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Comptroller of the Currency  
Administrator of National Banks

**Large Bank**

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## **PUBLIC DISCLOSURE**

January 10, 2000

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**M & I First National Bank**  
Charter Number 11060

321 North Main Street  
West Bend, Wisconsin 53095

Office of the Comptroller of the Currency  
Milwaukee Field Office  
744 North Fourth Street, Suite 626  
Milwaukee, Wisconsin 53203

**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 **M & I First National Bank** prepared by The Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of January 10, 2000. 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.

## **Definitions and Common Abbreviations**

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate** - Any company that controls, is controlled by, or is under common control by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company.

**Assessment Area (AA)** - The geographic area which an institution selects as the community that its regulator will assess the institution's record of CRA performance. Generally, an urban assessment area will not extend beyond the boundaries of an MSA. A rural assessment area may contain one or more neighboring counties.

**Census Tract (CT)** - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census. A CT is also called a "geography."

**Community Development (CD)** - Affordable housing for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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, or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)** - The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

**Median Family Income (MFI)** - The median income determined by the United States 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 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.

**Low-Income** - Income levels that are less than 50% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Low- and Moderate Income (LMI)** - Income levels that are less than 80% of the MFI.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI. **Upper-Income** - Income levels that are 120% or more of the MFI.

**M & I First National Bank (M&I FNB)** - M & I First National Bank, West Bend, Wisconsin.

**M & I Mortgage Company (MIMC)** - A mortgage corporation owned by Marshall & Ilsley Corporation and an affiliate of M&I FNB.

**Metropolitan Statistical Area (MSA)** - An area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Small Business Loan** - Loans with original amounts of \$1 million or less that are secured by nonfarm nonresidential properties, or commercial industrial loans to U.S. addresses.

**Small Farm Loan** - Loans with original amounts of \$500 thousand or less that are secured by farmland, that finance agricultural production, and other farm-related loans.

## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **“Satisfactory.”**

The following table indicates the performance level of M&I FNB with respect to the Lending, Investment, and Service Tests:

Performance levels	M & I First National Bank		
	Lending Test *	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\* (Note: The lending test was weighted more heavily than the investment and service tests in determining the overall rating.)

**Summary of Performance:** Key factors in reaching our conclusions regarding M&I FNB’s CRA performance are as follows:

- M&I FNB has demonstrated good responsiveness to credit needs taking into account the number and amount of home mortgage and small business loans originated within its AA.
- The bank has a good distribution of loans to borrowers of different income levels. M&I FNB’s distribution of loans to businesses of different sizes is excellent.
- A high percentage of the bank’s loans are originated within its AA.
- M&I FNB makes good use of flexible lending products to address the credit needs of LMI borrowers.
- The bank has originated an adequate number of community development loans taking into account the opportunities available in the AA to originate these types of loans.

- M&I FNB has made an adequate level of community development investments. The bank's qualified community development investments and grants exhibit adequate responsiveness to credit and community development needs.
- The bank's service delivery systems are accessible to individuals of different income levels.
- M&I FNB provides a relatively high number of community development services that are responsive to AA needs.

## **Description of M&I First National Bank**

M&I FNB is a full-service intrastate community bank headquartered in West Bend, Wisconsin. Serving a majority of Washington County, M&I FNB operates 5 full-service offices and 17 Automated Teller Machines (ATMs). Each of the bank offices has a drive-through facility. Four of the bank's ATMs accept deposits as well as dispense cash.

M&I FNB is a wholly owned subsidiary of Marshall & Ilsley Corporation (M&I), a \$24.2 billion multi-bank holding company headquartered in Milwaukee, Wisconsin. M&I operate 25 banks in Wisconsin, one in Arizona, and have banking operations in Illinois. M&I also operate trust companies in Wisconsin, Arizona, and Florida and a data processing company that serves financial institutions throughout the world. In addition, M&I operate several nonbanking subsidiaries conducting mortgage, brokerage, venture capital, trust, and leasing activities. One M&I subsidiary, M&I Mortgage Corporation (MIMC), is active in M&I FNB's AA. MIMC focuses on originating fixed-rate home purchase and refinance loans while M&I FNB generally originates variable-rate home purchase and refinance loans as well as home improvement loans. The presence of MIMC enhances M&I FNB's ability to meet the housing needs of its AA by providing customers with more financing options. At the request of M&I FNB management, we considered the lending activity of MIMC in the performance evaluation of M&I FNB.

The bank's business strategy has historically been to operate with a community-bank orientation while offering a wide range of products. This is possible through the resources of M&I. Management places equal importance on both commercial and residential lending. While commercial loans represent the largest dollar percentage of the bank's loan portfolio, residential-related lending comprises the largest volume of bank lending in terms of number of loans originated. In addition to offering residential and commercial loan products, M&I FNB offers several consumer loan and deposit products. The bank also provides investment services.

As of September 30, 1999, M&I FNB had total assets of \$346.7 million with net loans representing 61.8% of total assets. M&I FNB's loan portfolio is broken down as follows: \$115.2 million in commercial and industrial loans (53.0% of total loans); \$87.1 million in residential-related real estate loans (40.1%); \$9.1 million in consumer loans (4.2%); \$4.4 million in agricultural loans (2.0%); and \$1.4 million in other loans (0.7%). Based on June 30, 1998 Federal Deposit Insurance Corporation data, the latest available, M&I FNB has the largest deposit market share in Washington County at 20.8%. The institution with the second largest deposit base in Washington County has a market share of 14.6%.

