
PUBLIC DISCLOSURE

February 16, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

M&I Marshall & Ilsley Bank
983448
770 North Water Street
Milwaukee, WI 53202

Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: Outstanding

The following table indicates the performance level of M&I Marshall & Ilsley Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	M&I Marshall & Ilsley Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support M&I Marshall & Ilsley Bank's rating are the following:

- The substantial majority of loans, 95.6 percent, were made in the bank's assessment areas.

- The geographic distribution of HMDA-reportable lending was good in the majority of the assessment areas, and the distribution of loans to small businesses was good.
- The borrower distribution for HMDA-reportable loans reflects good penetration among low- and moderate-income borrowers with different income levels, including LMI borrowers, throughout the majority of the Wisconsin assessment areas.
- The distribution of lending among businesses of different sizes was adequate.
- The bank is a leader in making community development loans, and made extensive use of innovative and flexible lending practices.
- The bank made an excellent level of qualified investments and grants totaling \$78.5 million, and extensive use of innovative and complex investments.
- Delivery systems are accessible to all portions of the assessment areas, including LMI areas.
- Services are tailored to the convenience and needs of the assessment areas, including low- and moderate-income geographies and individuals.
- The bank is a leader in providing community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

M&I Marshall & Ilsley Bank (M&I) is the lead bank and a wholly-owned subsidiary of Marshall & Ilsley Corporation, a multi-bank holding company based in Milwaukee, Wisconsin. The holding company had \$62.5 billion in total assets as of December 31, 2008, and the bank had total assets of \$55.4 billion as of the same date. The holding company also owns Southwest Bank, an M&I Bank, a state member bank located in St. Louis, Missouri; M&I Bank FSB, a federally-chartered savings bank located in Las Vegas, Nevada; M&I Bank of Mayville, a special purpose state member bank located in Mayville, Wisconsin; M&I Community Development Corporation located in Wauwatosa, Wisconsin; and M&I Foundation located in Milwaukee, Wisconsin. This performance evaluation includes reviews of the bank's lending, investment, and service activities, as well as investments of the following affiliates: M&I Community Development Corporation, and M&I Foundation.

Since the previous CRA evaluation, completed as of October 29, 2007, M&I has entered new markets located in the state of Indiana and Orlando/Kissimmee MSA in Florida, and expanded its presence in the Minnesota portion of the Minneapolis/St. Paul/Bloomington Multistate MSA. The new markets resulted from the mergers with United Heritage Bank on June 1, 2007, Excel Bank Minnesota on August 1, 2007 and First Indiana Bank, NA on February 2, 2008. The bank acquired the following branch offices through merger since the previous evaluation: 13 former United Heritage Bank offices in the Orlando/Kissimmee MSA; four former Excel Bank offices in the Minnesota portion of the Minneapolis/St. Paul/Bloomington Multistate MSA; and 32 former First Indiana Bank, NA offices in the Indiana assessment areas, primarily the Indianapolis/Carmel MSA.

During 2007 and 2008, the bank opened 23 new branches: eight in Arizona, five in Minnesota, three in Wisconsin, six in Florida, and one in Missouri. Two of the new branches are in low-income census tracts and three are in moderate-income census tracts. In 2007 and 2008, the bank closed 13 branches: five in Wisconsin,

five in Missouri, two in Minnesota, two in Florida, and one in Arizona. Three of the closed branches were located in moderate-income census tracts.

As of December 31, 2008, M&I operated 363 offices in seven states: 191 in Wisconsin, 53 in Arizona, 35 in Minnesota, seven in Missouri, eight in Kansas, 34 in Florida, 32 in Indiana, and two Loan Production Offices (LPOs) in Arizona and one in Illinois. Of these offices, eight (2.2%) were located in low-income census tracts, 55 (15.3%) in moderate-income census tracts, 206 (57.2%) in middle-income census tracts, 90 (25.0%) in upper-income census tracts, and one (0.3 %) in a census tract for which income information was not available. The percentage of offices in low- and moderate-income census tracts increased from 15.5 percent on December 31, 2006 to 17.5 percent as of December 31, 2008. The bank also has seven branches located in underserved and/or distressed areas in middle-income nonmetropolitan geographies. In addition, the bank operates 508 automated teller machines (ATMs), of which 24 (4.7%) were located in low-income census tracts, 62 (12.2%) in moderate-income census tracts, 297 (58.5%) in middle-income census tracts, 119 (23.4%) in upper-income census tracts, and six (1.2%) were located in census tracts for which income information was not available. Of the total number of ATMs, 260 (51.2%) were full-service and 248 (48.8%) were cash-dispensing ATMs. The percentage of ATMs in low- and moderate-income census tracts remained unchanged from December 31, 2006 at 16.9 percent.

M&I's offices offer a variety of deposit and credit products to meet financial services needs in its assessment areas. Types of credit offered include the following: commercial and residential real estate, including fixed- and adjustable-rate mortgage products; agricultural, consumer and student loans; and personal home equity lines of credit. The bank also participates in several state- and federally-sponsored loan programs. M&I offers several products that were specifically designed to meet the needs of LMI individuals including the Foundation Checking Account, Thrift Savings Account, Credit Builder loan program, M&I's Neighborhood Home Loan Program (NHLP), and programs offered through Wisconsin Housing and Economic Development Authority (WHEDA). Banking services are also accessible through the bank's website, www.mibank.com. The website contains information about the organization and its affiliates, branch and ATM locations, investment services and

consumer/business products and services. The site has access to online applications for automobile loans, mortgages, and deposit products. The bank also offers mobile banking. M&I mobile banking options include internet balance inquiry, access to account information, transfers between accounts, bill payment, and branch and ATM locations.

The bank's loan and lease portfolio compared to its national peer, according to the December 31, 2008 Uniform Bank Performance Report (UBPR), is illustrated in Table A.

Table A Bank Loan Mix Compared to National Peer As of December 31, 2008		
Loan Type	Bank Loan Mix (%)	National Peer Loan Mix (%)
1-4 Family Residential Loans	23.03	22.30
Non-Farm/Non-Residential Loans	15.94	20.24
Construction & Land Development	20.70	11.42
Home Equity Loans	4.41	4.60
Multi-Family Loans	4.88	1.97
Farm Land Loans	1.60	0.49
Total Real Estate Loans	66.14%	
Commercial & Industrial Loans	26.55	20.23
All Other Loans*	2.29	1.48
Loans to Individuals	2.27	6.04
Lease Financing Receivables	1.64	1.03
Agricultural Loans	0.87	0.32
Municipal Loans	0.19	0.49
Financial Institution Loans	0.06	0.20
Credit Card Loans	0.00	0.43
Foreign Office Loans & Leases	0.00	0.47
Total Loan Mix	100.01%	
*This category includes loans for purposes other than consumer credit, as well as those loans for purchasing and carrying securities.		

The bank's peer group is defined as all insured commercial banks with assets in excess of \$3 billion as of December 31, 2008. As illustrated, the bank's percentage of loans in the home equity, 1-4 family residential, farm land and commercial & industrial loan categories exceeds the corresponding percentages of its national peer group. The bank's percentage of construction & land development, and

multi-family loans is well above that of its national peer; however, it is below peer in nonfarm/nonresidential real estate and loans to individuals. The bank's net loan-to-deposit ratio was 122.6 percent as of December 31, 2008, compared to its national peer group at 93.3 percent. As of the date of this assessment, there were no apparent financial or legal impediments that would affect the institution's ability to meet the needs of its assessment areas.

The following is a description of the bank's assessment areas.

Multistate MSAs

- Minneapolis/St. Paul/Bloomington MSA, which encompasses Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties in Minnesota, and Pierce and St. Croix Counties in Wisconsin.
- Duluth MSA which encompasses Carlton and St. Louis Counties in Minnesota, and Douglas County in Wisconsin.
- Kansas City MSA which encompasses Clay, Jackson, and Platte Counties in Missouri, and Johnson and Wyandotte Counties in Kansas.

Wisconsin

- Milwaukee/Racine/Waukesha CSA, which encompasses Milwaukee, Ozaukee, Washington and Waukesha Counties in the Milwaukee/Waukesha/West Allis MSA, and Racine County in the Racine MSA.
- Madison MSA which encompasses Dane, Columbia and Iowa Counties.
- Appleton/Oshkosh/Neenah Combined Statistical Area (CSA), which encompasses Calumet and Outagamie Counties in the Appleton MSA, and Winnebago County in the Oshkosh/Neenah MSA.
- Eau Claire MSA which encompasses Chippewa and Eau Claire Counties.
- Fond du Lac MSA which encompasses Fond du Lac County.
- Green Bay MSA which encompasses Brown, Door, Kewaunee, and Oconto Counties.
- Janesville MSA which encompasses Rock County.
- LaCrosse MSA which encompasses La Crosse County.

- Lake County IL/Kenosha County WI Metropolitan Division (MD) which encompasses Kenosha County Wisconsin.
- Sheboygan MSA which encompasses Sheboygan County.
- Wausau MSA which encompasses Marathon County.
- Non-Metropolitan Northwest Region of Wisconsin consisting of Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Dunn, Green Lake, Iron, Jackson, Juneau, Langlade, Lincoln, Marquette, Monroe, Oneida, Pepin, Polk, Portage, Price, Rusk, Sawyer, Taylor, Trempealeau, Vilas, Washburn, Waushara, and Wood Counties.
- Non-Metropolitan Northeast Region of Wisconsin consisting of Florence, Forest, Marinette, Manitowoc, Menominee, Shawano, and Waupaca Counties.
- Non-Metropolitan Southwest Region of Wisconsin consisting of Crawford, Dodge, Grant, Green, Jefferson, Lafayette, Richland, Sauk, Vernon, and Walworth Counties.

Arizona

- Phoenix/Mesa/Scottsdale MSA which encompasses Maricopa and Pinal Counties.
- Prescott MSA which encompasses Yavapai County.
- Tucson MSA which encompasses Pima County.

Florida

- Sarasota/Bradenton/Venice MSA which encompasses Manatee and Sarasota Counties.
- Cape Coral/Fort Myers MSA which encompasses Lee County.
- Naples/Marco Island MSA which encompasses Collier County.
- Orlando/Kissimmee MSA which consists of Orange and Seminole Counties.
- Punta Gorda MSA which encompasses Charlotte County.
- Tampa/St. Petersburg/Clearwater MSA which encompasses Hillsborough County.

Indiana

- Indianapolis/Anderson CSA consisting of Indianapolis/Carmel MSA

which encompasses Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby Counties and Anderson MSA which encompasses Madison County.

- Non-Metropolitan Indiana consisting of Rush County.

Kansas

- Non-Metropolitan Kansas consisting of Cherokee and Crawford Counties.

Missouri

- St. Joseph MSA consisting of Andrew and Buchanan Counties.

