



Comptroller of the Currency
Administrator of National Banks

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Public Disclosure

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Community Reinvestment Act Performance Evaluation

Firststar Bank Milwaukee, N.A.

**Charter Number 64
777 East Wisconsin Avenue
Milwaukee, WI 53202**

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

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Firststar Bank Milwaukee, N.A., Milwaukee, WI** (Firststar, Milwaukee) prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **November 17, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

Institution's CRA Rating: This institution is rated **Satisfactory Record of Meeting Credit Needs**.

The prior examination dated October 2, 1995 resulted in an Outstanding CRA rating.

Firststar Milwaukee's responsiveness to its communities' credit needs is good. The level of lending and market share is strong while the dispersion of loans within the assessment areas is adequate. The loan distribution among borrowers of different income levels and businesses of various sizes is strong. The bank provides a leadership role in different investment projects and programs. Retail banking services are reasonably accessible and alternative delivery systems are readily available to bank customers. Firststar Milwaukee's record of providing community development services is very good.

The table on the following page indicates the performance level of Firststar Milwaukee with respect to the lending, investment, and service tests.

Performance Levels	Firststar Bank Milwaukee, N.A., Milwaukee, WI Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory	X		
Low satisfactory		X	X
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.

Common Terms and Definitions

Community

Development: Means that the primary purpose of the loan, investment, or service is for (1) affordable housing (including multi-family rental housing) for low or moderate income individuals; (2) community services targeted to low or moderate income individuals; (3) activities that promote economic development by financing businesses for farms that meet the size eligibility standards of 13 CFR 121.802(a)(2) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low or moderate income geographies.

Geography: A census tract or block numbering area delineated by the United States Bureau of the Census in the most recent decennial census (1990).

Low Income: Refers to families with incomes that are less than 50% of the area median income, updated by HUD annually. In the case of geographies, the average median income for the geography is less than 50% of the area median income, updated last census 1990. Area median income refers to the median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside a MSA.

Moderate

Income: Refers to families with incomes that are at least 50% and less than 80% of the area median income, updated by HUD annually. In the case of geographies, the average median income for the geography is at least 50% and less than 80% of the area median income, updated last census 1990. Area median income refers to the median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside a MSA.

LMI Low and moderate income borrowers or areas.

MSA: Means a metropolitan statistical area or primary metropolitan statistical area (PMSA) as defined by the Director of the Office of Management and Budget.

Small Business

Small Farm

Loans: A loan included in “loans to small businesses” and “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. Briefly, these include loans that are less than or equal to \$1 million, with business revenues less than \$1 million or farm revenues less than \$500,000.

Description of the Institution

Firststar Milwaukee has a strong commercial business focus and is headquartered in Milwaukee, Wisconsin. The bank has 56 branch offices and 82 proprietary automatic teller machines, located in 3 legally defined assessment areas. The following financial information for Firststar Milwaukee is as of June 30, 1997:

- Total assets equals \$8,075,291,000;
- Loan to deposit ratio is 98.3%;
- The loan portfolio is comprised as follows:
 - 24% with loans secured by residential real estate;
 - 50% commercial, commercial real estate, banking, and farm credit; and
 - 26% as consumer credit;
- Equity capital equals \$510,292,000 and Tier 1 capital equals \$502,548,000; and
- Net income for the first six months of 1997 was \$47,296,000.

There are no known financial or legal impediments that would hinder the bank's performance under the Community Reinvestment Act (CRA).

Firststar Milwaukee is wholly owned by Firststar Corporation, a multi-bank holding company. Firststar Corporation has financial entities in Wisconsin, Illinois, Minnesota, Arizona, Iowa, and Florida. Firststar Corporation has a total of assets of approximately \$20 billion as of June 30, 1997.

The corporate and business structure for Firststar Corporation and financial affiliates has been in transition since the previous evaluation. Firststar Home Mortgage Corporation (FHMC) is now a subsidiary of Firststar Milwaukee. All secondary market residential real estate loans for all Firststar Corporation financial institution affiliates are originated through FHMC. As of April, 1997, all affiliate retail consumer loans are originated through Firststar Bank U.S.A., N.A., Waukegan, Illinois. Exceptions to this include: consumer leases which are originated through the affiliate Firststar Bank Wisconsin, Madison, Wisconsin and indirect auto loans which are now originated by Firststar Milwaukee.

Description of the Assessment Areas

Firststar Milwaukee has defined three assessment areas for CRA purposes. The three assessment areas are:

- Milwaukee and Racine PMSA;
- Kenosha MSA; and
- A majority of Walworth County, a non-MSA area.