There are no legal impediments that adversely affect M&I FNB's ability to serve its communities. M&I FNB is "well capitalized" for regulatory purposes, and posted return on assets ratios of 1.87% and 1.34% in 1998 and 1997, respectively. The bank was rated "Satisfactory" at its last CRA evaluation dated July 11, 1997.



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This Performance Evaluation presents information on M&I FNB's residential real estate-related loan originations from January 1, 1997 through December 31, 1999. Community Development loan originations were also evaluated over the same time period. The bank's small business and small farm loan origination activity was evaluated over a period from January 1, 1997 through September 30, 1999. Information on small business and small farm loans was not available for the last quarter of 1999. Unless stated otherwise, references to loans means exclusively these four types of loans and not any other M&I FNB loan origination (e.g., consumer loans). In addition to M&I FNB's lending activity, we also assessed the bank's retail banking services and community development investments and services from January 1, 1997 through December 31, 1999.

### **Data Integrity**

We reviewed a sample of residential-related loans to assess the accuracy of reported HMDA data. There were no systemic data errors affecting the overall reliability of the data. We also found small business and farm reporting to be substantially correct. As a result, the bank's HMDA, small business, and small farm reporting is sufficiently accurate for us to assess M&I FNB's performance over the evaluation period.

### **Selection of Areas for Full-Scope Review**

M&I FNB's management delineated one AA in which the bank's performance shall be evaluated. As a result, M&I FNB's performance received a full-scope review in that AA. M&I FNB's AA generally consists of the northern half of Washington County. A full-scope review means that performance under the Lending, Investment, and Service Tests is analyzed taking into account both quantitative (e.g., borrower distribution, dollar and number of loans and investments, branch distribution) and qualitative (innovation, responsiveness, economic conditions) information. A market profile of Washington County can be found in Appendix A.

### **Ratings**

The bank's rating is based on its performance in the Washington County AA. M&I FNB's performance in home purchase and small business lending were given the greatest weight in assigning a rating. These categories of loans comprise the bulk of the bank's lending activities. Although home refinance loans constitute a large percentage of residential lending activity, refinance loans are given only modest weight as these types of loans are generally made to improve a borrower's cost of credit. Home purchase loans are afforded more weight as these loans help individuals achieve home ownership. Furthermore, community contacts mentioned that single-family affordable housing is a local need (see the Market Profile of Washington County in Appendix A for more details). Home improvement loans

are also afforded more weight than refinance loans because these loans help individuals improve their homes. Small business loans were also given a lot of weight as the bank generates a considerable volume of small business loans and community contacts also mentioned small business lending as a community need. M&I FNB's agricultural lending activity is not given as much weight as small business loans. Agricultural loans comprise a small percentage of the bank's portfolio and management does not have the necessary expertise to do a large volume of agricultural lending. This is evident in that the number of agricultural loans originated by the bank has declined each year since 1997.

Furthermore, within each category of HMDA loan type, the distribution of loans to borrowers of different income levels was given much more weight than the geographic distribution. This was done because M&I FNB's AA consists only of middle-income geographies. The borrower distribution of small business loans was also given much more weight than the geographic distribution for the same reason.

The number and dollar amount of qualified investments is only one part of the Investment Test evaluation. The responsiveness and/or complexity of investments are also factored into the rating.

The focus of the service test is on the bank's distribution of branches. Although all of the geographies in M&I FNB's AA are middle-income, we analyzed the location of the branches in comparison to the population breakdown within each CT. The number of community development services is not the most important factor in this evaluation. Rather, the responsiveness of the services to the needs of the AA and the level of innovation are the primary factors considered.

## **Other**

Community contact information and credit need assessments can be found within the Washington County market profile in Appendix A of this evaluation.

## **Fair Lending Review**

In conjunction with this CRA evaluation, we also performed an examination to assess the bank's compliance with antidiscrimination laws and regulations. Our review targeted home equity loans originated by M&I FNB between January 1, 1999 and September 30, 1999. We compared 20 approved home equity loans to single-male applicants to five single-female applicants denied for a home equity loan over that time period. The five denials represented all single-female denials over that time period. The objective of the review was to assess if any difference in treatment was based on the gender of the applicant. The results of our comparative analysis indicated no disparate treatment between male and female applicants during the time period reviewed with respect to home equity loans.

## Conclusions With Respect To Performance Tests

### LENDING TEST

#### Conclusions for M&I FNB's Performance in its Assessment Area:

The bank's performance under the Lending Test is "High Satisfactory." The major factors in reaching our conclusion on the bank's overall performance under the Lending Test are as follows:

- M&I FNB demonstrates good responsiveness to credit needs in its AA taking into account the number and amount of home mortgage and small business loan originations in comparison to the bank's size, resources, presence in the AA, and AA needs.
- The bank has a good distribution of loans to borrowers of different income levels. The bank's distribution of loans to businesses of different sizes is excellent.
- A high percentage of M&I FNB's loans are originated within the AA.
- The bank makes good use of flexible lending programs to address credit needs of LMI borrowers and small businesses.
- Based on the limited opportunities available to originate community development loans, M&I FNB has originated an adequate amount of these types of loans.