Oklahoma

- Tulsa MSA consisting of Creek, Osage, Rogers, Tulsa, and Wagoner Counties

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated in the context of information about the institution and its assessment areas, such as asset size, financial condition, competition and the combined record of the aggregate of lenders in each assessment area, and economic and demographic characteristics. The following 13 assessment areas received full reviews and served as the basis for this evaluation:

- Minneapolis/St. Paul/Bloomington Multistate MSA – Minnesota and Wisconsin;
- Duluth Multistate MSA - Minnesota and Wisconsin;
- Kansas City Multistate MSA – Missouri and Kansas;
- Milwaukee/Racine/Waukesha CSA – Wisconsin;
- Madison MSA – Wisconsin;
- Non-Metropolitan Northwest Region – Wisconsin;
- Phoenix/Mesa/Scottsdale MSA – Arizona;
- Sarasota/Bradenton/Venice MSA – Florida;

- Orlando/Kissimmee MSA – Florida;
- Indianapolis/Anderson CSA – Indiana;
- Non-Metropolitan Kansas;
- St. Joseph MSA – Missouri; and
- Tulsa MSA – Oklahoma.

Limited reviews were completed for all other assessment areas.

The lending analysis was based primarily on HMDA-reportable loans, specifically home purchase and refinance loans, and loans to small businesses. HMDA-reportable loans with a home improvement purpose were not analyzed due to low volume; these loans made up 2.6 percent of the bank's total HMDA-reportable lending. Small farm lending was considered in the following assessment areas: Appleton/Oshkosh/Neenah CSA, Madison MSA, Eau Claire MSA, Fond du Lac MSA, Green Bay MSA, Janesville MSA, Sheboygan MSA, Wausau MSA, and Wisconsin Non-MSA assessment areas. In the remaining assessment areas, small farm lending was minimal and would not have had an impact on the overall CRA rating.

Performance within the designated assessment areas was evaluated using large bank full review examination procedures based on the following performance standards:

- ***Lending in the Assessment Area*** – A sample of home purchase and refinanced home loans, and loans to small businesses and small farms was reviewed to determine the percentage of loans originated in the assessment area. The scope period was January 1, 2007 through December 31, 2008 with the exception of the Indiana assessment areas which was February 2, 2008 through December 31, 2008.
- ***Geographic Distribution of Lending in the Assessment Area*** – A sample of home purchase and refinanced home loans, and loans to small businesses and small farms was analyzed to determine the extent to which the bank is making loans in census tracts of different income levels, including those designated as low- or moderate-income. The scope period was January 1,

2007 through December 31, 2008, with the exception of the Indiana assessment areas which was February 2, 2008 through December 31, 2008.

- ***Lending to Borrowers of Different Incomes and to Businesses and Farms of Different Sizes*** – A sample of home purchase and refinanced home loans, and loans to small businesses and small farms was analyzed to determine the loan distribution among borrowers of different income and revenue levels. The scope period was January 1, 2007 through December 31, 2008, with the exception of the Indiana assessment areas which was February 2, 2008 through December 31, 2008.
- ***Community Development Lending*** – The number and volume, innovativeness and complexity of community development loans were reviewed. The scope period was January 1, 2007 through December 31, 2008 with the exception of the Indiana assessment areas which was February 2, 2008 through December 31, 2008.
- ***Innovative or Flexible Lending Practices*** – The degree to which the bank uses innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals or geographies, small businesses and small farms was assessed.
- ***Investments*** – Qualified investments made between January 1, 2007 and December 31, 2008 (between February 2, 2008 and December 31, 2008 in Indiana assessment areas) were reviewed to determine the bank's responsiveness to community development needs. Qualified investments were also evaluated to determine the bank's use of innovative or complex investments.
- ***Services*** – The distribution of the bank's branch offices, banking services, hours of operation, availability of loan and deposit products, and the extent and innovativeness of community development services were reviewed. The review focused on activity conducted between January 1, 2007 and December 31, 2008 for all assessment areas except those in the state of Indiana. In the

state of Indiana, the review focused on activity between February 2, 2008 and December 31, 2008.

In addition to the preceding criteria, information obtained through discussions with 87 community representatives was considered in this evaluation. Refer to Appendix A for a summary of the examination scope.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The activities in five assessment areas received the most consideration for this evaluation based on the following: the percentage of branches in each of the assessment areas compared to the total number of bank offices; percentage of HMDA-reportable lending compared to the bank's total HMDA-reportable lending; and the percentage of small business/small farm lending in each assessment area compared to the bank's total small business/small farm lending. As shown in the following table below, the five assessment areas represent the communities where the majority of the reviewed activities took place.

Assessment Area	% of Branches	% of Deposits	% of HMDA Lending	% of Small Business Lending	% of Small Farm Lending
Minneapolis/St. Paul/Bloomington MN – WI	9.6	6.8	6.6	12.1	1.6
Milwaukee/Racine/Waukesha WI CSA	18.5	41.7	16.0	24.3	2.9
Madison WI MSA	4.9	6.7	14.8	6.9	9.5
Non-MSA Northwest Region WI	6.1	4.7	8.3	6.2	22.2
Phoenix/Mesa/Scottsdale AZ MSA	12.1	7.5	17.5	10.0	0.9
Total	51.2	67.4	63.2	59.5	37.1

Lending Test

The bank's overall lending performance was rated high satisfactory based on M&I's level of lending overall, geographic distribution of home purchase and refinanced home loans and community development lending.

Lending Activity

Lending activity reflects good responsiveness to credit needs throughout the bank's assessment areas. During the two-year review period, the bank originated 31,070 HMDA-reportable loans, which reflects a decrease in home purchase loan originations of 34.7 percent between 2007 and 2008. CRA-reportable loans totaled 38,443 for this review period, which reflects a decrease of 8.7 percent in loans to small businesses and an increase of 3.3 percent in small farm lending. The decrease was attributed to the state of the economy, which has continued to negatively impact the housing and small business lending markets. The following table summarizes the bank's HMDA- and CRA-reportable lending activity for the evaluation period.

January 1, 2007 – December 31, 2008				
Summary of Lending Activity				
Loan Type	#	%	\$ (000s)	%
HMDA Multi-family	725	1.0	938,969	6.3
HMDA Home Purchase	14,110	20.3%	\$3,236,145	21.6%
HMDA Refinancing	14,401	20.7%	\$3,007,734	20.1%
HMDA Home Improvement	1,834	2.6%	\$315,198	2.1%
Total HMDA-Reportable Loans	31,070	44.7%	\$7,498,046	50.1%
CRA Small Business	32,598	46.9%	\$6,774,004	45.3%
CRA Small Farm	5,845	8.4%	\$686,051	4.6%
Total CRA-Reportable Loans	38,443	55.3%	\$7,460,055	49.9%
TOTAL LOANS	69,513	100.0%	\$14,958,101	100.0%

As noted in the preceding table, M&I originated a greater percentage of CRA-reportable loans to small businesses and farms combined (55.3%) than HMDA-reportable lending combined (44.7%) by number of loans. In dollars, HMDA-reportable loans exceed CRA-reportable loans by only 0.2 percent. The majority of the bank's HMDA-reportable lending is concentrated in the states of Wisconsin (75.0%) and Arizona (13.0%). The state of Wisconsin also had the largest concentrations of loans to small businesses (63.0%) and small farms (97.0%). The state summaries provide a more complete discussion of the bank's performance in relation to the demographic factors for each state.

Assessment Area Concentration

The following table shows the distribution of the bank's lending inside and outside its assessment area. As reflected in the table, the substantial majority of the bank's loans (95.6%) were within M&I's assessment areas.

Lending Inside and Outside the Assessment Area								
January 1, 2007 to December 31, 2008								
Loan Type - Description	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase – Conventional	12,829	94.4	2,943,153	93.3	764	5.6	210,043	6.7
Home Purchase - FHA	371	94.4	58,794	93.9	22	5.6	3,820	6.1
Home Improvement	1,760	96.0	295,185	93.7	74	4.0	20,013	6.3
Multi-Family Housing	670	92.4	784,658	83.6	55	7.6	154,311	16.4
Refinancing	13,963	97.0	2,880,060	95.8	438	3.0	127,674	4.2
Home Purchase - VA	122	98.4	19,941	98.1	2	1.6	394	1.9
Total HMDA reportable	29,715	95.6	6,981,791	93.1	1,355	4.4	516,255	6.9
Small Business	31,134	95.5	6,397,798	94.4	1,464	4.5	376,206	5.6
Total Small Bus. related	31,134	95.5	6,397,798	94.4	1,464	4.5	376,206	5.6
Small Farm	5,604	95.9	644,705	94.0	241	4.1	41,346	6.0
Total Small Farm related	5,604	95.9	644,705	94.0	241	4.1	41,346	6.0
TOTAL LOANS	66,453	95.6	14,024,294	93.8	3,060	4.4	933,807	6.2

Geographic and Borrower Distribution

The distribution of the bank's loans among census tracts of different income levels was good overall, including low- and moderate-income geographies within the assessment areas. The distribution of various loan products within the assessment areas ranged from adequate to excellent. Details are provided in the individual assessment area summaries. The overall distribution of loans reflected good penetration among borrowers of different income levels, but only adequate penetration among businesses of different revenue sizes. A detailed analysis of borrower distribution by income levels is provided in the discussion of the bank's performance in each assessment area.

Community Development Lending

M&I was a leader in originating community development loans within its assessment areas, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. During 2007 and 2008, M&I originated 551 community

development loans totaling approximately \$1.4 billion in its assessment areas. The majority of these loans were for affordable housing and economic development projects.

Innovative or Flexible Lending

The following are loan programs available throughout M&I's assessment areas that were considered flexible lending practices; they address the credit needs of low- and moderate-income individuals or census tracts and small businesses. Some include the use of government-insured loan programs and other special initiatives. These programs typically offer favorable loan terms, including low-interest rates and government guarantees.

- Neighborhood Home Loan Program (NHLP) - M&I developed this first-time homebuyer program to provide home mortgages with low down payment requirements and other features that make home ownership more affordable for low- and moderate-income individuals.
- Wisconsin Housing and Economic Development Authority (WHEDA) - M&I offers three homeownership loan programs in partnership with WHEDA. They are HOME Loan, ZERO Down Loan and HOME Plus Loan, all of which benefit low- and moderate-income, first-time homebuyers. While loan proceeds from the HOME Loan and ZERO Down Loan programs provide financing for home purchase, the loan proceeds from HOME Plus Loan program provides financing of up to \$10,000 for down payment and closing costs, or a line of credit for future home repairs.
- Small Business Administration (SBA) - the bank partners with the SBA to offer several financial opportunities to start, build, or expand businesses. M&I offers the following types of SBA loans: Standard SBA 7a, SBA 504, SBA Express, SBA Patriot Express, SBA Community Express and America's Recovery Capital (ARC) Loans.
- The bank implemented a Homeowners Assistance Program to identify customers at risk of becoming delinquent and losing their homes. The program is tailored to a variety of factors impacting the customer's specific situation.

Investment Test

M&I's performance under the investment test was rated outstanding. The bank had an excellent level of qualified community development investments and grants, and often served in a leadership position, particularly with those investments not routinely provided by private investors. M&I exhibited excellent responsiveness to credit and community development needs. During 2007 and 2008, the bank funded \$78.5 million in qualified investments, \$76.8 million benefited the assessment areas and \$1.6 million benefited statewide programs. See the discussion under each assessment area for details regarding the bank's activity in a particular assessment area.