Firststar Milwaukee defines each assessment area using whole geographies, does not arbitrarily exclude any low or moderate income areas, and includes all geographies that have banking offices and deposit taking ATMs. The assessment areas contain a substantial portion of the bank's loan portfolio. The Milwaukee/Racine assessment area includes all of the Milwaukee MSA and Racine MSA. The Kenosha assessment area includes all of the Kenosha MSA. The Walworth County assessment area includes all of Walworth County with the exception of 2 outlying census tracts. These tracts are not low or moderate income tracts, are not close to any Firststar Milwaukee banking office, and do not contain a substantial portion of loans.

Table 1 provides demographic information for the bank's combined assessment areas. The information was obtained from 1990 census data. For each MSA, Housing and Urban Development (HUD) 1997 updated annual income was used for borrower income analysis. For Walworth County, the State of Wisconsin's non-MSA 1997 HUD median family income figure was used for borrower income analysis. All analyses performed for this Public Evaluation were based on the bank's overall level of performance, as well as the performance for each MSA (Kenosha, Milwaukee, and Racine) and for the non-MSA area (Walworth County).

Table 1 Firststar Milwaukee's Combined Assessment Areas							
Income Level:	Number of Geographies	Percent of Total	Number of Families*	Percent of Total	Number of Owner Occupied Units	Percent of Owner Occupied Units	Median Housing Value Dollars
Low	81	17	89,418	19	17,271	23	30,362
Moderate	75	16	83,567	18	37,887	40	44,929
Middle	221	47	120,952	26	230,246	61	70,444
Upper	92	19	177,578	37	127,395	73	107,779
NA	4	1	NA	NA	0	0	0
Total	473	100	471,515	100	412,799	57	71,996

* Number of Families represents the total number of low, moderate, middle and upper income families regardless of geography income level (i.e. number of low income families (89,418) includes low income families from low (27,763); moderate (18,972); middle (34,062); and upper (8,621); income geographies).

Additional demographic data is provided in the following table:

Table 2 Firststar Milwaukee	
Total Population	1,800,033
Low Income Tracts Population Percent of Total Population	203,581 11%
Moderate Income Tracts Population Percent of Total Population	223,336 12%
Middle Income Tracts Population Percent of Total Population	912,510 51%
Upper Income Tracts Population Percent of Total Population	459,093 26%
NA (4 Tracts) Population Percent of Total Population	1,513 0%
Unemployment Rate	3%
Below Poverty Level	10%
Public Assistance	8%
Retired	16%
1997 Median Family Income	\$49,883

The assessment areas' local economies are stable to good. The service and manufacturing industries are the largest comprising 52% of businesses, and employing 49% of the employees in the assessment area. A vast majority of businesses in the assessment areas are small businesses as approximately 93% of businesses have less than 50 employees, and less than 1% employ over 500.

There are numerous financial institutions in the bank's assessment areas including credit unions, brokerage companies, home mortgage, and insurance companies. Many interstate financial institutions have offices within the bank's assessment area. Competition from these and other

financial entities is strong and increasing.

The greatest credit need is home mortgage loans including affordable purchase money mortgages for low and moderate income individuals. Another credit need is financing for small businesses both for start-up businesses and for the expansion of established businesses. These needs were identified through numerous community contacts with businesses, housing, economic development, and government representatives conducted by the three banking regulatory agencies in the past 24 months. Five community contacts in the Milwaukee area were conducted during this examination.

The following sections discuss the various performance tests with respect to Firststar Milwaukee.

Conclusions with Respect to Performance Tests

Lending Test

Firststar Milwaukee's lending activity demonstrates:

- good responsiveness to assessment area credit needs;
- good penetration throughout the assessment area(s); and
- strong coverage among customers of different income levels and business customers of different sizes.

Performance Criteria:

Firststar Milwaukee's lending levels reflect good responsiveness to the identified credit needs of the assessment area. In 1996, Firststar Milwaukee ranked third out of 429 lenders with respect to the market share percentage of all residential mortgage loans reported within Firststar Milwaukee's assessment area and is considered a leader within their communities. Information was not yet available to compare volume of lending with respect to Firststar Milwaukee's small business lending.

