60.5		1	25.0	424	52.5	
Total	4	100.0		496	100.0		4	100.0	808	100.0	
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey											
Note: Percentages may not total 100.0 percent due to rounding. *Aggregate data is not currently available.											

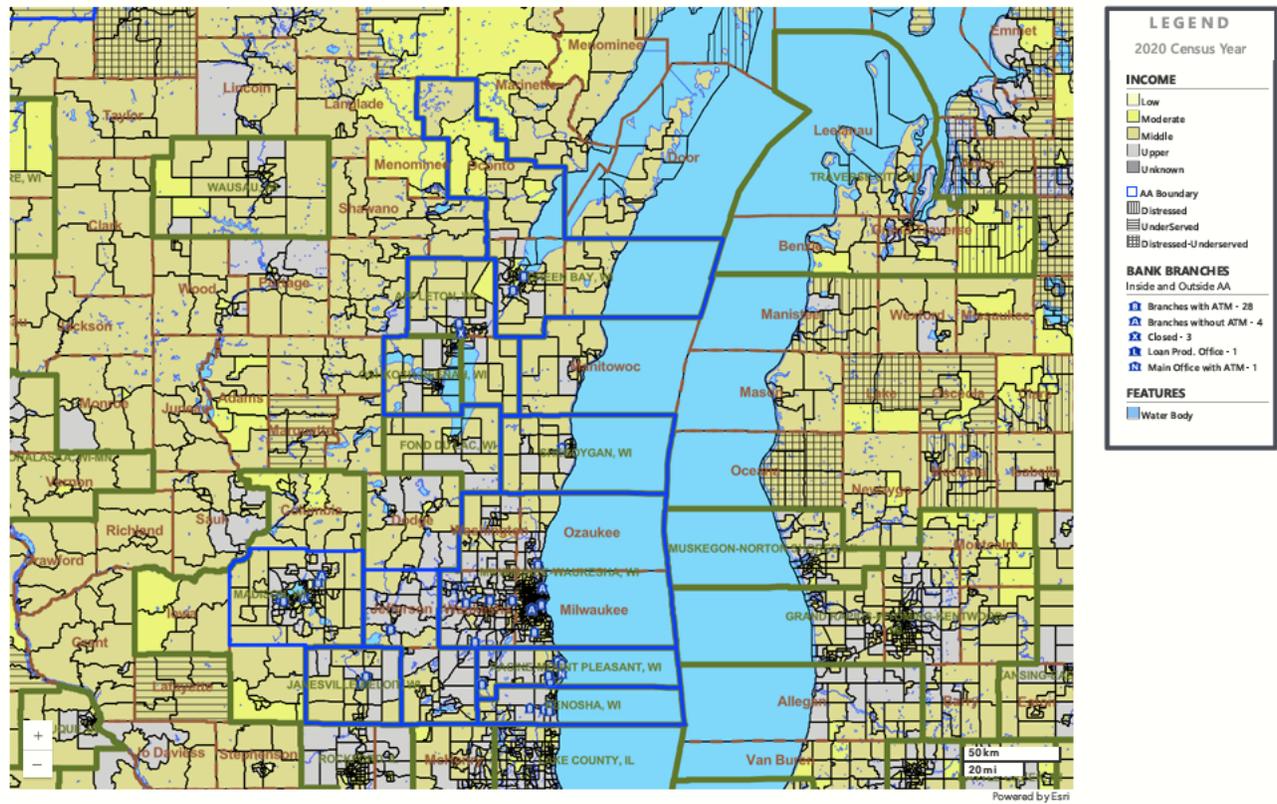
Community Development Activities										
June 13, 2023, through September 29, 2025										
Southeast WI Non-MSA Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize/ Stabilize		Total #	Total \$(000s)
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)		
Loans	6	1,030	0	0	0	0	0	0	6	1,030
Investments	3	475	0	0	1	971	0	0	4	1,446
Donations	0	0	6	8	0	0	0	0	6	8
	Affordable Housing	Community Services	Economic Development	Revitalize/ Stabilize	Total Hours					
	Hours	Hours	Hours	Hours						
Services	0	0	0	20	20					

APPENDIX A – Maps of Assessment Areas

Johnson Bank 58243 North Wisconsin



Johnson Bank 58243
East Wisconsin



APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	HMDA-reportable lending: January 1, 2023, to December 31, 2024 CRA-reportable small business lending: January 1, 2023, to December 31, 2024 Community development activity: June 13, 2023, through September 29, 2025		
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
Johnson Bank		HMDA-reportable loans CRA-reportable small business loans	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED	
None	None	None	
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
1. Racine-Mount Pleasant, WI MSA #39540 2. Milwaukee-Waukesha, WI MSA #33340 3. Green Bay, WI MSA #24580 4. Madison, WI MSA #31540 5. Sheboygan, WI MSA #43100	Full scope review	None	None
6. Appleton-Oshkosh-Neenah, WI CSA #118 7. Kenosha County, WI MSA #28450 8. Janesville-Beloit, WI MSA #27500 9. Northwest, WI Non-Metropolitan Statistical Area 10. Southeast, WI Non-Metropolitan Statistical Area	Limited scope review	None	None

APPENDIX C – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.¹

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an uninsured state branch (other than a limited branch) of a foreign bank described in section

¹ Source: FFIEC press release dated October 19, 2011.

228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: 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 of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

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, which 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).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th

percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

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

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an 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 census tract;
- 2) Moderate-income – an 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 percent and less than 80 percent in the case of a census tract;
- 3) Middle-income – an 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 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median

income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office (LPO): This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or

more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

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: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand 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.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).