Community development investments, grants, and charitable contributions were made from four sources: M&I Community Development Corporation (CDC), M&I Foundation (Foundation), M&I Treasury and the bank. The CDC and Foundation are subsidiaries of the holding company. The CDC's primary mission is to invest in projects and programs that benefit low-income residents and economically-distressed neighborhoods. Many of the CDC investments supported affordable housing and economic development projects. The CDC is a primary provider of investments for the bank with \$57 million of qualified investments for this evaluation period. M&I Treasury was also a significant contributor of investments to the bank with \$14.3 million in qualified investments.

Service Test

The bank's performance under the service test was rated outstanding.

Retail Services

Products, services, alternative delivery systems, and other service-related factors considered in the evaluation of the bank's services are similar in each assessment area; therefore, only a limited description will be provided with the discussion of each assessment area. The bank's retail delivery systems are accessible to all portions of the assessment areas. The record of opening and closing banking offices has generally not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and individuals. Banking services and business hours

are tailored to the convenience and needs of the assessment areas, including low- and moderate-income census tracts and individuals.

As of December 31, 2008, there were 363 offices and 498 ATMs within the combined assessment areas. The bank operated eight branches (2.2%) and 24 ATMs (4.8%) in low-income census tracts, while low-income census tracts comprise 6.2 percent of the total census tracts in all assessment areas combined. The low-income census tracts are also home to the lowest percentage of families in the combined assessment areas, 3.2 percent.

The bank operated 55 branches (15.3%) and 62 ATMs (12.5%) in moderate-income census tracts, while moderate-income census tracts comprise 21.6 percent of the total census tracts in the assessment areas combined and 18.0 percent of families reside within the moderate-income census tracts. Through a branch analysis, the bank was able to demonstrate that an additional 98 branches, located in middle- and upper-income geographies, are in proximity to low- and moderate-income census tracts and serve the low- and moderate-income areas.

During 2007 and 2008, the bank opened 22 new branches; two were located in low-income census tracts and three were located in moderate-income census tracts. Of the remaining branches, the bank was able to demonstrate that three of the branches located in middle- and upper-income census tracts were in proximity to low- and moderate-income census tracts and provide deposit and loan services to these communities. During this same period, the bank closed 13 branches, one located in a low-income census tract and two located in moderate-income census tracts. Following the acquisition of United Heritage Bank, Excel Bank Minnesota and First Indiana Bank NA, the bank added 49 branches in Florida, Indiana and Minnesota.

The bank offers a wide variety of conventional and government-sponsored loan products, various deposit accounts, and several options for cash management and investment services, all designed to meet the needs of its customer base. Some of the products designed to better serve low- and moderate-income individuals, including: the Foundation Checking Account, Thrift Savings Account, Credit Builder, NHLP first-time homebuyer program, and WHEDA first-time homebuyer programs.

The bank employs several bilingual service representatives to assist customers, as needed. Customers may conduct their banking in Spanish, French, German, Hmong, Russian, Italian, Laotian, Chinese, Serbo-Croatian, Arabic and Sign Language for the hearing impaired. The bank also has the following alternative delivery systems:

- www.mibank.com: A low-cost, web-based banking service that allows customers to view account balances, access transaction information and make transfers between accounts. This application also offers a bill payment option through which customers can pay an unlimited number of bills to third parties over the Internet for a minimal fee.
- MiLine: An automated 24-hour telephone banking system that allows customers access to their checking accounts, and through which community members may open new accounts, apply for personal loans and review current interest rates.
- Bank by Mail: A system that allows customers to conduct certain transactions (deposits, loans, check orders) by mailing them to local branches.
- Multiple Access Devices: A debit card service that allows customers to access their account using any ATM, initiate transactions at a point of sale terminal, and use various services anywhere VISA cards are accepted.
- Bilingual Marketing: The bank is an active participant in bilingual (Spanish) marketing projects throughout its assessment areas. This includes marketing products using brochures and posters in areas with large percentages of Spanish-speaking customers.
- Mobile Banking: M&I customers can use mobile banking options to complete internet balance inquiries, access account information, transfer funds between accounts, complete bill payment and identify branch and ATM locations.

Community Development Services

The bank was a leader in providing community development services throughout its assessment areas.

Since the previous evaluation, the bank continued its strong involvement in providing financial literacy programs through partnerships with schools, local organizations, government agencies, and businesses. The bank's officers and staff are involved in numerous organizations and activities that promote or facilitate affordable housing for

low- and moderate-income individuals, serve low- and moderate-income individuals, and support economic development and revitalization of low- and moderate-income areas. Examples of the bank's community development services follow:

- M&I Community Education Initiative helps existing and potential customers increase their knowledge and make sound financial decisions. This program targets low- and moderate-income individuals in all assessment areas. Focus is placed on banking basics (e.g., how to manage a checking account), credit counseling, homebuyer education and financial planning.
- The bank, in partnership with the Federal Home Loan Bank, assists individuals and organizations in obtaining affordable housing grants. In 2007 and 2008, the bank awarded \$1 million in grants for 16 affordable housing projects, which made 603 affordable housing units available in several assessment areas.

For details, see individual assessment area summaries.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

MULTISTATE METROPOLITAN AREA

CRA RATING FOR MINNEAPOLIS/ST. PAUL/BLOOMINGTON, MN - WI¹: OUTSTANDING

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: Outstanding

Major factors supporting the rating included the following:

- Lending levels reflect good responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans was excellent and loans to small businesses was good throughout the assessment area;
- The distribution of borrowers reflects good penetration among customers of different income levels;
- The distribution of lending reflects poor penetration among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank had an excellent level of qualified investments;
- Service delivery systems are readily accessible to all portions of this assessment area, including LMI census tracts and populations;
- The record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems in low- and moderate-income census tracts; and
- The bank had an excellent level of community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the bank's performance in this assessment area. The scope of the examination was consistent with the overall scope of the examination in the institution summary. The bank expanded its presence in this market as a result of the merger with Excel Bank on August 1, 2007.

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained within the multistate metropolitan area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MINNEAPOLIS/ST. PAUL/BLOOMINGTON, MN - WI

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 6.6 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 12.1 percent of the bank's total small business activity.

Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked fourth of 175 institutions in the Minneapolis/St. Paul/Bloomington MSA with 3.3 percent of the deposit market share. As of December 31, 2008, the bank operated 35 branches in this assessment area, which accounted for 9.4 percent of all the branches in the combined assessment areas. The bank's primary competitors include offices of Wells Fargo and US Bank.

This assessment area consists of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties in Minnesota, and Pierce and St. Croix Counties in Wisconsin. There were a total of 746 census tracts in this assessment area with a population of approximately 2.9 million (2000 Census).

Five community representatives were interviewed as part of this evaluation. They identified affordable housing, small business development, financial literacy, homebuyer education and financing for small businesses as key challenges facing the community.

Housing Characteristics

Available housing characteristics are based on 2000 Census data. The median housing value was \$139,211, which is higher than the median housing value in the states of Minnesota and Wisconsin at \$118,100 and \$109,900, respectively. The current housing market continues to face challenges with increases in the number of foreclosures, loss of income, and declining home values.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from the U.S. Census, unemployment was approximately 3.5 percent within the Minneapolis/St. Paul/Bloomington MSA. Unemployment figures based on 2000 census data were 10.7 percent in the low-income census tracts, and 5.5 percent in the moderate-income census tracts. The middle- and upper-income census tracts reported unemployment percentages at 3.0 percent and 2.2 percent, respectively. Based on Bureau of Labor Statistics Data, the unemployment rate was 4.4 percent in 2007 and 5.2 percent in 2008, which was lower than the state of Minnesota unemployment rates of 4.6 percent in 2007 and 5.2 percent in 2008. While these rates are among the highest unemployment rates for Minnesota in the past 20 years, they are still below the national unemployment rates for the same time periods.

This assessment area is well represented by various types of businesses, including professional and financial services, manufacturing, construction, service, goods producing, leisure and hospitality, education and health services, and government. Manufacturing has shown favorable growth, while both commercial and residential real estate construction have slowed. Job growth and employment opportunities remain strong.

Income Characteristics

The median family income for this assessment area was \$64,884, which was higher than the median family income of \$56,876 for Minnesota and \$52,911 for Wisconsin.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNEAPOLIS/ ST. PAUL/BLOOMINGTON, MN - WI

LENDING TEST

The bank's overall lending performance in this assessment area was high satisfactory.

Lending Activity

The bank's lending activity in this assessment area was good. The two major products

reviewed were HMDA-reportable home purchase and refinanced home loans, and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked 18th in overall lending market share in this assessment area; the assessment area had a total of 282 HMDA reporters. This assessment area accounted for 6.6 percent of the bank’s total HMDA-reportable loans. The following table provides additional detail about the bank’s lending for CRA-reportable products within this assessment area.

M&I Minneapolis/St. Paul/Bloomington MN MSA Reportable Lending 2007 & 2008 (Dollars in 000's)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-Reportable Lending	828	243,846	714	218,914	1,542	462,760	287,252	56,289,778	5.4%	0.8%
CRA-Reportable Loans to Small Businesses	1,422	363,110	1,524	412,667	2,946	775,777	249,263	5,946,385	1.2%	13%
Total	2,250	606,956	2,238	631,581	4,488	1,238,537	536,515	62,236,163	0.8%	2.0%

Information contained in the preceding sections, combined with relevant demographic and aggregated lending data presented in the following tables, was used to assess the bank’s record of lending to areas by income level of the census tract (geographic distribution), to individuals and businesses by income/revenue levels (borrower distribution) and for community development purposes.

Generally, the bank originates loans on multi-family properties as a means of addressing affordable housing challenges in the communities it serves. The loans may be categorized as community development loans. The bank’s approach was taken into consideration when evaluating the geographic and borrower distribution of its HMDA-reportable home purchase and refinanced home loans. A discussion of loans originated since the previous examination is included under each applicable performance criterion.

Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable lending was excellent. HMDA-reportable loans were categorized into home purchase and refinanced home loans. Each was analyzed separately. The distribution of loans to small businesses was good.

Home Purchase Loans

Lending between 2007 and 2008 declined slightly due to overall market conditions resulting in an overall decrease in demand for home purchase loans. The bank made 451 loans in 2007 and 385 loans in 2008, a decrease of 14.6 percent. Home purchase loans in this assessment area represent 54.5 percent of HMDA-reportable loans in 2007 and 53.9 percent in 2008.

Based on the data contained in the following table, in 2007, the bank originated loans in geographies of different income levels generally consistent with the presence of owner-occupied housing units and families by tract income level. The bank's lending exceeded the presence of owner-occupied housing units and families in low- and moderate-income census tracts. The bank's activity compared favorably to the percentages of loans by the aggregate of lenders. Specifically, the bank made 5.1 percent of its loans in low-income census tracts, and 19.7 percent in moderate-income census tracts; this exceeded the owner-occupancy rate of 1.5 percent in low-income census tracts and 13.2 percent in moderate-income census. The bank's lending was above the aggregate of lenders' 2.9 percent in low-income census tracts and 13.1 percent in moderate-income census tracts.