Table 3 1996 AGGREGATE RESIDENTIAL LENDING by Income Level of Census Tract								
State: Wisconsin	Percent Owner Occupied in LMI Census Tracts	Percent of Loans in LMI Census Tracts	Overall Market Rank*	Low Income Market Rank*	Moderate Income Market Rank*	Loans in LMI Census Tracts		Average Loan Size \$ (000's)
						#	\$(000s)	
MSA # 3800 (Kenosha)	12%	12%	9	13	11	23	\$826	\$36
MSA #5080 (Milwaukee)	15%	11%	3	5	5	274	\$8,594	\$31
MSA # 6600 (Racine)	8%	8%	7	7	7	22	\$691	\$31
Non MSA (Walworth Co.)	Not Applicable							
Total of all MSA's	13%	10%	3	4	3	319	\$10,111	\$32

* HMDA Reporter Market Rank for 1996

Firststar Milwaukee's penetration throughout the assessment area is good as it closely represents

the population and economic statistics within the bank's communities. They are responsive to the credit needs of the community and make a significant number of residential, consumer, and small business loans throughout the assessment area. As noted above, these types of loan products were identified by community contacts as the primary credit needs within the bank's communities. Tables 4 and 5 reflect Firststar Milwaukee's lending for 1996 and 1997, respectively. The tables highlight a percentage of the number of loans originated by census tract income levels and applicant / borrower income levels. These two separate percentages help depict the geographic distribution of loans and the borrowers characteristics. The number of loans was used to demonstrate the bank's level of performance as dollars can be distorted by a few large credits.

Table 4 1996 Product Distribution by Income Level of Geographies (CT) and Borrowers (B)							
Loan Type	Number (#)	\$ (million)		Low Income % of #	Moderate Income % of #	Middle Income % of #	Upper Income % of #
Residential - Home Purchase	1,256	\$137,647	CT	3%	7%	52%	38%
			B	5%	17%	31%	46%
Residential - Refinance	979	\$99,984	CT	1%	4%	52%	42%
			B	3%	15%	28%	51%
Residential - Home Improvement	846	\$16,196	CT	7%	11%	51%	31%
			B	10%	20%	27%	42%
Total Residential	3,081	\$253,827	CT	3%	7%	52%	38%
			B	6%	17%	29%	47%
Consumer	25,854	\$463,789	CT	4%	7%	47%	42%
			B	15%	23%	16%	27%
Small Business	1,099	\$103,635	CT	5%	9%	50%	36%
Community Development	211	\$20,684					
Total Lending	30,245	\$841,935					

(CT) Income Level of Census Tracts

(B) Income Level of Borrower

During 1996, Firststar Milwaukee's lending levels to the various income levels of the geographies is good. As noted in the Table 3, the bank's market share of residential lending to both low and

moderate income tracts is strong. Firststar Milwaukee's residential lending to low and moderate income tracts also compares favorably to the 13% of owner occupied residential units available within the low and moderate income tracts. As noted in Table 4, Firststar Milwaukee's aggregate level of residential lending is consistent with both the aggregate percentages of lending for the consumer and small business portfolio's throughout the different income geographies of the assessment area.

Table 5 1997 Product Distribution by Income Level of Geographies (CT) and Borrowers (B)							
Loan Type	Number (#)	\$ (million)		Low Income % of #	Moderate Income % of #	Middle Income % of #	Upper Income % of #
Residential - Home Purchase	545	\$67,017	CT	2%	7%	54%	37%
			B	7%	21%	28%	43%
Residential - Refinance	339	\$35,453	CT	1%	6%	48%	45%
			B	9%	16%	27%	47%
Residential - Home Improvement	112	\$2,055	CT	8%	7%	60%	25%
			B	8%	13%	35%	44%
Total Residential	996	\$104,525	CT	3%	7%	53%	38%
			B	8%	18%	28%	44%
Consumer	52,689	\$341,405	CT	3%	8%	52%	38%
			B	36%	14%	10%	9%
Small Business	771	\$41,897	CT	4%	5%	29%	19%
Total Lending	54,456	\$487,827					

(CT) Income Level of Census Tracts

(B) Income Level of Borrower

As of June 30, 1997, Firststar Milwaukee's lending across the various income levels of the geographies remained constant. Both Tables 4 and 5 show Firststar Milwaukee's lending to borrowers of different incomes is strong. During 1996 and 1997 Firststar Milwaukee made a significant number of residential loans to low and moderate income applicants.