#### Lending Activity

*Refer to Table 1 in Appendix B for the facts and data used to evaluate the bank's lending activity.*

#### Home Mortgage Lending

M&I FNB demonstrates good responsiveness to AA credit needs taking into account the number of home mortgage loans originated within its AA. The bank originated 1,388 residential real estate-related loans totaling over \$144 million during the assessment period. The most recent market share information available indicates that M&I FNB ranks first in home purchase loan originations with a market share of 9.9%<sup>1</sup>. This is just slightly above the second ranked competitor's market share of 9.5%. Based on 1998 market share information, M&I FNB is ranked second in home improvement loans with a market share of 12.2%. The bank was only one home improvement loan origination behind

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<sup>1</sup> Based on 1998 market share information.

the market leader in 1998. The bank's performance in these two categories is good; particularly as home purchase lending helps individuals achieve home ownership and home improvement lending helps individuals improve their homes. M&I FNB's market share of 11.7% in home refinance loans ranked first in 1998. As indicated in the Scope of the Evaluation section on page 7, home refinance loans were given only modest weight as these loans are primarily used to improve a borrower's cost of credit.

M&I FNB's overall mortgage lending volume is even higher when considering the volume of loans sold on the secondary market. In 1997, 1998 and 1999, M&I FNB sold approximately \$96.2 million residential mortgage loans on the secondary market.

### Small Business Lending

M&I FNB is a leader in small business lending in the AA. From January 1, 1997 through September 30, 1999, M&I FNB originated 1,113 small loans to businesses totaling nearly \$154 million. Based on 1998 market share information, M&I FNB ranked first in small business loan market share at 22%. This is double the market share of the second ranked lender. M&I FNB's market share of small business loans is also commensurate with the bank's deposit market share. M&I FNB's market share of loans to businesses with gross annual revenues less than \$1 million is even higher at 31.6%. This information indicates that M&I FNB is the premier small business lender in the AA.

### Small Farm Lending

M&I FNB does not focus on agricultural lending. This is evident by the small percentage of agricultural loans that make up the bank's loan portfolio (2.0%). There are other non-CRA reporting institutions with more specialized lenders that help meet the agricultural needs of the AA. Still, the bank originated 154 agricultural loans in the AA over the assessment period for a total of \$7.8 million. Of the 12 institutions reporting at least one agricultural loan in Washington County during 1998, M&I FNB was by far the leader with a market share of 72.5%. This demonstrates excellent performance even though M&I FNB does not focus on agricultural lending.

## **Distribution of Loans By Income Level of the Borrower**

### ***Home Mortgage Loans***

*Refer to Tables 7, 8 and 9 in Appendix B for the facts and data used to evaluate the borrower distribution of M&I FNB's home mortgage loan originations. Market share information for 1997 is not provided in the Tables in Appendix B, but is discussed below.*

### Home Purchase Loans

M&I FNB has a good distribution of home purchase loans to borrowers of different income levels. The bank originated 6.5% of its home purchase loans to low-income borrowers over the assessment period.

This is lower than the percentage of low-income families in the AA, even when considering that nearly 20% of all low-income families in the AA have incomes below the poverty level. Still, this is considered satisfactory given the relatively high median sales price of a home in the AA (see the Market Profile of Washington County in Appendix A). The bank's percentage of loans to moderate-income borrowers (22%) over the assessment period exceeds the percentage of moderate-income families in the AA.

Table 7 in Appendix B indicates that M&I FNB's market share of home purchase loans to low-income borrowers in 1998 is above its overall home purchase market share. The same was true in 1997. In 1998 and 1997, the bank ranked second and third respectively in home purchase loans to low-income borrowers. Although the bank's market rank to low-income borrowers is below its overall market rank, M&I FNB was only nine loan originations behind the market leader in 1997 and 1998 combined. M&I FNB also had a higher market share of home purchase loans to moderate-income borrowers than its overall market share in 1998. In 1997, M&I FNB's market share of home purchase loans to moderate-income borrowers was commensurate with its overall market share. Furthermore, the bank ranked first in home purchase loan originations to moderate-income borrowers in the AA during 1998. M&I FNB ranked second in 1997. This performance demonstrates that M&I FNB is doing a good job of meeting the home purchase needs of borrowers of all income levels in the AA.

#### Home Improvement Loans

M&I FNB has also demonstrated good performance in providing home improvement loans to borrowers of different income levels. Similar to home purchase loans, the bank's percentage of home improvement loans to low-income borrowers is below the demographic make-up of the AA. The bank's percentage of home improvement loans to moderate-income borrowers is slightly above the percentage of moderate-income borrowers residing in the AA.

Table 8 in Appendix B shows that M&I FNB's home improvement loan market share to low-income borrowers in 1998 was slightly below their overall market share. In 1997, M&I FNB did not originate a home improvement loan to a low-income borrower. However, in 1997 and 1998 combined; only 23 home improvement loans to low-income borrowers were originated by all lenders in the AA. The small volume of home improvement loans to low-income borrowers makes assessing performance to low-income borrowers difficult. The bank's market share of home improvement loans to moderate-income borrowers was well above the bank's overall market share in 1998. In 1997, the bank's market share was slightly below its overall market share of home improvement loans. M&I FNB's market share of home improvement loans to moderate-income borrowers was tied for first and third in 1998 and 1997, respectively.

#### Home Refinance Loans

M&I FNB has a satisfactory record of home refinance lending in the AA. The bank's percentage of refinance loans to low-income borrowers during the assessment period is below the percentage of low-

income families in the AA. The bank's percentage of loans to moderate-income borrowers is slightly below the demographic characteristics of the AA.

Market share information for 1998 indicates that the bank ranked first in home refinance loans not only on an overall basis, but to LMI borrowers as well. Furthermore, the bank's market share to LMI borrowers exceeded its overall market share. In 1997, the bank's performance was not as strong as its overall market share exceeded its market share to LMI borrowers. Overall, M&I FNB has demonstrated good performance in meeting the home refinancing needs of borrowers of all income levels. As mentioned earlier, though, home refinance performance is only given moderate weight in assessing overall performance.