Lending declined between 2007 and 2008 by 66 loans or 14.6 percent. M&I's percentages of loans by tract income level reflect the decrease in loans originated overall; loans in moderate-income census tracts experienced the steepest decline, 36 loans for a 40.4 percent decrease. However, M&I maintained its presence in the low- and moderate-income census tracts consistent with demographics and the aggregate of

lenders. Specifically, the bank made 5.5 percent of its loans in low-income census tracts and 13.8 percent of its loans in moderate-income census tracts; the percentages of loans originated in LMI census tracts were generally consistent with the owner-occupancy rates in low- and moderate-income census tracts. The bank's performance was also generally consistent with the aggregate of lenders who originated 2.4 percent in low-income census tracts and 13.7 percent in moderate-income census tracts.

M&I Minneapolis/St. Paul/Bloomington MN MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	23	4,110	21	3,065	44	7,175	3,425	527,654	12,357	1.5	23,480	3.1
Moderate	89	13,958	53	6,950	142	20,908	17,153	2,656,892	108,914	13.2	109,562	14.6
Middle	205	38,689	189	39,430	394	78,119	71,207	13,277,974	468,354	56.9	412,778	55.1
Upper	134	51,327	122	35,945	256	87,272	36,337	9,570,366	233,703	28.4	203,481	27.2
Total	451	108,084	385	85,390	836	193,474	128,133	26,034,682	823,328	100.0	749,301	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

Due to the decline in market demand for refinanced home loans, the bank's volume dropped from 314 loans in 2007 to 266 loans in 2008, a 15.3 percent decrease. The number of refinanced loans decreased slightly from 37.9 percent of HMDA-reportable loans in this assessment area in 2007 to 37.3 percent in 2008.

In 2007, the bank made five loans or 1.6 percent of its refinanced home loans to borrowers in low-income census tracts and 42 loans or 13.4 percent in moderate-income census tracts; this was generally consistent with the owner-occupancy rates of 1.5 percent and 13.2 percent in low- or moderate-income census tracts, respectively. It was also slightly lower than the aggregate of lenders who made 1.9 percent in low-income census tracts and slightly higher than the 12.9 percent of the refinanced home loans made in moderate-income census tracts. In 2008, the bank made three loans or 1.1 percent of its refinanced home loans in low-income census tracts and 16 loans or 6.0 percent of the loans in

moderate-income census tracts. The bank's performance was below the owner occupancy rates and the aggregate of lenders' 1.4 percent in low-income census tracts and 10.3 percent in moderate-income census tracts.

M&I Minneapolis/St. Paul/Bloomington MN-WI MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	5	979	3	226	8	1,205	2,349	370,912	12,357	1.5	23,480	3.1
Moderate	42	9,285	16	3,762	58	13,047	16,341	2,478,111	108,914	13.2	109,562	14.6
Middle	149	26,886	117	26,413	266	53,299	78,981	14,514,771	468,354	56.9	412,778	55.1
Upper	118	58,201	130	43,282	248	101,483	38,796	9,835,084	233,703	28.4	203,481	27.2
Unknown Income	0	0	0	0	0	10	2,118	2,118				
Total	314	95,351	266	73,683	580	169,034	138,585	27,200,996	823,328	100.0	749,301	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

The bank originated 12.1 percent of its total loans to small businesses, originating 1,422 in 2007 and 1,524 in 2008, an increase of 7.1 percent. In 2008, the bank ranked 13th of 47 reporting institutions in this assessment area.

In 2007, the bank originated 63 or 4.4 percent of its loans to small businesses in low-income census tracts, and 163 or 11.5 percent in the moderate-income census tracts, which were generally consistent with the percentages of the businesses in low-income (3.7%) and moderate-income census tracts (14.8%) within this assessment area. The bank's percentage compared favorably with the aggregate of lenders' 2.7 percent in low-income census tracts and 13.1 percent in moderate-income census tracts. In 2008, the bank originated 62 or 4.1 percent of its loans to small businesses in low-income census tracts and 194 loans or 12.7 percent in moderate-income census tracts. Although slightly below the percentage of total businesses in low- and moderate-income census tracts within this assessment area, the bank's performance was above the aggregate of lenders' 2.6 percent in low-income census tracts and 11.7 percent in moderate-income census tracts. The bank's overall performance was good.

M&I CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	63	17,732	62	15,619	125	33,351	6,574	198,795	5,019	3.7	4,342	3.6
Moderate	163	45,174	194	56,447	357	101,621	29,511	734,241	20,029	14.8	17,203	14.4
Middle	764	202,394	873	237,788	1,637	440,182	131,786	3,249,181	75,691	55.9	66,741	55.8
Upper	432	97,810	394	102,413	826	200,223	76,965	1,696,132	34,654	25.6	31,349	26.2
Unknown	0	0	1	400	1	400	53	460	99	0.1	78	0.1
Tract Unknown Income							4,374	67,576				
Total	1,422	363,110	1,524	412,667	2,946	775,777	249,263	5,946,385	135,492	100.0	119,713	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dun & Bradstreet.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was good for HMDA-reportable lending and poor for small business lending in this assessment area.

Home Purchase Loans

Based on the data in the following table, during 2007, the bank made 8.0 percent of its loans to low-income borrowers and 30.8 percent to moderate-income borrowers. The bank's lending to low-income borrowers was above the aggregate of lenders who made 7.1 percent of the loans to low-income borrowers, and above the aggregate's 23.5 percent to moderate-income borrowers. Low-income families comprise 16.6 percent of the families in the assessment area and moderate-income families comprise 18.6 percent of the families in the assessment area. However, in 2008, the banks' lending to low-income borrowers (15.8%) exceeded the performance of the aggregated lenders (12.1%) but its lending to moderate-income borrowers (22.9%) trailed the aggregated lenders at 26.1 percent. Low- and moderate-income families and households may have benefited from the innovative and flexible loan programs the bank offers to meet the credit needs of borrowers with limited means. They may have also benefitted from the M&I's extensive community development efforts. See the community development lending discussion.

M&I Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Income	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	36	3,853	61	6,723	97	10,576	11,723	1,476,400	235,258	20.7	124,668	16.6
Moderate	139	22,695	88	13,813	227	36,508	31,512	5,083,684	202,180	17.8	139,117	18.6
Middle	87	15,686	74	13,859	161	29,545	30,164	5,774,860	243,051	21.4	197,931	26.4
Upper	154	51,100	128	41,213	282	92,313	36,892	10,129,502	456,824	40.2	287,585	38.4
Unknown Income	35	14,750	34	9,782	69	24,532	17,842	3,570,236				
Total	451	108,084	385	85,390	836	193,474	128,133	26,034,682	1,137,313	100.0	749,301	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

In 2007, the bank made 21 loans or 6.7 percent of its refinanced home loans to low-income borrowers, and 45 loans or 14.3 percent to moderate-income borrowers. The bank's lending to low-income borrowers was consistent with the aggregate of lenders' 1.9 percent to low- and 12.9 percent to moderate-income borrowers. In 2008, the bank made 19 loans or 7.1 percent of its loans to low-income borrowers, and 43 loans or 16.2 percent of its loans to moderate-income borrowers. The bank's performance was below the aggregate of lenders' 8.2 percent to low-income borrowers, and below the 21.0 percent to moderate-income borrowers. The bank's performance was good.

M&I Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Income	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	21	2,151	19	2,038	40	4,189	9,618	1,140,102	235,258	20.7	124,668	16.6
Moderate	45	6,077	43	6,169	88	12,246	30,300	4,656,536	202,180	17.8	139,117	18.6
Middle	82	13,782	59	11,097	141	24,879	35,794	6,490,958	243,051	21.4	197,931	26.4
Upper	130	54,752	123	44,585	253	99,337	42,171	10,753,667	456,824	40.2	287,585	38.4
Unknown Income	36	18,589	22	9,794	58	28,383	19,600	4,162,733				
Total	314	95,351	266	73,683	580	169,034	137,483	27,203,996	1,137,313	100.0	749,301	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2007, the bank originated 40.9 percent of its loans to small businesses with \$1 million or less in revenues. Within the assessment area, 88.4 percent of the businesses have revenues of \$1 million or less, indicating that opportunities to lend to smaller businesses are available within this community. The bank's performance is below the aggregate of all lenders' 46.6 percent to businesses with \$1 million or less in revenue. In 2008, the loan distribution was similar with the bank originating 34.4 percent of its loans to small businesses to entities with \$1 million or less in revenue, compared to the aggregate of all lenders' 43.2 percent to businesses with \$1 million or less in revenue.

M&I CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	58 1	100,571	525	107,477	1,106	208,048	112,210	2,373,392	119,713	88.4
Loans to Businesses with Revenues Over \$1mm	68 7	246,239	700	270,647	1,387	516,886	137,053	3,572,993	13,006	9.6
Unknown Revenue	15 4	16,300	299	34,543	453	50,843			2,773	2.0
Total	1, 42 2	363,110	1,524	412,667	2,946	775,777	249,263	5,946,385	135,492	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet data.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 43 community development loans totaling \$142

million in this assessment area. The majority of the loans were for affordable housing and for economic development.

The bank is an active lender for multi-family housing. The bank originated 18 loans totaling \$30,742,489 that qualified as community development. Specifically, M&I originated 16 loans totaling \$28,102,489 to finance 662 units of multi-family housing, located in low- and moderate-income census tracts. Two loans totaling \$2,640,000 were made just outside the assessment area. The proceeds financed 62 units of housing for low- and moderate-income families, located in middle- and upper-income census tracts. This lending helps address the affordable housing needs within this assessment area.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was outstanding. The bank funded \$6 million in total investments during this evaluation period. A substantial portion, approximately \$4 million, of total qualified investments is composed of treasury investments or bonds. The largest single investment was \$1.5 million in tax increment financing (TIF), which will fund economic development in Chaska, Minnesota. Overall bank contributions were for educational, health or social service activities that target low- or moderate-income individuals.

SERVICE TEST

The bank's service performance in this assessment area was outstanding.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 35 branches within this assessment area, one in low-income, two in moderate-income, 25 in middle-income, and seven in upper-income census tracts. The total branches in this assessment area represent 9.6 percent of all the bank's branches. Branches in low- and moderate-income geographies represent 8.5 percent of the branches in this assessment area. As of December 31, 2008, the bank had 25 full-service ATMs in this assessment area: one in low-income, none in moderate-income, 17 in middle-income, and seven in upper-

income census tracts. The bank had seven cash-dispensing ATMs in this assessment area: one in low-income, none in moderate-income, five in middle-income, and one in upper-income census tracts. ATMs in low-income geographies represent 6.3 percent of the ATMs in this assessment area. The branch and ATM distribution within the low- and moderate-income census tracts was lower than the percentage of low- and moderate-income tracts (26.0%) and less than the percentage of families living in those areas (17.7). However, the bank was able to demonstrate through information from a branch study that low- and moderate-income areas are served by branches located in middle- or upper-income census tracts that border these areas. There are eleven branches located in middle- or upper-income census tracts that provide loans and deposit services to individuals located in low- or moderate-income areas.