Tables 6 and 7 further summarizes Firststar Milwaukee's strong level of aggregate lending levels of consumer lending during 1996 and 1997 to low and moderate income borrowers within the bank's assessment areas:

Table 6 1996 AGGREGATE CONSUMER LENDING by Income Level of Borrower							
State: Wisconsin Assessment Areas:	Percent of LMI Population	Percent of LMI Census Tracts	Percent of Loans to LMI Borrowers	Percent of Loans in LMI Census Tracts	Number (#)	\$ (000s)	Average Loan \$ (000s)
MSA # 3800 (Kenosha)	37%	23%	33%	12%	1,473	\$21,431	\$15
MSA # 5080 (Milwaukee)	37%	36%	31%	12%	20,816	\$385,978	\$19
MSA # 6600 (Racine)	16%	36%	31%	8%	2,261	\$32,234	\$14
Non MSA (Walworth Co)	27%	0%	29%	NA	1,304	\$24,146	\$18
Total	37%	33%	38%	11%	25,854	\$463,789	\$18

During 1996 the bank extended 16% of consumer loans to middle income borrowers and 27% to upper income borrowers. Also, 47% of the consumer loans made were in middle income census tracts while 42% were in upper income census tracts.

Table 7
1997
AGGREGATE CONSUMER LENDING
by Income Level of Borrower

State: Wisconsin Assessment Areas:	Percent of LMI Population	Percent of LMI Census Tracts	Percent of Loans to LMI Borrowers	Percent of Loans in LMI Census Tracts	Number (#)	\$ (000s)	Average Loan \$ (000s)
MSA # 3800 (Kenosha)	37%	23%	54%	10%	2,294	\$14,639	\$6
MSA # 5080 (Milwaukee)	37%	36%	50%	11%	44,534	\$292,647	\$7
MSA # 6600 (Racine)	16%	36%	55%	6%	4,079	\$22,778	\$6
Non MSA (Walworth Co)	27%	0%	46%	NA	1,782	\$11,341	\$6
Total	37%	33%	50%	11%	52,689	\$341,405	\$6

Year-to-date 1997 reflects the bank extending 10% of consumer loans to middle income borrowers and 9% to upper income borrowers. During 1997 consumer lending in middle income census tracts equaled 51% and upper income tracts 38%.

It is noted during 1996 26% of applicants did not have income recorded and during 1997 31% of applicant income was not reported. Overall, the bank's record of credit distribution by borrower income levels is good because it closely reflects population statistics and in 1997 actually exceeds the population statistics of low and moderate income persons.

Tables 8 and 9 reflect the high number of loans that Firststar Milwaukee has made to small businesses. The tables summarize the number of small loans which Firststar Milwaukee has originated and the distribution of those loans in low and moderate income census tracts. In addition, the table reflects the bank's portion of small loans made to small businesses (those with annual revenues less than \$1 million). In reviewing this information, we have concluded that Firststar Milwaukee's lending to small business is good and compliments the geographic distribution of lending within the other loan portfolios. The data also indicates that the bank provides a good level of lending to businesses of various sizes.

Table 8 Distribution of Small Business Loan Originations in 1996 Within All Assessment Areas By Loan Size and Located in Low- and Moderate-Income Census Tracts								
Loan Size					Loans in LMI Census Tracts			
	Number	Percent	\$ (000)	Percent	Number	Percent*	\$ (000)	Percent*
Less than \$100,000	1,202	70%	\$47,360	22%	156	13%	\$5,597	12%
\$100,000 to \$250,000	270	16%	\$45,348	22%	44	16%	\$7,184	16%
\$250,000 to \$1,000,000	231	14%	\$117,743	56%	30	13%	\$15,636	13%
Total Small Loans to Businesses	1,703	100%	\$210,451	100%	230	14%	\$28,417	14%
Distribution of Small Business Loans to Businesses with Annual Revenues less than \$1,000,000	1,099	+65%	\$103,635	+49%	157	14%	\$16,601	16%
+ As a percentage of total loans					* As a percentage of loans of the size category			

Table 9 Distribution of Small Business Loan Originations in 1997 Within All Assessment Areas By Loan Size and Located in Low- and Moderate-Income Census Tracts								
Loan Size					Loans in LMI Census Tracts			
	Number	Percent	\$ (000)	Percent	Number	Percent*	\$ (000)	Percent*
less than \$100,000	919	78%	\$27,310	24%	78	8%	\$2,955	11%
\$100,000 to \$250,000	132	11%	\$23,214	20%	17	13%	\$2,839	2%
\$250,000 to \$1,000,000	129	11%	\$63,499	56%	14	11%	\$7,369	12%
Totals	1,180	100%	\$114,023	100%	109	9%	\$13,163	12%
Distribution of Small Business Loans to Businesses with Annual Revenues less than \$1,000,000	771	+65%	\$41,897	37%	68	9%	\$4,256	10%
+ As a percentage of the total loans					* As a percentage of loans of the size category			

Source: Firststar's Small Business Loan Data

During the evaluation period the bank introduced to the Milwaukee and southeast Wisconsin market area a small business line of credit. The program provides for credit up to \$50,000 with funds accessed via credit card, ATM, check, in person or by telephone. The product has a streamlined application process and is targeted to emerging small businesses that need to build a

credit history. Since the program's inception 147 lines have been approved for total available credit of \$3,516,000.