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

*Refer to Table 10 in Appendix B for the facts and data used to evaluate the borrower distribution of NEBAT's small business loan originations. Market share information for 1997 is not included in the Tables in Appendix B, but is discussed below.*

M&I FNB has an excellent record of lending to small businesses within the AA. Over the assessment period, M&I FNB originated nearly 78% of its small business loans to businesses with gross annual revenues less than \$1 million. This percentage, although below the percentage of businesses with revenues less than \$1 million in the AA, is well above that of all reporting institutions. Table 10 in Appendix B also shows that M&I FNB's market share of loans to businesses with revenues less than \$1 million is well above its overall market share of small business loans. Furthermore, M&I FNB's market share to businesses with revenues less than \$1 million is more than twice that of the second ranked lender in the county. Table 10 does not include market share information from 1997; however, the bank's market share performance in 1997 was nearly as strong as in 1998. Another indication of the bank's commitment to small business is evident in the distribution of small business loans by dollar amount of loan. Over the assessment period, more than 64% of all business loans were under \$100 thousand in original amount. The bank's performance in this category clearly demonstrates a strong commitment to smaller businesses that may have a more difficult time accessing credit.

### ***Small Farm Loans***

*Refer to Table 11 in Appendix B for the facts and data used to evaluate the borrower distribution of M&I FNB's small farm loan originations.*

We did not place much weight on the bank's performance in lending to small farms. The bank is not an active agricultural lender as only 2% of the bank's outstanding loans are agricultural-related. Also, more specialized lenders help meet the agricultural credit needs of the AA. Still, M&I FNB has done an excellent job of meeting agricultural credit needs over the assessment period.

M&I FNB originated 154 agricultural loans over the assessment period at an average loan size of

\$50.7 thousand. All of the bank's farm loan originations were to farms with revenues less than \$1 million. M&I FNB's percentage of loans to farms with revenues less than \$1 million is commensurate with the percentage of all reporting institutions in the AA. According to market share information, only 13 institutions reported at least one farm loan origination in 1997 and 1998. M&I FNB originated the bulk of reported agricultural loans in the county garnering a market share of 72.5% in 1998. The bank's market share was similar in 1997. The bank's market share of loans to farms with revenues less than \$1 million is identical to its overall market share.



## **Distribution of Loans by Income Level of the Geography**

### ***Home Mortgage Loans***

*Refer to Tables 2, 3 and 4 in Appendix B for the facts and data used to evaluate the geographic distribution of NEBAT's home mortgage loan originations.*

M&I FNB has no low- or moderate-income geographies in its AA. Based on this information, an analysis of the bank's geographic distribution of loans in Washington County would not be meaningful. However, we noted that M&I FNB has an adequate distribution of HMDA-reportable loans in geographies with the highest percentage of LMI families.

### ***Small Business and Small Farm Loans***

For reasons discussed above, an analysis of the geographic distribution of small business and farm loans in Washington County does not produce meaningful results.

### **Assessment Area Concentration**

A high percentage of M&I FNB's loans are originated in the bank's AA. During the evaluation period, over 76% of the number and nearly 65% of the dollar amount of residential-related loans were made in M&I FNB's AA. To conduct this analysis, loans originated by the bank's affiliate, MIMC, were not included. The bank originated 82% of the number of its small business loans within its AA during the evaluation period. On a dollar basis, 79% of the bank's small business loan originations were made within the AA. Finally, the bank originated 76% of the number and dollar amount of small farm loans in its AA over the evaluation period.

### **Lending Gap Analysis**

We reviewed the location of M&I FNB's HMDA, small business, and small farm loan originations over the assessment period to ascertain if any conspicuous lending gaps were present. Our analysis indicated that there are no conspicuous gaps and M&I FNB is originating loans throughout the AA.

### **Community Development Loans**

Opportunities for making qualified CD loans are not as prevalent in M&I FNB's AA as in larger communities. M&I FNB operates in an AA that has no LMI geographies effectively precluding the opportunity to originate loans that stabilize or revitalize LMI geographies. Other CD lending avenues are also limited. Lending to a Community Development Financial Institution (CDFI) is a qualified CD lending activity; however, the State of Wisconsin has only three certified CDFI's and none of them are operating in M&I FNB's AA. There has been limited construction of multi-family rental property serving primarily LMI families. Because of the factors discussed above, the number and amount of CD

loans is not an important consideration. Nonetheless, M&I FNB originated two CD loans during the assessment period. These loans are described below:

In 1999, M&I FNB originated two loans totaling \$1.7 million to provide interim construction financing for a business using a Small Business Administration (SBA) 504 loan through the Milwaukee Economic Development Corporation (MEDC). The MEDC specializes in subordinated debt financing for small businesses that create jobs. The proceeds of the loans were to businesses located in the bank's AA.

### **Product Innovation and Flexibility**

M&I FNB makes good use of flexible lending programs to address the needs of LMI borrowers. Programs used by the bank include the following:

**Neighborhood Home Loan Program (NHL):** This program offers features to make home purchase loans more affordable. The NHL program allows lower downpayment/closing cost requirements than traditional 1-4 family mortgage financing and waives private mortgage insurance requirements. Downpayment can be as little as 3%. The NHL program has been utilized primarily by LMI borrowers. In 1999, 23 of the 30 originations under this program were to low- or moderate-income borrowers. This program is responsive to the needs of the area, especially in light of comments made by community contacts.