The bank's record of opening and closing branches has not adversely affected access to its delivery systems, particularly to low- and moderate-income geographies or individuals. Of the five branches opened since the previous evaluation, one was in a low- income census tract, three were in middle-income and one was in an upper income census tract. Two branches have been closed since the previous evaluation, one in a moderate- income and one in a middle- income census tract. Services are tailored to the convenience and needs of the residents and businesses in the assessment area, including low- and moderate-income geographies and individuals.

Community Development Services

The bank was a leader in providing community development services.

M&I's officers and employees have participated in a number of financial literacy and technical assistance programs throughout this assessment area. A total of 1,881 hours were spent on qualified activities. The programs included initiatives targeted to, or primarily serving the needs of low- and moderate-income individuals, affordable housing, and economic development. Some organizations with which bank officers and employees were involved include the following:

- Metropolitan Economic Development Association (MEDA), an organization that provides assistance to businesses owned and managed by ethnic minorities.

MEDA's services are aimed at helping businesses that are committed to making an impact through job creation, growth, and community involvement.

- Wingspan Life Resources, an organization that operates 22 homes for people with developmental disabilities. In addition, Wingspan provides support and recreational services to adults with developmental disabilities who do not live in Wingspan homes.
- The CAP agency, a nonprofit organization providing services to residents of Scott, Carver and Dakota Counties. The agency is part of a statewide coalition of 29 agencies and a national association of nearly 1,000 agencies focused on reducing poverty.
- The bank provided 82 hours of financial literacy education to local schools as part of the Junior Achievement program.

MULTISTATE METROPOLITAN AREA

CRA RATING FOR DULUTH MN - WI²: OUTSTANDING

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: Outstanding

Major factors supporting the rating include the following:

- Lending levels reflect good responsiveness to assessment area credit needs;
- Geographic distribution of HMDA-reportable lending reflects adequate penetration throughout the assessment area, including low- and moderate-income areas, but excellent penetration for small business-related lending;
- Distribution of borrowers reflects adequate penetration among customers of different income levels;
- Distribution of lending reflects adequate penetration among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank had an excellent level of qualified investments;
- Service delivery systems are readily accessible to all portions of this assessment area, and to individuals of different income levels; and
- The bank had an excellent level of community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the bank's performance in this assessment area. The scope of the examination is consistent with the overall scope described in the institution summary.

²This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained within the multistate metropolitan area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN DULUTH MN - WI

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.6 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 1.0 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked seventh of 33 institutions in the Duluth MSA with 4.6 percent of the market share. As of December 31, 2008, the bank operated two branch offices in this assessment area, which accounted for 0.6 percent of all the branches in the combined assessment areas. The bank's primary competitors include offices of US Bank, Wells Fargo, National Bank of Commerce, Community Bank and Superior Savings Bank.

The bank's assessment area consists of Carlton, Douglas, and St. Louis Counties, and includes 90 census tracts. According to the 2000 Census, there were approximately 275,486 people living within the bank's assessment area.

Housing Characteristics

Housing characteristics are based on 2000 Census data. The median housing value was \$75,426. The current housing market is facing challenges with foreclosures, loss of income, and declining home values. Nearly half of the housing in the City of Duluth is at least 60 years old and a large number of these homes are in disrepair. The City of Duluth is working on a housing plan to improve housing and create approximately 1,000 new living units in the city with approximately one-third available to low- and moderate-income residents.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from U.S. Census, unemployment was 6.7 percent within the Duluth MSA. Unemployment figures, based on 2000 census data, were 13.0 percent in the low-income census tracts, and 7.4 percent in the moderate-income census tracts. The middle- and upper-income census tracts reported unemployment percentages at 6.9 percent and 4.6 percent, respectively. Based on data from the Bureau

of Labor, the unemployment rate was 5.5 percent in 2007 and 6.2 percent in 2008, which was higher than the state of Minnesota unemployment rates of 4.6 percent in 2007 and 5.5 percent in 2008.

The primary industries in this assessment area include education, health services, government, retail, leisure and hospitality, and manufacturing. This assessment area lost a number of manufacturing jobs since the 1980s; however, there has been some growth in the health care, tourism, aviation and technology industries. With the loss of manufacturing, the economic base of the area is becoming more diversified. The largest employers in the area are the St. Mary's/Duluth Clinic and the University of Minnesota-Duluth.

Income Characteristics

The median family income for this assessment area was \$46,618, which was lower than the median family income of \$56,876 in Minnesota and \$52,911 in Wisconsin. HUD-estimated median family income for the MSA was \$55,500 in 2007 and \$58,900 in 2008.

Four community representatives were interviewed and they identified funding for economic development and financing programs as key challenges facing the community. Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Assessment Area(s): AA Duluth MN & WI MSA 20260

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	6.7	1,334	1.9	530	39.7	13,118	18.3
Moderate-income	21	23.3	10,952	15.3	1,405	12.8	13,435	18.8
Middle-income	51	56.7	47,012	65.7	2,776	5.9	17,152	24.0
Upper-income	12	13.3	12,208	17.1	335	2.7	27,801	38.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	90	100.0	71,506	100.0	5,046	7.1	71,506	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	5,224	660	0.8	12.6	4,200	80.4	364	7.0
Moderate-income	22,347	11,711	13.9	52.4	9,091	40.7	1,545	6.9
Middle-income	84,246	57,356	68.0	68.1	12,436	14.8	14,454	17.2
Upper-income	18,060	14,585	17.3	80.8	2,452	13.6	1,023	5.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	129,877	84,312	100.0	64.9	28,179	21.7	17,386	13.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1,467	11.9	1,232	11.2	204	21.8	31	7.8
Moderate-income	2,079	16.8	1,821	16.5	214	22.9	44	11.1
Middle-income	7,286	59.0	6,554	59.6	446	47.6	286	71.9
Upper-income	1,507	12.2	1,398	12.7	72	7.7	37	9.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	12,339	100.0	11,005	100.0	936	100.0	398	100.0
Percentage of Total Businesses:				89.2		7.6		3.2
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	3	1.0	3	1.0	0	0.0	0	0.0
Moderate-income	7	2.4	6	2.1	1	14.3	0	0.0
Middle-income	248	84.6	242	84.6	6	85.7	0	0.0
Upper-income	35	11.9	35	12.2	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	293	100.0	286	100.0	7	100.0	0	0.0
Percentage of Total Farms:				97.6		2.4		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DULUTH MN - WI

LENDING TEST

The bank’s overall lending performance in this assessment area was high satisfactory.

Lending Activity

The two major products reviewed were HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked 18th of 282 HMDA reporters in this assessment area. Lending in this assessment area represented 0.6 percent of the bank’s total HMDA-reportable loans.

M&I Duluth MN-WI Multi-State MSA Reportable Lending 2007 & 2008 (Dollars in 000's)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank’s Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-reportable Lending	123	25,209	105	16,919	228	42,128	21,233	2,652,526	1.1	1.6
CRA-Reportable Loans to Small Businesses	128	26,895	131	34,229	259	61,124	16,713	301,933	1.6	20.2
Total	251	52,104	236	51,148	487	103,252	37,946	2,954,459	1.3	3.5

M&I’s lending activity was analyzed, giving consideration to applicable demographic and aggregated lending data found in the following tables, to evaluate the bank’s performance under the following criteria: lending to borrowers in census tracts of different income levels (geographic distribution), individuals and businesses of different incomes/revenue levels (borrower distribution), and for community development purposes.

Generally, the bank originates loans on multi-family properties as a means of helping to address affordable housing challenges in the communities it serves. These loans are categorized as community development loans. The bank's approach was taken into consideration when evaluating the geographic and borrower distribution of its HMDA-reportable residential mortgages. A discussion about loans originated since the previous examination is included under the applicable sections. Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable residential mortgage lending was adequate. HMDA-reportable loans were categorized into home purchase and refinanced loans. Each was analyzed separately. In addition, the bank's lending for multi-family housing is included in this discussion; these loans are also HMDA-reportable. This highlights the bank's efforts to address the need for rental housing within the assessment area. The distribution of small business loans was excellent.

Home Purchase Loans

Lending between 2007 and 2008 decreased in this assessment area. The bank originated 57 loans in 2007 and 40 loans in 2008, a decrease of 29.8 percent. Home purchase loans represent 46.3 percent of HMDA-reportable loans in 2007 and 38.1 percent in 2008 in this assessment area.

Based on the data in the following table, in 2007, the bank made one or 1.8 percent of its loans within a low-income census tract and seven or 12.3 percent of its loans in moderate-income census tracts. The bank's lending in the low-and moderate-income census tracts were compared to the owner-occupancy rate, the rate at which families are present within census tracts of this income level and the aggregated lenders. The bank's rate of originations within the low-income census tracts exceeded the owner-occupancy rate of 0.8 percent, was consistent with the rate at which families are present within the low-income census tract, and was higher than the record of the aggregated lenders in the same census tracts (1.5%). The bank's rate of originations within the moderate-income census tracts was below the owner occupancy rate of 13.9 percent,

lower than the rate at which families are present within moderate-income census tracts (15.3%) and was lower than the record of the aggregated lenders within the same census tracts (14.0%).

In 2008, the bank made two or 5.0 percent of its home purchase loans in low-income census tracts and seven or 17.5 percent of its loans in moderate-income geographies. In both low- and moderate- income geographies, the bank’s activity exceeded the owner-occupancy rates of 0.8 percent in low income and 13.9 percent in moderate-income geographies, the rate at which families are present within the low-income census tracts (1.9%) and moderate-income census tracts (15.3%) and the level of lending achieved by the aggregated lenders, 1.2 percent in low-income census tracts and 13.7 percent in moderate-income census tracts.

M&I Duluth, MN-WI MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank’s Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	1	170	2	168	3	338	113	16,731	660	0.8	1,334	1.9
Moderate	7	584	7	641	14	1,225	1,140	94,841	11,711	13.9	10,952	15.3
Middle	38	4,917	27	4,548	65	9,465	5,158	666,588	57,356	68.0	47,012	65.7
Upper	11	1,453	4	885	15	2,338	1,799	142,540	14,585	17.3	12,208	17.1
Total	57	7,124	40	6,242	97	13,366	8,210	920,700	84,312	100.0	71,506	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank’s volume of refinanced home loans increased from 43 loans in 2007 to 49 loans in 2008, a 13.9 percent increase. Refinanced home loans represented 34.9 percent of the bank’s total HMDA-reportable loans in this assessment area in 2007 and 46.7 percent in 2008.

In 2007, the bank made no loans in low-income census tracts and five or 11.6 percent of its refinanced home loans in moderate-income census tracts; this is below the owner-occupancy rates of 13.9 percent in moderate-income geographies. The bank was slightly

below the aggregate of lenders' 12.4 percent refinanced home loans in moderate-income geographies.

In 2008, the bank made no loans in low-income geographies and 14.3 percent (7 loans) of its refinanced home loans in moderate-income geographies. This percentage exceeded the owner occupancy rates, and percentages for the aggregate of lenders who made 10.4 percent of the refinanced home loans in moderate-income census tracts.