The above data shows a good level of performance in regards to the identified credit needs throughout the bank's assessment areas. Firststar Milwaukee's level of responsiveness is also good as reflected in the lending levels, market share reports, and distribution analysis for residential lending, small business and consumer credit.

Investment Test

Firststar Milwaukee's qualified investment volume totaling \$4,263,292 is low in relation to available resources and opportunities in the community. This investment equals 0.85% of Tier 1 capital. The quantity of qualified investments to the bank's Tier 1 capital is a reasonable performance ratio to measure the bank's level of performance in relation to its financial capacity or context. These monies are broken out as follows:

Table 10 Firststar Milwaukee's Qualified Investments				
	1996 Grants and Contributions	Year to Date 1997 Grants and Contributions	Current Evaluation Period Qualified Investments	Qualified Investments Made Prior to the Evaluation Period Still Outstanding
Dollars	535,108	228,027	1,441,157	2,059,000
Number	73	61	5	4

Investments for the current evaluation period include:

- \$1,005,000 Wisconsin Housing and Economic Development Authority, Affordable Housing Bond purchased November 12, 1997.
- \$21,000 Affordable housing project, dollars represent monies extended to date. The project will be 70 affordable low income residential loft units in Milwaukee. Tax credit applications are currently pending for the project.
- \$50,000 \$5,000 investment made and \$45,000 committed to an economic development organization for business development projects in low or moderate income areas in Racine.

- \$240,157 \$36,957 investment made and \$203,200 committed to a mixed income loft development project in a moderate income area of Milwaukee. This project is an important development in the stabilization of adjacent low and moderate income census tracts. Ten of the 79 units (12.6%) are designated for low or moderate income individuals. Amounts considered for this evaluation equal 12.6% of the bank's outstandings and commitments to the project.
- \$50,000 Bank's participation in an affordable housing loan program in Waukesha County. The program is targeted to low and moderate income individuals.
- \$75,000 Commitment to provide capital to reduce a mortgage, increase reserves, and maintain a community development project for which the bank is an equity investor.

Of the dollars listed above for the current evaluation period, investments of \$323,200 represent written contractual commitments that have not been extended to date. An additional \$1,000,000 was committed to a qualified community development project during the evaluation period. This commitment was open for 1 month while an equity investor reviewed the project. The other investor did fund the \$1,000,000 and Firststar Milwaukee's commitment was not used.

Although limited dollars have been extended, the activities of Firststar Milwaukee's Community Development Corporation, Firststar Community Investment Corporation (FCIC), demonstrate the bank's leadership abilities. FCIC has acted as general partner, limited partner, equity investor, developer, and project coordinator in several large community development projects in the bank's assessment area. These projects have required a high level of expertise due to the complex nature of the financing packages required to complete the projects. FCIC has coordinated efforts between profit and non-profit community organizations, local and state government officials, and other financial intermediaries. FCIC is considered a catalyst in the Milwaukee area for community development projects, and is sought out by community organizations to facilitate financing programs or to completely coordinate community development projects that will benefit the local community over extended periods of time. Examples of these projects include:

- Historic King Place;
- YW Villages;
- Mitchell Park Lofts;
- Riverwalk Plaza; and
- King Heights.

Service Test

Firstar Milwaukee's retail banking services are reasonably accessible to most of its assessment areas because of their locations on major roadways and/or public transportation routes. Alternative delivery systems are readily available to all of the bank's customers. Firstar Milwaukee provides a strong level of community development services.

Retail Banking Services:

Firstar Milwaukee has 56 branch offices. The following table displays Firstar Milwaukee's current distribution of delivery systems:

Table 11 Distribution of Delivery Systems						
Income Level of Geography:	Branches		ATMs		Assessment Area Characteristics	
	Number	Percent of Total	Number	Percent of Total	Distribution of Geographies	Distribution of Population*
Low Income	5	9%	10	12%	17%	19%
Moderate Income	4	7%	8	10%	16%	18%
Middle Income	29	52%	38	46%	47%	26%
Upper Income	18	32%	26	32%	19%	37%
NA	0	NA	0	NA	1%	0%
TOTAL	56	100%	82	100%	100%	100%

Source: Bank's Internal Records.