**C-Cap, Incorporated Downpayment and Closing Cost Assistance Program (DCCAP):** The DCCAP provides up to \$3,000 to LMI borrowers that must be used to cover downpayment, closing, or other costs associated with the purchase of a home. Grant monies are forgiven at 20% per year for each year the borrower lives in the home. The program is administered by the Tri County Home Consortium (TCHC), a consortium of lenders serving three counties including Washington. M&I FNB originated 17 loans under this program in 1998 and 1999.

**Wisconsin Housing and Economic Development Authority (WHEDA) HOME Program:** This program is a first-time home buyer program that provides below-market fixed interest rates and allows for a lower down payment than conventional mortgage programs. During the assessment period, M&I FNB originated 14 WHEDA loans totaling \$1.1 million.

M&I FNB also provides loans under several other programs; however, those programs are not designed necessarily targeted to LMI individuals or geographies. For example, the bank has originated several loans under Veterans Administration and Federal Housing Authority housing programs. Loans made under all of the programs discussed above received positive credit in other areas of the Lending Test.

## INVESTMENT TEST

### Conclusions for M&I FNB's Performance in its Assessment Area:

*Refer to Table 12 in Appendix B for the facts and data used to evaluate M&I FNB's level of qualified investments.*

M&I FNB's performance under the Investment Test is rated "Low Satisfactory." The major factors in reaching our conclusion on the bank's overall performance under the Investment Test are as follows:

- M&I FNB has made an adequate level of qualified community development investments and grants exhibiting adequate responsiveness to credit and community development needs.

M&I FNB's qualified investments and grants over the assessment period total approximately \$100,000.

This is an adequate total, especially considering that there are limited opportunities available in the AA to make qualified investments. One way to make a qualified community development investment is to invest or grant monies in such a way as to revitalize and/or stabilize low- or moderate-income geographies. M&I FNB has no LMI geographies in its AA. There are a few statewide housing organizations that indirectly serve the area, but none with a physical presence in Washington County. Small Business Investment Companies, which are viable investment vehicles, are not in the immediate area. There is a SBA 504 Certified Development Corporation (CDC) located in Milwaukee, Wisconsin that serves Washington County. M&I FNB has made two CD loans associated with the CDC, but has not invested in it. Furthermore, there has been no opportunity to invest in mortgage-backed securities primarily addressing affordable housing needs in the AA. Nor has there been a significant level of affordable multi-family housing construction in the area. A non-profit credit counseling organization has only recently begun operations in the area. As a result, there has been only a limited time period in which monies could have been granted to the organization. There are a few social service agencies that do provide an investment vehicle and there is a local organization engaged in affordable housing rehabilitation that the bank is involved with (see below). Given this information, M&I FNB has an adequate level of qualified community development investments and grants. Although none of the investments or grants are particularly innovative or complex, they do represent adequate responsiveness to community needs. The following summarizes M&I FNB's qualified CD investment:

In 1998, M&I FNB invested \$25,000 in a Rehabilitation Loan Program benefiting LMI borrowers in a four county area, including Washington County. The bank's investment in the program represents a 5.8% investment in the pool. The program provides funds of up to \$20,000 to LMI individuals for home repair/rehabilitation purposes. A consortium of banks contributed to the loan pool while a portion of state money goes towards covering the borrowers interest payments. Essentially, the borrower can obtain a 0% interest loan under this program.

#### Qualified Community Development Grants:

During the assessment period, M&I FNB granted a total of \$15,000 to a non-profit organization designed to deliver basic health care services primarily to LMI individuals. Individuals receiving this service reside in Washington County.

M&I FNB contributed a total of \$2,000 over the assessment period to a local Economic Development Corporation (EDC). The EDC assists small businesses in development plans, financing options and expansion plans. The EDC is also active in the recruitment of small business to the area. In addition to this, M&I FNB also granted funds totaling approximately \$1,200 to local organizations with a community development purpose.

Contributions to a national social services agency over the assessment period totaled \$54,000. These monies went to the benefit of LMI individuals and/or families.

In 1998 and 1999, the bank contributed a total of \$2,775 to local social service agencies that provide services primarily to LMI individuals.

## SERVICE TEST

### Conclusions for M&I FNB's Performance in its Assessment Area:

M&I FNB's performance under the Service Test is rated "High Satisfactory." The major factors in reaching our conclusion on the bank's overall performance under the Service Test are as follows:

- M&I FNB's service delivery systems are accessible to individuals of different income levels.
- To the extent changes have been made, M&I FNB's record of opening and closing branches has not adversely affected the accessibility of its delivery services, particularly to LMI individuals.
- The bank's services do not vary in a way that inconveniences any segment of the AA.
- M&I FNB provides a relatively high number of community development services that are responsive to the needs of the AA.

### Retail Banking Services

*Refer to Table 13 in Appendix B for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.*

The bank's service delivery systems are accessible to individuals of different income levels and exhibit no conspicuous gaps. Although all eleven of the CTs in the bank's AA are middle-income tracts, demographic information indicates that one of the bank's branches is located in the CT (CT number 4201.01) with the third highest number of low-income and highest number of moderate-income families in the AA. Other bank offices are located near CTs with a relatively high number of LMI families. Furthermore, M&I FNB offices are situated on or near major access roads increasing accessibility.

M&I FNB did relocate its Jackson branch location in 1999. The move did not have a negative impact on the availability of its delivery systems.

M&I FNB has 17 ATMs well disbursed throughout the AA. Four of the ATMs are deposit taking as well as cash dispensing ATMs. Eight of M&I FNB's ATMs were opened subsequent to the bank's last CRA examination. Although none of the eight new ATMs are deposit taking, these additions has increased the accessibility of some banking services in the AA.