M&I Duluth, MN-WI MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	0	0	0	0	86	11,514	660	0.8	1,334	1.9
Moderate	5	631	7	987	12	1,618	1,216	106,667	11,711	13.9	10,952	15.3
Middle	31	3,849	32	5,347	63	9,196	7,243	935,153	57,356	68.0	47,012	65.7
Upper	7	1,304	10	1,913	17	3,217	1,975	325,627	14,585	17.3	12,208	17.1
Total	43	5,784	49	8,247	92	14,031	10,520	1,378,961	84,312	100.0	71,506	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

The bank originated 1.0 percent of all of its small business loans in this assessment area. The bank made 128 small business loans in 2007 and 131 in 2008, a slight increase over 2007. In 2008, the bank ranked 13th of 47 reporting institutions in this assessment area.

In 2007, the bank originated 18.0 percent of its small business loans in low-income geographies and 23.4 percent in the moderate-income geographies, which exceeds the percentage of businesses in these areas. The bank outperformed the aggregate of lenders' 8.1 percent of loans in low-income geographies and 13.7 percent in moderate-income geographies. In 2008, the bank originated 25.2 percent of its small business loans in low-income geographies and 19.8 percent of its loans in moderate-income geographies. This performance again exceeded the percentage of total businesses in low- and moderate-income geographies within this assessment area, and the aggregate

of lenders' 8.9 percent of the loans in low-income geographies and 13.7 percent in moderate-income geographies. The bank's overall performance was excellent.

M&I Duluth MN-WI MSA CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	23	5,428	33	7,559	56	12,987	1,413	41,281	1,467	11.9	1,232	11.2
Moderate	30	7,750	26	6,135	56	13,885	2,295	43,745	2,079	16.8	1,821	16.5
Middle	58	9,647	59	16,606	117	26,253	9,475	157,903	7,286	59.0	6,554	59.6
Upper	17	4,070	13	3,929	30	7,999	2,770	45,620	1,507	12.2	1,398	12.7
Tract Unknown Income							760	13,384				
Total	128	26,895	131	34,229	259	61,124	16,713	301,933	12,339	100.0	11,005	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was good for HMDA-reportable lending and adequate for small business lending in this assessment area.

Home Purchase Loans

As the data contained in the following table illustrates, in 2007 and 2008 combined, the percentage of the bank's home purchase loans to low-and moderate-income borrowers was below that of the aggregate of lenders, and the percentage of families with low and moderate incomes. The percentage of loans to low-and moderate-income borrowers was 3.1 percent and 20.6 percent, respectively, compared to 9.8 percent for low-income borrowers and 22.5 percent for moderate-income borrowers achieved by the aggregate of lenders. M&I's performance under this criterion was considered adequate.

M&I Duluth MN-WI MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007- 08		Households by Income Level		Families by Income	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	1	50	2	125	3	175	807	57,719	26,730	23.8	13,118	18.3
Moderate	10	947	10	1,040	20	1,987	1,850	184,468	18,147	16.1	13,435	18.8
Middle	7	582	8	984	15	1,566	1,969	243,125	21,540	19.1	17,152	24.0
Upper	36	5,220	18	3,923	54	9,143	2,737	491,960	46,107	41.0	27,801	38.9
Unknown Income	3	325	2	170	5	495	847	121,002				
Total	57	7,124	40	6,242	97	13,366	8,210	1,098,274	112,524	100.0	71,506	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

In 2007, the bank made 7.0 percent or three refinanced loans to low-income borrowers and 4.7 percent or two loans to moderate-income borrowers. The bank's performance was below the aggregate of lenders who originated 7.7 percent to low-income borrowers and 19.7 percent to moderate-income borrowers. In 2008, the bank made 4.1 percent or two refinanced home loans to low-income borrowers, and 10.2 percent or five loans to moderate-income borrowers compared to 7.6 percent and 19.5 percent to low-and moderate-income borrowers, respectively, for the aggregate of lenders. In both 2007 and 2008, the bank's performance was below the aggregate of lenders and was adequate.

M&I Duluth MN-WI MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Income	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	3	122	2	101	5	223	806	57,191	26,730	23.8	13,118	18.3
Moderate	2	130	5	701	7	831	2,065	203,998	18,147	16.1	13,435	18.8
Middle	16	1,732	12	1,553	28	3,285	2,775	329,613	21,540	19.1	17,152	24.0
Upper	16	3,089	27	5,566	43	8,655	3,790	620,405	46,107	41.0	27,801	38.9
Unknown Income	6	711	3	326	9	1,037	1,084	167,754				
Total	43	5,784	49	8,247	92	14,031	10,520	1,378,961	112,524	100.0	71,506	100.0

Sources: 2007 and 2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

The percentage of businesses in this assessment area with revenues of \$1 million or less is 89.2 percent. In 2007, the bank originated 51.6 percent of its small business loans to businesses with \$1 million or less in revenue. The bank performed similarly to the aggregate of all lenders who originated 51.4 percent of its small business loans to businesses with \$1 million or less in revenue. In 2008, the bank originated 46.6 percent of its loans to small businesses with \$1 million or less in revenue; again the bank's performance was similar to the aggregate of all lenders who made 46.9 percent of loans to small businesses to entities with \$1 million or less in revenue. For this evaluation period, 42 small business loans (16.2%) were originated to businesses for which revenues were not known. Overall performance of loans to small businesses with \$1 million or less in revenue was adequate.

M&I CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	66	8,777	61	14,008	127	22,785	8,255	145,457	11,005	89.2
Loans to Businesses with Revenues Over \$1mm	46	15,401	44	17,409	90	32,810	8,458	156,476	936	7.6
Unknown Revenue	16	2,717	26	2,812	42	5,529			398	3.2
Total	128	26,895	131	34,229	259	61,124	16,713	301,933	12,339	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 11 community development loans totaling \$25.7 million in this assessment area. Five of the loans were for affordable housing and five were for economic development.

The bank specializes in multi-family lending and uses this expertise to finance affordable housing throughout its assessment areas. For 2007 and 2008 combined, the bank originated one loan totaling \$60,000 that financed multi-family properties. The properties provided 17 units of housing within a low-income area in the Duluth, Minnesota, assessment area.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was outstanding. The bank funded \$1.2 million in total investments during this evaluation period.

Qualified investments were for the following organizations:

- Northland Foundation, serving communities in northeastern Minnesota. It provides grants to nonprofits organizations, operates a youth program and provides financing to small- and medium-sized businesses;
- New York Building in Superior Wisconsin, which provides affordable housing for Seniors; and
- Community Reinvestment Fund (CRF) offerings in Duluth and Superior. CRF investments that support community development initiatives are considered innovative and complex.

SERVICE TEST

The bank's overall service performance in this assessment area was outstanding.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of two branches within this assessment area, one in a low-income, and one in an upper-income census tract. The total branches in this assessment area represent 0.6 percent of all the bank's branches. As of December 31, 2008, within this assessment area the bank had one full-service ATM located in a low-income census tract and one-cash dispensing ATM located in an upper-income census tract. The bank monitors the areas served by its branches and ATMs, the latest branch study shows that the branch and ATM in located in the upper-income census tract also provide loan and deposit services to individuals in neighboring low- or moderate-income geographies.

The bank did not open or close any branches in this assessment area since the previous evaluation. Services are tailored to the convenience and needs of the assessment area, including low- and moderate-income geographies or individuals.

Community Development Services

The bank was a leader in providing community development services.

M&I's officers and employees have conducted several financial literacy and technical assistance programs throughout this assessment area. They participated in 299 hours of qualified activities targeted to, or primarily serving the needs of low- and moderate-income individuals. Organizations with which bank employees were involved include the following:

- Neighborhood Housing Services of Duluth, which offers many programs focused on helping residents find affordable housing; and
- Damiano Center of Duluth, an organization that operates five programs that provide services, free of cost, to meet financially-disadvantaged people's basic needs and help them become more self-sufficient.

MULTISTATE METROPOLITAN AREA

CRA RATING FOR KANSAS CITY, MO - KS³: SATISFACTORY

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: High Satisfactory

Major factors supporting the rating include the following:

- Lending levels that reflect a good responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans reflects good penetration throughout the assessment area and adequate for loans to small businesses, including low- and moderate-income areas;
- The distribution of borrowers reflects good penetration among customers of different income levels and among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank had an excellent level of qualified investments;
- Service delivery systems are accessible throughout this assessment area, including to individuals of different income levels; and
- The bank provided a relatively high level of community development services.

SCOPE OF EXAMINATION

Full review procedures were used to evaluate M&I's performance in this assessment area. The scope of this portion of the examination is consistent with the overall scope described in the institution summary.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KANSAS CITY, MO - KS

The bank's operations in this assessment area are smaller and diminishing compared to overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.2 percent of

³This rating reflects performance within the multistate metropolitan area. The statewide evaluations are adjusted and do not reflect performance in the parts of those states contained within the multistate metropolitan area.

the bank's total HMDA-reportable lending activity. Small business lending activity accounts for 5.6 percent of the bank's total lending to small businesses. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked seventh of 155 institutions in the Kansas City MSA with 3.9 percent of the market share. As of December 31, 2008, the bank operated 11 branches in this assessment area, which accounted for 3.0 percent of all the branches in the combined assessment areas. The bank's primary competitors include Bank of America, Commerce Bank, United Missouri Bank, US Bank, Bank Midwest, and Capital Federal Savings Bank.

There are a total of 449 census tracts in this assessment area. This assessment area consists of Clay, Jackson and Platte Counties in Missouri, and Johnson and Wyandotte Counties in Kansas. According to the 2000 Census, there were approximately 1.5 million people living within the bank's assessment area.

Three community representatives were interviewed, identifying affordable housing and financial literacy as key challenges facing the community.

Housing Characteristics

The housing characteristics were based on 2000 Census data. There were 642,867 housing units within this assessment area. The median housing value was \$105,842 in the assessment area, compared to \$102,876 in the MSA overall, \$81,000 for the state of Kansas, and \$86,900 for the state of Missouri. The current housing market is facing challenges from increasing numbers of foreclosures, loss of income, and declining home values.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 4.4 percent within the Kansas City MSA. Unemployment figures based on 2000 census data were 15.3 percent in the low-income census tracts, and 7.7 percent in the moderate-income census tracts. The middle- and upper-income census tracts reported unemployment rates of 3.6 percent and 2.2 percent, respectively. Based on Bureau of Labor Statistical Data, the unemployment rate was 5.0 percent in 2007 and 5.7 percent in 2008, which was higher than the state of Kansas unemployment rates, at 4.0

percent in 2007 and 4.4 percent in 2008, and comparable to the state of Missouri unemployment rates at 5.1 percent in 2007 and 6.1 percent in 2008. The primary industries and employers include health care services, government offices, and manufacturers of electronics and automobile parts.

Income Characteristics

The median family income for this assessment area was \$56,314, which was slightly higher than the median family incomes of \$49,624 for the state of Kansas and \$46,044 in the State of Missouri (2000 Census).