* Emphasis is placed on the Distribution of Population.

In addition to the branches located in designated low and moderate income tracts the bank has 5 branches located adjacent to 5 moderate income tracts that do not have Firstar Milwaukee branches. Additionally, 2 branches are adjacent to 3 low income tracts that do not have Firstar Milwaukee branches located in them.

Geographic or census tract locations of branches, including the low and moderate income adjacent tracts discussed above, cover 18% of the middle and upper income families, and 14% of low or moderate income families within the bank's assessment areas. Internal bank marketing reports reflect that 61,700 low or moderate income households in Milwaukee have a bank account with Firstar Milwaukee. This equals 29% of the low and moderate income households

located in Milwaukee. It is also noted that low and moderate income families are widely dispersed throughout the bank's assessment areas with 21% located in low income tracts, 18% located in moderate income geographies, 48% in middle income census tracts, and 13% in upper income tracts. In addition, Firststar Milwaukee has more branch locations in the City of Milwaukee (highest concentration of low and moderate income families) than any other similarly situated institution.

Hours are generally tailored to the needs of the surrounding area. One branch located in a low income census tract in Racine has office and drive up hours shorter than all other Firststar Milwaukee offices. Due to consistent low volume, causing low profitability, this office was a candidate for closing. However, the location has not been closed because of its importance to the surrounding community. The office hours were shortened to retain the branch and accommodate at least 80% of customer transactions determined through a six month study conducted prior to changing the bank's hours.

During this evaluation period the bank closed one branch located in a low income census tract. The bank closed the branch after losing its office space lease. There are three other branches that are located within 2 miles of the closed office. The bank did a customer survey and provided the community with feedback on other locations for financial services that would be close to the closed office. The bank properly notified its supervisory office about the branch closing. During the evaluation period 4 middle income census tract branches were closed and 2 middle income branches were relocated. In addition, 2 upper income census tract branches were closed and 1 upper income branch was relocated. No new branches were opened during the evaluation period.

Alternative Delivery Systems:

As shown in the table above, Firststar Milwaukee maintains 82 proprietary ATMs. Of the 82 ATMs, 45 are located at branch offices or drive-up facilities. Nineteen ATMs are remote full service locations and 18 ATMs are remote cash only.

Firststar Milwaukee offers a free, 24-hour automated telephone banking system. The system allows any bank customer to:

- apply for a loan;
- open a new account;
- renew a certificate of deposit;
- inquire about account balances;
- transfer funds between accounts;
- verify checks that have cleared and deposits made; and
- obtain current interest rates for deposits and loans.

Firststar Milwaukee also offers "Electronic Banking", a service available to the bank's checking account customers through the use of a personal computer. The service is free to checking account customers who sign up for the service and use it at least once during a statement cycle.

This service is accessible to low and moderate income customers through personal computers available at local libraries.

Community Development Services:

The bank offers several low cost checking account alternatives to retail and small business customers. In addition, the bank offers a low cost checking account to community groups and not-for-profit organizations that have limited checking activity. Firststar Milwaukee offers free AFDC check cashing services. This service is unique in the bank's assessment area as Firststar Milwaukee also offers this service free to noncustomers of the bank.

During this evaluation period the bank had over 21 employees provide credit counseling or financial planning services to 33 businesses, home buyers, or community organizations that promote revitalization of low and moderate income areas, economic development, or affordable housing for low and moderate income individuals. These organizations include, among others:

- Habitat for Humanity;
- Historic King Drive Business Improvement District Association;
- HUD National Partners in Home Ownership;
- Midtown Neighborhood Association; and
- Wisconsin Women's Business Initiative Corporation.

During the evaluation period the bank held or participated in 49 workshops or seminars. These workshops involved community development issues such as credit counseling, financial budgeting, home buying, and small businesses. These seminars were provided throughout the bank's assessment area. Some co-sponsors are listed below:

- ACORN;
- Fannie Mae;
- Lao Family Community Inc.;
- Neighborhood Housing Services; and
- YW Villages.