Residential and consumer loan officers are located at each branch. Commercial loan applications are accepted at each branch, however, most commercial loan officers are located at the main office. Loan officers will, however, travel to a branch or a customer's location. The bank also offers investment services at bank locations or at customers' homes if requested.

Office hours do not vary in a way that inconveniences any portions of the AA. All offices, except the Allenton branch, open at 8:30am on Monday through Friday. The Allenton branch opens at 10:00am on these days. Customer traffic patterns suggest that an earlier opening at this branch is not necessary. Hours at all locations are extended on Friday. All locations have drive-through facilities that are open on weekdays as well as on Saturday. Generally, drive-through facilities open before the branch does and close later.

### *Alternative Delivery Systems*

M&I FNB's service delivery system is enhanced by its ATM distribution discussed above. This is especially true with the addition of the ATMs since the last CRA evaluation.

The effectiveness of M&I FNB's other alternative delivery systems is difficult to assess. Alternative delivery systems are evaluated only to the extent that they provide effective alternatives in providing services to LMI areas and individuals. M&I FNB does not have any LMI areas in their AA. The bank's other alternative delivery systems were not given significant weight as they are not designed specifically for LMI individuals. However, they do add convenience to the AA. M&I FNB offers personal computer banking where customers can view balances and transaction information, make money transfers between accounts and pay bills. There is also a computer-based package for businesses. Also available is a 24-hour telephone service where customers can access information regarding loans and deposits as well as allowing the customer to make fund transfers between accounts and pay bills.

M&I FNB also provides accounts for those who are required to receive government benefits through electronic methods. There are no monthly maintenance fees when a minimum balance is maintained.

The bank offers a checking account with reduced or waived fees for small businesses that process fewer items through their checking accounts. This is responsive to the needs of smaller businesses in the area.

### **Community Development Services**

M&I FNB provides a relatively high level of community development services that are responsive to the needs of its AA. Examples of community development services that M&I FNB personnel are involved with are detailed below.

A bank employee serves on the board of the West Bend Downtown Association (WBDA). Other bank employees are also active in the WBDA serving as a director or secretary. In 1999, the WBDA linked up with the Main Street (MS) Program. MS, a program administered by a federal agency, is a comprehensive, coordinated method for revitalizing traditional downtown commercial areas. The overall goal of the program is to attract and retain small businesses in the downtown West Bend area.

One bank employee also serves on the MS Economic Restructuring Committee (ERC). The ERC not only helps existing businesses expand, but also recruits new businesses that are responsive to the community's needs. The ERC develops financial incentives and capital for building rehabilitation and business development.

An employee of the bank chairs the West Bend Commercial Revolving Loan Fund (WBCRLF). The WBCRLF is financed in part by the Wisconsin Community Development Block Grant (CDBG) Program. The CDBG program provides local government with funds to use for economic development, specifically for business start-up and expansion. The funds provide grants to local units of government that use the funds to loan to businesses. In return for the use of the public funds, the business provides private investment towards the assisted business activity and creates job opportunities. Specifically, a minimum of 51% of the jobs created shall be made available to LMI persons.

A bank employee was actively involved in writing the guidelines for the C-Cap Grant Program utilized in Washington County. The program is administered by the Tri County Home Consortium (TCHC), a consortium of lenders serving three counties including Washington. The C-Cap Grant Program provides up to \$3,000 to LMI borrowers that must be used to cover downpayment, closing, or other costs associated with the purchase of a home. Grant monies are forgiven at 20% per year for each year the borrower lives in the home. The bank's involvement in the formation of the program in Washington County is viewed quite positively, particularly in light of the relatively high cost of housing in the county.

To qualify for grant funds under the C-Cap Grant Program discussed above, the borrower must complete a home purchase-counseling course covering various topics. Bank lenders have been active in presenting this material on many occasions. In addition to presenting home purchase counseling to larger groups, bank lenders have been active in home purchase counseling on a one-on-one basis. Again, this activity on the part of bank personnel is viewed positively.

An employee of the bank serves on the board of directors of a local social services agency that provides needed services primarily to LMI individuals or families. The employee provides financial expertise by assisting the agency in preparing its budget and making decisions as to the allocation of the agency's resources.

A senior bank employee serves on the board of the Washington County Economic Development Department (WCEDD). The WCEDD is an entity that helps coordinate county wide development efforts, works to retain and attract new business while creating new employment opportunities, and provides community facilities to promote economic development. Much of the WCEDD's work is geared towards small business retention and recruitment, including seminars on how to start up a business. Another mission of the WCEDD is to increase opportunities for single-family home ownership in the county. The employee provides technical and financial expertise by assisting in the allocation of the WCEDD's resources.

## Appendix A: Market Profile for Washington County

### Washington County

DEMOGRAPHIC INFORMATION FOR FULL-SCOPE AREA: WASHINGTON COUNTY MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A % of #
Geographies (CTs)	11	N/A	N/A	100%	N/A	N/A
Population by Geography	58,180	N/A	N/A	100%	N/A	N/A
Owner-Occupied Housing By Geography	14,400	N/A	N/A	100%	N/A	N/A
Businesses By Geography	2,224	N/A	N/A	100%	N/A	N/A
Farms By Geography	240	N/A	N/A	100%	N/A	N/A
Family Distribution By Income Level	15,667	11.8%	19.2%	32.5%	36.5%	N/A
Distribution of LMI Families Throughout AA Geographies	4,851	N/A	N/A	100%	N/A%	N/A
Unemployment Rate (September, 1999) *	= 1.8%	Median Family Income		= \$39,005		
Households Below the Poverty Level	= 3.84%	HUD Adjusted MFI for 1999		= \$57,600		
Families Below the Poverty Level	= 2.36%	HUD Adjusted MFI for 1998		= \$53,900		
Median Housing Value	= \$80,617	HUD Adjusted MFI for 1997		= \$50,700		

Source: 1990 U.S. Census, 1998 and 1999 HUD Updated MFI and (\*) Department of Workforce Development.