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following table:

Combined Demographics Report

Assessment Area: Kansas City MO & KS MSA 28140

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	45	10.0	19,704	4.9	6,064	30.8	71,906	18.0
Moderate-income	117	26.1	76,113	19.0	10,177	13.4	72,684	18.2
Middle-income	160	35.6	171,120	42.8	6,943	4.1	92,101	23.0
Upper-income	115	25.6	133,087	33.3	2,043	1.5	163,333	40.8
Unknown-income	12	2.7	0	0.0	0	0.0	0	0.0
Total Assessment Area	449	100.0	400,024	100.0	25,227	6.3	400,024	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	37,878	14,165	3.5	37.4	17,808	47.0	5,905	15.6
Moderate-income	144,634	68,813	17.1	47.6	61,627	42.6	14,194	9.8
Middle-income	276,812	174,695	43.4	63.1	89,032	32.2	13,085	4.7
Upper-income	183,537	144,547	35.9	78.8	31,707	17.3	7,283	4.0
Unknown-income	6	3	0.0	50.0	3	50.0	0	0.0
Total Assessment Area	642,867	402,223	100.0	62.6	200,177	31.1	40,467	6.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	%
Low-income	2,731	4.3	2,337	4.2	309	4.9	85	5.3
Moderate-income	11,411	17.8	9,662	17.2	1,444	22.7	305	18.8
Middle-income	25,993	40.6	23,048	41.1	2,230	35.1	715	44.2
Upper-income	23,176	36.2	20,539	36.6	2,138	33.7	499	30.8
Unknown-income	732	1.1	489	0.9	228	3.6	15	0.9
Total Assessment Area	64,043	100.0	56,075	100.0	6,349	100.0	1,619	100.0
	Percentage of Total Businesses:			87.6		9.9		2.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	%
Low-income	4	0.6	3	0.5	1	8.3	0	0.0
Moderate-income	34	5.1	33	5.0	1	8.3	0	0.0
Middle-income	355	52.9	350	53.2	4	33.3	1	100.0
Upper-income	274	40.8	271	41.2	3	25.0	0	0.0
Unknown-income	4	0.6	1	0.2	3	25.0	0	0.0
Total Assessment Area	671	100.0	658	100.0	12	100.0	1	100.0
	Percentage of Total Farms:			98.1		1.8		0.1

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS CITY,
MO - KS**

LENDING TEST

The bank’s overall lending performance in this assessment area was high satisfactory.

Lending Activity

The bank’s lending activity in this assessment area was good. The two major products reviewed were HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses. The bank’s lending penetration throughout the assessment area was good for HMDA-reportable lending and adequate for lending to small businesses. In 2008, the bank ranked 59th of 610 HMDA lenders in this assessment area. This assessment area accounted for 336 loans or 1.2 percent of the bank’s total HMDA-reportable loans.

M&I										
Kansas City MO & KS MSA										
HMDA-Reportable and CRA-Reportable Lending										
2007 & 2008										
(Dollars are in Thousands)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank’s Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-Reportable Lending	155	32,130	181	51,442	336	83,572	171,478	26,244,479	0.2%	0.3%
CRA-Reportable Loans to Small Businesses	766	172,978	734	181,989	1,500	354,967	117,551	3,083,313	1.3%	11.5%
Total	921	205,108	915	233,431	1,836	438,539	289,029	29,327,792	0.6%	1.5%

The preceding information, combined with relevant demographic information, was used to evaluate the bank's record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and community development projects within this assessment area.

Generally, the bank originates loans on multi-family properties as a means of helping to address affordable housing challenges in the communities it serves. The bank's approach was taken into consideration when evaluating the geographic and borrower distribution of its HMDA-reportable residential mortgages. Discussion about loans originated since the previous evaluation has been included under the respective sections. Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable lending was good. Home purchase and refinanced loans were analyzed separately. The distribution of loans to small businesses in geographies of different income levels, including low- and moderate-income areas, was good.

Home Purchase Loans

The bank made 163 home purchase loans in this assessment area, which represented 48.5 percent of the HMDA-reportable loans the bank originated in this assessment area in 2007 and 2008. Of the home purchase loans made in this assessment area, six or 3.7 percent were in low-income census tracts, which exceeded the rate of origination achieved by the aggregated lenders who made 1,368 loans or 1.6 percent in low-income census tracts. The bank made 22 home purchase loans or 13.5 percent of its loans to borrowers in moderate-income census tracts, compared to 11.9 percent for the aggregated lenders. This was above the owner-occupancy rate of 3.5 percent in low-income census tracts and below the 17.1 percent in low- and moderate-income census tracts.

M&I Kansas City MO & KS MSA Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	4	138	2	110	6	248	1,368	105,141	14,165	3.5	19,704	4.9
Moderate	10	1,145	12	1,328	22	2,473	10,003	925,192	68,813	17.1	76,113	19.0
Middle	28	4,847	34	6,322	62	11,169	34,466	4,420,603	174,695	43.4	171,120	42.8
Upper	32	9,082	41	8,840	73	17,922	37,945	7,471,900	144,547	35.9	133,087	33.3
Unknown							17	3,176	3	0.00		
Total	74	15,212	89	16,600	163	31,812	83,799	12,926,012	402,223	100.0	400,024	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

For 2007-08 combined, the bank refinanced 139 loans in this assessment area, which represents 41.4 percent of HMDA-reportable loans in this assessment area. Of the 139 loans, three loans or 2.2 percent were in low-income census tracts and 19 loans or 13.7 percent were in moderate-income census tracts. This was below the owner-occupancy rates of 3.5 percent in low-income census tracts and 17.1 percent in moderate-income census tracts. The bank's refinancing was slightly above the aggregate lenders' 2.1 percent and 12.7 percent in low- and moderate-income census tracts, respectively.

M&I Kansas City MO & KS MSA Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	1	44	2	457	3	501	1,676	134,988	14,165	3.5	19,704	4.9
Moderate	10	854	9	574	19	1,428	10,031	899,288	68,813	17.1	76,113	19.0
Middle	28	4,014	34	4,559	62	8,573	32,480	4,276,746	174,695	43.4	171,120	42.8
Upper	26	6,687	29	11,364	55	18,051	34,633	6,907,605	144,547	35.9	133,087	33.3
Unknown							10	7,035	3	0.0		
Total	65	11,599	74	16,954	139	28,553	78,830	12,225,662	402,223	100.0	400,024	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2008, the bank ranked 14th of 121 reporting institutions in this assessment area, in terms of the number of loans to small businesses. The bank originated 1,500 loans to small businesses within this assessment area during 2007 and 2008, which represents 5.6 percent of its total small business lending. Within this assessment area, 4.3 percent of the businesses are located in low-income census tracts and 17.8 percent are in moderate-income census tracts. The bank originated 28 loans or 1.9 percent of its loans to small businesses in low-income census tracts and 221 or 14.7 percent in moderate-income census tracts; this distribution is generally consistent with the aggregate of lenders who made 2.5 percent of the loans in low-income census tracts and 13.6 percent in moderate-income census tracts.

M&I Kansas City MO & KS MSA CRA-Reportable Loans to Small Businesses 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	17	5,268	11	2,687	28	7,955	2,906	93,384	2,731	4.3	2,337	4.2
Moderate	126	30,514	95	25,845	221	56,359	16,030	552,934	11,411	17.8	9,662	17.2
Middle	246	52,573	236	55,798	482	108,371	42,631	1,022,323	25,993	40.6	23,048	41.1
Upper	359	78,361	372	91,879	731	170,240	52,949	1,334,355	23,176	36.2	20,539	36.6
Unknown	18	6,262	20	5,780	38	12,042	3,035	80,317	732	1.1	489	0.9
Total	766	172,978	734	181,989	1,500	354,967	117,551	3,083,313	64,043	100.0	56,075	100.0

Sources: 2007 & 2008 CRA Data and 2000 Census Data.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was good for HMDA-reportable lending and small business lending in this assessment area.

Home Purchase Loans

The bank made 20 loans or approximately 12.3 percent of its loans to low-income

borrowers and 32 loans or 19.6 percent of its loans to moderate-income borrowers. The bank outperformed the aggregate of lenders who made 8.2 percent of the loans to low-income borrowers, but was below the aggregate of lenders 22.4 percent to moderate-income borrowers. Within the assessment area, low- and moderate-income families represent 18.0 percent and 18.2 percent of the families, respectively. Income was not reported for 51 home purchase loans or 31.3 percent, as income was not used in the credit decision. Loan products where income may not be used in the credit decision include Flex loans, and business-purpose or employee loans.

M&I Kansas City MO & KS MSA Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007- 08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	8	503	12	933	20	1,436	6,895	590,605	127,535	21.2	71,906	18.0
Moderate	17	1,893	15	1,853	32	3,746	18,746	2,175,675	105,518	17.5	72,684	18.2
Middle	4	511	11	1,643	15	2,154	18,607	2,649,021	119,941	19.9	92,101	23.0
Upper	21	7,349	24	6,296	45	13,645	28,135	5,845,019	249,778	41.4	163,333	40.8
Unknown	24	4,956	27	5,875	51	10,831	11,416	1,665,692				
Total	74	15,212	89	16,600	163	31,812	83,799	12,926,012	602,772	100.0	400,024	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

For 2007-08 combined, the bank made one loan or 0.7 percent of its loans to low-income borrowers and four loans or 2.9 percent of its loans to moderate-income borrowers. In comparison, the aggregate of lenders made 6.5 percent to low-income borrowers and 18.1 percent to moderate-income borrowers.

M&I Kansas City MO & KS MSA Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	1	71	0	0	1	71	5,149	423,694	127,535	21.2	71,906	18.0
Moderate	1	155	3	428	4	583	14,248	1,575,047	105,518	17.5	72,684	18.2
Middle	5	802	1	83	6	885	18,270	2,494,212	119,941	19.9	92,101	23.0
Upper	19	5,992	28	9,180	47	15,172	28,739	5,758,402	249,778	41.4	163,333	40.8
Unknown	39	4,579	42	7,263	81	11,842	12,424	1,974,307				
Total	65	11,599	74	16,954	139	28,553	78,830	12,225,662	602,772	100.0	400,024	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

The bank originated 49.6 percent of its loans to small businesses to entities with \$1 million or less in revenue; the bank outperformed the aggregate of all lenders who made 33.4 percent of the loans to small businesses with \$1 million or less in revenue.

M&I CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	406	73,227	338	69,687	744	142,914	39,316	1,067,268	56,075	87.6
Loans to Businesses with Revenues Over \$1mm	278	84,741	284	91,963	562	176,704	117,589	3,083,222	6,349	9.9
Unknown Revenue	82	15,280	112	20,339	194	35,619			1,619	2.5
Total	766	172,978	734	181,989	1,500	354,967	249,263	5,946,385	64,043	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet data.

Community Development Loans

The bank was a leader in making community development loans, and made extensive use of innovative and/or flexible lending practices in serving assessment area credit needs. The bank originated 43 community development loans totaling \$212.0 million in this assessment area. The loans are summarized in the following table.