Also, 18 bank employees were active in organizations whose missions are to assist in economic development or to provide housing financial assistance and other financial services to low or moderate income individuals. Some of these organizations are as follows:

- City of Milwaukee Community Development Block Grant Task Force;
- County of Milwaukee Revolving Loan Committee;
- Glendale Economic Development Corporation;
- Hispanic Chamber of Commerce;
- Kenosha Housing Partnership;
- Small Business Administration Advisory Board; and

- Villard Avenue Business Association.

The bank's community development corporation, FCIC, has extended considerable work hours coordinating community development projects and programs. For just two of the bank's projects (Mitchell Park Lofts and Riverwalk Plaza) work hours extended by FCIC employees equaled 1,350 for 1996 and 3,090 for 1997 to date.

FAIR LENDING REVIEW

No violations of the substantive provisions of the antidiscrimination laws and regulations (Equal Credit Opportunity Act and Fair Housing Act) were identified. Management has developed written policies and procedures, and created appropriate training programs to ensure that employees do not illegally discourage or prescreen credit applicants. Extensive fair lending and diversity training was conducted throughout Firststar Corporation during 1996 and 1997.

Metropolitan Statistical Area - MSA 3800

Conclusions with Respect to Performance Test in MSA 3800 - Kenosha, Wisconsin

Firststar Milwaukee's performance in MSA 3800 is consistent with the overall rating assigned to the bank.

Description of the Assessment Area in MSA 3800

Firststar Milwaukee: Kenosha MSA							
Income Level:	Number of Geographies	Percent of Total	Number of Families*	Percent of Total	Number of Owner Occupied Units	Percent of Owner Occupied Units	Median Housing Value Dollars
Low	2	7	5,820	17	429	20	34,559
Moderate	5	16	6,783	20	3,321	47	45,401
Middle	19	61	8,624	25	22,119	65	67,931
Upper	5	16	12,953	38	6,499	80	81,868
NA	0	0	0	0	0	0	0
Total	31	100	34,180	100	32,368	63	65,697

* Number of Families represents the total number of low, moderate, middle and upper income families regardless of geography income level (i.e. number of low income families (5,820) includes low income families from low income geographies (529); moderate income geographies (1,620); middle income geographies (3,165); and upper income geographies (506).

Additional demographic information is provided in the table below:

Firststar Milwaukee: Kenosha MSA	
Total Population	128,181
Unemployment Rate	3%
Below Poverty Level	9%
Public Assistance	8%
Retired	18%
1997 Median Family Income	\$44,500

The table below summarizes the bank's operations in the Kenosha MSA:

Firststar Milwaukee: Operations in the Kenosha MSA				
Income Levels	Number of Branches	Percent of Branches	Number of ATMS	Percent of ATMS
Low Income Tracts	1	17	1	20
Moderate Income Tracts	0	NA	1	20
Middle Income Tracts	4	66	1	20
Upper Income Tracts	1	17	2	40
Total for Kenosha MSA	6	100	5	100

Metropolitan Statistical Area - MSA 5080

Conclusions with Respect to Performance Test in MSA 5080 - Milwaukee, Wisconsin

Firststar Milwaukee's performance within MSA 5080 is generally consistent with the overall rating assigned to the bank.

Description of the Assessment Area in MSA 5080

Firststar Milwaukee: Milwaukee MSA							
Income Level:	Number of Geographies	Percent of Total	Number of Families*	Percent of Total	Number of Owner Occupied Units	Percent of Owner Occupied Units	Median Housing Value Dollars
Low	75	19	72,785	19	15,063	22	30,400
Moderate	68	17	65,745	18	32,710	39	44,696
Middle	169	43	95,263	26	163,922	60	71,965
Upper	77	20	138,531	37	107,965	76	112,615
NA	3	1	NA	NA	0	0	0
Total	392	100	372,324	100	319,660	56	73,428

* Number of Families represents the total number of low, moderate, middle and upper income families regardless of geography income level (i.e. number of low income families (72,785) includes low income families from low income geographies (25,194); moderate income geographies (16,388); middle income geographies (24,614); and upper income geographies (6,589).

Additional demographic data is provided in the table below:

Firststar Milwaukee: Milwaukee MSA	
Total Population	1,432,149
Unemployment Rate	3%
Below Poverty Level	10%
Public Assistance	8%
Retired	15%
1997 Median Family Income	\$50,700

The table below summarizes the bank's operations in the Milwaukee MSA:

Firststar Milwaukee: Operations in the Milwaukee MSA				
Income Levels	Number of Branches	Percent of Branches	Number of ATMS	Percent of ATMS
Low Income Tracts	3	8	9	13
Moderate Income Tracts	4	10	7	10
Middle Income Tracts	17	42	32	45
Upper Income Tracts	16	40	23	32
Total for Milwaukee MSA	40	100	71	100

Metropolitan Statistical Area - MSA 6600

Conclusions with Respect to Performance Test in MSA 6600 - Racine, Wisconsin

Firststar Milwaukee's performance within MSA 6600 is generally consistent with the overall rating assigned to the bank.