### *Operations Within Washington County*

M&I FNB's main office, as well as four full-service branches, is located within Washington County. Three of the bank's offices, including the main office, are located in the City of West Bend. One branch is located in Jackson, Wisconsin and the other in Allenton, Wisconsin. Washington County is part of the Milwaukee-Waukesha MSA. All 17 of the bank's ATMs are located in the AA. All of the bank's deposit base, and a majority of the bank's lending activity, is within Washington County.

### *Assessment Area Information*

The Washington County AA includes all but seven CTs in Washington County.<sup>2</sup> The excluded geographies are in the southern portion of the county. Bank management made the decision to exclude these seven geographies from the Washington County AA as they are not in close proximity to bank branches. Furthermore, the excluded CTs are served by other financial institutions, including a

<sup>2</sup> The geographies included in the Washington County AA are 4001.01, 4001.02, 4101, 4201.01, 4201.02, 4202.00, 4203.00, 4204.00, 4301.00, 4501.01, and 4501.02.



separately chartered M&I bank. There are no low-, moderate-, or upper-income geographies in M&I FNB's AA. M&I FNB's delineation of the Washington County AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies.

### *Demographic Information*

The table above presents key demographic information on the population, owner-occupied housing, businesses, farms, and family income distribution in the AA. Since the AA consists entirely of middle-income CTs, much of the demographic information presented above is not noteworthy. Of the 1,848 low-income families in the AA, 369, or nearly 20% have incomes below the poverty level. These families may have difficulties qualifying for housing-related products.

Washington County has experienced significant population growth over the last eight years. A large percentage of the growth has been in towns just outside of, or on the fringes of, the bank's AA. Still, the City of West Bend has grown by 15.8% since 1990. Many of the county's workers commute south to Milwaukee County. Demographic information indicates that very few workers in the county commute north to Sheboygan or Fond du Lac counties for employment.

Based on 1990 census data, there are 20,970 housing units in the AA. Of these, 14,400 (69%) are owner-occupied units, 5,659 (27%) are rental units, and 911 (4%) are vacant units. The weighted average of the median year a home was built in the AA is 1967. This indicates that homes in the AA are newer than in surrounding counties such as Fond du Lac and Sheboygan Counties where, on average, homes were built in 1957 and 1956, respectively. In the City of West Bend, the average sales price of a home is \$138 thousand and the median sales price of a home in the county is even higher<sup>3</sup>. These prices, and the fact that 20% of the low-income families in this AA have incomes below the poverty level, make it difficult for LMI families to find affordable housing.

A majority of the businesses in this AA have gross annual revenues less than \$1 million. Of the 1,868 non-farm businesses located in the AA reporting revenues, 1,636 or 87.5% have gross annual revenues less than \$1 million. Nearly 98% of all farms reporting revenues in the AA have gross annual revenues less than \$1 million. These percentages indicate that the majority of businesses and farms in the AA are smaller in nature.

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<sup>3</sup> Based on information from the Wisconsin Realtors Association.

### *Economy, Major Industries and Employers*

The economy in Washington County is strong. The unemployment rate, as of November 1999, was 1.8%. Manufacturing represents the largest employment base employing 34% of the county's non-farm workforce. Wisconsin Department of Workforce Development information indicates that many Washington County employers have had difficulty filling their employment needs. This information is consistent with the county's low unemployment rate. Contrary to national trends, goods producing industries have grown at a faster rate than service producing industries in Washington County. Major employers in the area include Serigraph, West Bend Company, Regal Ware, and Quad Graphics.

### *Financial Competition*

There is very strong financial competition within the Washington County AA. Including M&I FNB, there are 14 financial institutions with offices in the county. However, the number of financial institutions does not include credit unions. Over 125 entities originated at least one mortgage-related product in the AA in 1998. Primary competitors for mortgage products include a local savings bank, large regional and national mortgage companies, and other local banks. Primary competitors for business loans include both large and small financial institutions.

### *Community Contacts and Credit Needs*

In an effort to assess the credit needs of the AA, we conducted a community contact with a local housing authority. The housing authority contact was complementary of the performance of local institutions in meeting credit needs. The contact stated that, for the most part, multi-family affordable housing demand is being met. However, the contact did state that there was need for more single-family affordable development. The contact also stated that housing for the disabled is a community need. Our research also indicates that there has been only a few single-family housing tract developments completed in recent years.

As part of our community assessment, we also reviewed recently issued Public Evaluations and prior community contacts conducted by other regulatory agencies. The most frequently cited needs were for single-family affordable housing and the retention and expansion of local small business.

## Appendix B: Tables of Performance Data

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### Content of Standardized Tables

The tables cover the entire CRA evaluation period. For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the AA; and market share is the number of loans originated by M&I FNB as a percentage of the aggregate number of reportable loans originated by all lenders in the AA. The following is a listing and brief description of the tables included in this Appendix:

**Table 1. - Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by M&I FNB over the evaluation period by AA.

**Table 2. - Geographic Distribution of Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available (1998).

**Table 3. - Geographic Distribution of Home Improvement Loan Originations** - See Table 2.

**Table 4. - Geographic Distribution of Home Mortgage Refinance Loan Originations** - See Table 2.

**Table 5. - Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated and purchased by M&I FNB in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available (1998).