Description of the Assessment Area in MSA 6600

Firststar Milwaukee: Racine MSA							
Income Level:	Number of Geographies	Percent of Total	Number of Families*	Percent of Total	Number of Owner Occupied Units	Percent of Owner Occupied Units	Median Housing Value Dollars
Low	4	11	8,815	19	1,780	31	28,373
Moderate	2	5	8,289	17	1,856	43	48,613
Middle	27	71	12,916	27	35,612	71	64,908
Upper	4	11	17,350	37	4,307	68	105,716
NA	1	2	0	0	0	0	0
Total	38	100	47,370	100	43,555	65	64,563

* Number of Families represents the total number of low, moderate, middle and upper income families regardless of geography income level (i.e. number of low income families (8,815) includes low income families from low income geographies(2,040); moderate income geographies (964); middle income geographies (5,146); and upper income geographies (665).

Additional demographic data is provided in the table below:

Firststar Milwaukee: Racine MSA	
Total Population	175,034
Unemployment Rate	3%
Below Poverty Level	9%
Public Assistance	7%
Retired	17%
1997 Median Family Income	\$49,100

The table below summarizes the bank's operations in the Racine MSA:

Firststar Milwaukee: Operations in the Racine MSA				
Income Levels	Number of Branches	Percent of Branches	Number of ATMS	Percent of ATMS
Low Income Tracts	1	17	0	NA
Moderate Income Tracts	0	NA	0	NA
Middle Income Tracts	5	83	3	100
Upper Income Tracts	0	NA	0	NA
Total for Racine MSA	6	100	3	100

Non-Metropolitan Statistical Area - Walworth County

Conclusions with Respect to Performance Test in Walworth County Non-MSA:

Firstar Milwaukee's performance within Walworth County is generally consistent with the overall rating assigned to the bank.

Description of the Assessment Area in Walworth County Non-MSA:

Firstar Milwaukee: Walworth County Non-MSA Area							
Income Level:	Number of Geographies	Percent of Total	Number of Families*	Percent of Total	Number of Owner Occupied Units	Percent of Owner Occupied Units	Median Housing Value Dollars
Low	0	NA	1,998	11	NA	NA	NA
Moderate	0	NA	2,750	16	NA	NA	NA
Middle	6	50	4,149	23	8,592	77	67,699
Upper	6	50	8,744	50	8,624	80	77,949
NA	0	NA	0	NA	NA	NA	NA
Total	12	100	17,641	100	17,216	51	72,477

* Number of Families represents the total number of low, moderate, middle and upper income families regardless of geography income level (i.e. number of low income families (1,998) includes low income families from middle income geographies (1,137); and upper income geographies (861).

Additional demographic data is provided in the table below:

Firststar Milwaukee: Walworth County Non-MSA Area	
Total Population	64,669
Unemployment Rate	2%
Below Poverty Level	7%
Public Assistance	5%
Retired	15%
1997 State of Wisconsin Non-MSA Median Family Income	\$39,600

The table below summarizes the bank's operations in Walworth County:

Firststar Milwaukee: Operations in Walworth County Non-MSA Area				
Income Levels	Number of Branches	Percent of Branches	Number of ATMS	Percent of ATMS
Low Income Tracts	NA	NA	NA	NA
Moderate Income Tracts	NA	NA	NA	NA
Middle Income Tracts	3	75	2	67
Upper Income Tracts	1	25	1	33
Total for Walworth County Non-MSA Area	4	100	3	100

Appendix

Scope of Examination

Time Period Reviewed: January 1, 1996 through November 17, 1997			
Financial Institution Firststar Bank Milwaukee, N.A.			Products Reviewed Residential Mortgages Small Business Loans Consumer Lending
Affiliate(s) Firststar Home Mortgage Corporation Firststar Bank U.S.A., N.A.	Affiliate Relationship Bank Subsidiary Holding Company Subsidiary		Products Reviewed Residential Mortgages Consumer Lending
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Exam	Branches Visited	Other Information
Milwaukee/Racine	On-site		
Kenosha	Off-site		
Walworth County	Off-site		