**Table 6. - Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (<\$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 7. - Borrower Distribution of Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/AA. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8. - Borrower Distribution of Home Improvement Loan Originations** - See Table 7.

**Table 9. - Borrower Distribution of Home Mortgage Refinance Loan Originations** - See Table 7.

**Table 10. - Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (<\$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. - Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (<\$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. - Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period.

**Table 13. - Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

**Table 1. Lending Volume**

LENDING VOLUME State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999												
MSA /Assessment Area	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business*		Small Farms*		Community Development		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Scope:												
Washington County AA	100%	1,388	145,016	1,113	153,944	154	7,805	2	1,695	2,657	308,460	100%

(\*) Evaluation period for small business and small farm loans is from January 1, 1997 through September 30, 1999.

**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HOME PURCHASE State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1	9.9%	N/A	N/A	9.9%	N/A	456	100%

(\*) Based on 1998 Aggregate HMDA Data only.

**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	2	12.2%	N/A	N/A	12.2%	N/A	66	100%

(\*) Based on 1998 Aggregate HMDA Data only.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1	11.7%	N/A	N/A	11.7%	N/A	866	100%

(\*) Based on 1998 Aggregate HMDA Data only.

**Table 5. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS State: Wisconsin Evaluation Period: January 1, 1997 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Business In CTs	% BANK Loans	% of Business In CTs	% BANK Loans	% of Business In CTs	% BANK Loans	% of Business In CTs	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1	22.1%	N/A	N/A	27.7%	N/A	1,113	100%

Note: Overall market share in the Washington County AA is lower than M&I FNB’s market share in the middle-income geographies because market share data for small business lending is available only on a whole county basis. The Washington County AA does not include all geographies in the county.

(\*) Based on 1998 Aggregate Small Business Data only.

**Table 6. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM State: Wisconsin Evaluation Period: January 1, 1997 to September 30, 1999																
MSA /Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	N/A	N/A	N/A	N/A	100%	100%	N/A	N/A	1	72.4%	N/A	N/A	82.4%	N/A	154	100%

Note: Overall market share in the Washington County AA is lower than M&I FNB’s market share in the middle-income geographies because market share data for small farm lending is available only on a whole county basis. The Washington County AA does not include all geographies in the county.

(\*) Based on 1998 Aggregate Small Farm Data only.

**Table 7. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	11.8%	6.5%	19.2%	22.0%	32.5%	33.5%	36.5%	38.0%	1	9.9%	13.0%	11.3%	9.4%	12.2%	456	100%

(\*) As a percentage of loans with borrower income information available. No information was available for 2.4% of home purchase loans originated by M&I FNB.

(\*\*) Based on 1998 Aggregate HMDA Data only.

**Table 8. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HOME IMPROVEMENT State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	11.8%	6.2%	19.2%	20.0%	32.5%	38.4%	36.5%	35.4%	2	12.2%	11.1%	17.8%	10.2%	13.6%	66	100%

(\*) As a percentage of loans with borrower income information available. No information was available for 1.5% of home improvement loans originated by M&I FNB.

(\*\*) Based on 1998 Aggregate HMDA Data only.



**Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HOME MORTGAGE REFINANCE State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																
MSA /Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
Washington County AA	11.8%	4.1%	19.2%	16.9%	32.5%	36.3%	36.5%	42.7%	1	11.7%	15.8%	13.1%	13.1%	13.6%	866	100%

(\*) As a percentage of loans with borrower income information available. No information was available for 1.3% of home refinance loans originated by M&I FNB.

(\*\*) Based on 1998 Aggregate HMDA Data only.

**Table 10. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS State: Wisconsin Evaluation Period: January 1, 1997 to September 30, 1999											
MSA /Assessment Area	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size (000's)
Full Scope:											
Washington County AA	87.6%	77.7%	56.3%	64.3%	18.7%	17.0%	22.1%	31.7%	1,113	100%	\$138.3

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. All of M&I FNB's loans have revenue information available.

(\*\*\*) The market consists of all other Small Business reporters in M&I FNB's AA and is based on 1998 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1998 Aggregate Small Business Data only.

**Table 11. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM State: Wisconsin Evaluation Period: January 1, 1997 to September 30, 1999											
MSA /Assessment Area	Farm with Revenues of \$1 million or less			Loan by Original Amount regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size (000's)
Full Scope:											
Washington County AA	98.3%	100%	100%	83.8%	13.6%	2.6%	72.5%	72.5%	154	100%	\$50.7

(\*) As a percentage of farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. All of M&I FNB's loans have revenue information available.

(\*\*\*) The market consists of all other Small Farm reporters in M&I FNB's assessment area and is based on 1998 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1998 Aggregate Small Farm Data only.

**Table 12. Qualified Investments**

QUALIFIED INVESTMENTS State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999									
MSA /Assessment Area	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full Scope:									
Washington County AA	0	N/A	N/A	14	100	100%	14	100	100%

(\*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.

(\*\*) Percentage of the dollars invested in the AA that are current period investments.

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM State: Wisconsin Evaluation Period: January 1, 1997 to December 31, 1999																	
MSA /Assessment Area	Deposits	Branches						ATMs						Population			
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope:																	
Washington County AA	100%	5	100%	N/A	N/A	100%	N/A	17	100%	N/A	N/A	100%	N/A	N/A	N/A	100%	N/A