Type of Community Development Loan	#	Total Dollars (in millions)
Super TIF & TIF for Economic Development	13	132.2
Economic Development	6	42.0
Revitalization/Stabilization	5	10.1
New Market Tax Credits for Revitalization/Stabilization	2	10.0
Affordable Housing	13	9.1
Community Services	4	8.6
Total	43	212.0

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was outstanding. The bank funded \$5.1 million in qualifying investments during this evaluation period. Approximately 52.5 percent of the bank's qualified investments consisted of mortgage-backed securities totaling \$2,675,920. Other qualified investments included: \$1,986,702 in commitments for affordable housing, a certificate of deposit for \$100,000 in a community development financial institution (CDFI), and several donations totaling \$336,574.

SERVICE TEST

The bank's overall service performance in this assessment area was high satisfactory.

Retail Services

Delivery services are accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 11 branches in this assessment area, six in middle-income and five in upper-income census tracts, which represent 3.0 percent

of all the bank's offices. As of December 31, 2008, the bank had eight full-service ATMs in this assessment area: three in middle-income, and five in upper-income census tracts. The bank had 10 cash-dispensing ATMs in this assessment area: five in middle-income, four in upper-income census tracts, and one in a census tract for which income level was unknown. Although there were no offices or ATMs located in low- or moderate-income census tracts, five offices serve residents in low- and moderate-income areas through branches located in middle- and upper-income census tracts that border these areas.

No new branches opened during this evaluation period. Three branches closed in 2007, one located in a middle-income census tract and two in upper-income census tracts. Four cash-dispensing ATMs closed during the period: one in a moderate-income census tract and three in upper-income census tracts.

Services do not vary in a way that inconveniences any segment of the assessment area, including low- and moderate-income geographies or individuals.

Community Development Services

The bank provides a relatively high level of community development services. Twelve officers and employees have participated in several financial literacy and technical assistance programs throughout this assessment area; hours of qualified services exceeded 500 for the evaluation period. Some of the programs include affordable mortgages, small business financial management for minority-owned small businesses, technical assistance for loan structuring to various organizations, and financial training through school programs and service organization programs for businesses and individuals. Assistance was also provided in getting new market tax credits for an affordable housing program offered by a local housing organization.

STATE OF WISCONSIN

CRA RATING FOR WISCONSIN⁴: OUTSTANDING

The Lending Test is rated: High Satisfactory.

The Investment Test is rated: Outstanding.

The Service Test is rated: Outstanding.

Major factors supporting the rating include:

- Lending levels that reflect a good responsiveness to credit needs of the assessment areas in this state;
- The geographic distribution of HMDA-reportable loans and loans to small businesses reflects good penetration throughout the assessment area;
- The distribution of borrowers reflects adequate penetration among customers of different income levels;
- The distribution of small business lending reflects adequate penetration among businesses of different sizes;
- The bank was a leader in making community development loans in the assessment areas included in this state;
- The bank had an excellent level of qualified investments;
- Service delivery systems are readily accessible to all portions of this assessment area, including low- and moderate-income areas, and to individuals of different income levels in this assessment area;
- The record of opening and closing banking centers has not adversely affected the bank's delivery systems in low- and moderate-income geographies; and
- The bank had an excellent level of community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the assessment areas located in the Milwaukee/Racine/Waukesha CSA, Madison MSA, and Wisconsin Non-MSA Northwest Region. The scope of the evaluation was consistent with the scope described in the institution summary.

⁴For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WISCONSIN

As of December 31, 2008, the bank operated 189 branches in this assessment area, which accounted for 52.1 percent of all the branches in the combined assessment areas. There were 7 branches (3.7%) located in low-income census tracts and 25 (13.1%) located in moderate-income tracts. The bank made 22,310 HMDA-reportable loans compared to a total of 31,070 made by all lenders, or 71.8 percent. It made 19,638 CRA loans out of a total of 38,443 made by all lenders, or 51.1 percent

The assessment areas in the State of Wisconsin, including the MSAs or Metropolitan Divisions (MD) in which they are located, are the following:

- Milwaukee/Racine/Waukesha CSA, which includes Milwaukee/Waukesha/West Allis MSA consisting of Milwaukee, Ozaukee, Washington, and Waukesha Counties and Racine MSA encompassing Racine County.
- Madison MSA consisting of Dane, Columbia, and Iowa Counties.
- Appleton/Oshkosh/Neenah Combined Statistical Area (CSA), which includes Appleton MSA consisting of Calumet and Outagamie Counties and Oshkosh/Neenah MSA encompassing Winnebago County.
- Eau Claire MSA consisting of Chippewa and Eau Claire Counties.
- Fond du Lac MSA encompassing Fond du Lac County.
- Green Bay MSA consisting of Brown, Door (a micropolitan), Kewaunee, and Oconto Counties.
- Janesville MSA encompassing Rock County.
- LaCrosse MSA consisting of La Crosse County.
- Lake County IL/Kenosha County WI MD encompassing Kenosha County Wisconsin.
- Sheboygan MSA encompassing Sheboygan County.
- Wausau MSA encompassing Marathon County.
- Non-Metropolitan Northwest Region of Wisconsin consisting of Adam, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Dunn, Green Lake, Iron, Jackson, Juneau, Langlade, Lincoln, Marquette, Monroe, Oneida, Pepin, Polk, Portage, Price, Rusk, Sawyer, Taylor, Trempealeau, Vilas, Washburn, Waushara, and Wood Counties.

- Non-Metropolitan Northeast Region of Wisconsin consisting of Florence, Forest, Marinette, Manitowoc, Menominee, Shawano, and Waupaca Counties.
- Non-Metropolitan Southwest Region of Wisconsin consisting of Crawford, Dodge, Grant, Green, Jefferson, Lafayette, Richland, Sauk, Vernon, and Walworth Counties.

Information was obtained in discussions with seven community representatives regarding credit and community development opportunities in the assessment areas in the state of Wisconsin. Areas of focus were the Milwaukee/Racine/Waukesha CSA, Madison MSA, and the non-MSA Northwest Region. Contacts considered the rural Wisconsin communities to be less affected by housing market concerns than urban areas. They identified a need for increased availability of home purchase loans, homeownership education, and housing rehab throughout the state. The contacts cited an increase in small businesses to the Wisconsin market, and a need for education and financial assistance to small business owners/entrepreneurs.

Additional demographic information for the Wisconsin assessment areas, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

State of Wisconsin

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	90	7.0	44,404	3.3	15,260	34.4	234,779	17.4
Moderate-income	199	15.5	160,454	11.9	18,806	11.7	257,067	19.0
Middle-income	794	62.0	888,792	65.9	37,571	4.2	352,847	26.1
Upper-income	190	14.8	255,902	19.0	4,650	1.8	504,859	37.4
Unknown-income	7	0.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,280	100.0	1,349,552	100.0	76,287	5.7	1,349,552	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	86,721	19,576	1.4	22.6	57,023	65.8	10,122	11.7
Moderate-income	324,140	143,511	10.4	44.3	134,353	41.4	46,276	14.3
Middle-income	1,470,352	939,837	68.2	63.9	381,987	26.0	148,528	10.1
Upper-income	362,224	274,229	19.9	75.7	67,961	18.8	20,034	5.5
Unknown-income	6	0	0.0	0.0	6	100.0	0	0.0
Total Assessment Area	2,243,443	1,377,153	100.0	61.4	641,330	28.6	224,960	10.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	6,325	2.9	5,540	2.8	547	2.9	238	3.7
Moderate-income	27,057	12.2	23,931	12.2	2,238	12.0	888	13.9
Middle-income	144,693	65.3	128,524	65.4	11,817	63.5	4,352	67.9
Upper-income	43,272	19.5	38,385	19.5	3,970	21.3	917	14.3
Unknown-income	290	0.1	229	0.1	49	0.3	12	0.2
Total Assessment Area	221,637	100.0	196,609	100.0	18,621	100.0	6,407	100.0
Percentage of Total Businesses:				88.7		8.4		2.9
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	11	0.1	11	0.1	0	0.0	0	0.0
Moderate-income	1,062	5.7	1,044	5.7	18	8.1	0	0.0
Middle-income	15,381	83.1	15,202	83.2	179	80.3	0	0.0
Upper-income	2,045	11.1	2,019	11.0	26	11.7	0	0.0
Unknown-income	1	0.0	1	0.0	0	0.0	0	0.0
Total Assessment Area	18,500	100.0	18,277	100.0	223	100.0	0	0.0
Percentage of Total Farms:				98.8		1.2		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WISCONSIN

Lending Test

The bank's overall lending in the state of Wisconsin was rated high satisfactory.

Lending Activity

Lending activity reflects good responsiveness to credit needs throughout the Wisconsin assessment areas.

HMDA-reportable lending decreased by 13.9 percent (11,991 to 10,319) between 2007 and 2008. The decrease reflects the decline in the housing market based on concerns about foreclosure and subprime lending; however, due to a falling interest rate environment, the demand for refinanced home loans increased during the evaluation period. Small business lending decreased 16.5 percent (10,701 to 8,937) while small farm lending increased 3.4 percent (2,676 to 2767) between 2007 and 2008. Small farm lending was evaluated for most of the Wisconsin assessment areas with the exception of Milwaukee/Racine/Waukesha CSA, La Crosse MSA, and Kenosha MD. Small farm lending received less consideration in the determination of the rating due to the low volume of the loans.

M&I State of Wisconsin CRA-relevant Lending 2007 & 2008 (Dollars in 000's)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-Reportable Lending	11,991	2,086,928	10,319	2,224,909	22,310	4,311,837	492,957	72,780,057	4.5	5.9
CRA-Reportable Loans to Small Businesses	10,701	1,952,056	8,937	1,904,380	19,638	3,856,436	306,769	9,536,229	6.4	40.4
Total	22,692	4,038,984	19,256	4,129,289	41,948	8,168,273	779,726	82,316,286	5.2	
Source: 2007 and 2008 HMDA-Reportable Loans and CRA-Reportable Loans to Small Businesses.										

Geographic and Borrower Distribution

The geographic distribution of the bank's HMDA-reportable lending, specifically home purchase and refinanced home loans, and small business lending was generally good, but poor for small farm lending. The overall distribution of loans reflected adequate penetration among borrowers of different income levels and businesses and farms of different revenue sizes. A detailed analysis of the distribution of M&I's loans, by geography and borrower income level, is provided with the analysis for each assessment area.

Community Development Lending

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 307 community development loans totaling \$644 million in the Wisconsin assessment areas.

Innovative or Flexible Lending

The following are loan programs available throughout the bank's assessment areas that were considered flexible lending practices; they address the credit needs of low- and moderate-income individuals or borrowers from LMI geographies and small businesses. Some include the use of government-insured loan programs and other special incentives. These programs typically offer favorable loan terms, including low-interest rates and government guarantees.

- Homeowner Assistance Program – The bank developed this program to identify and work with borrowers who are in default, or who are current on their loan payments but at risk for default. The program is intended to help these borrowers avoid losing their homes through a variety of strategies, including loan modification, loan extension, short-term forbearance of late payments and fees, and other methods. The program was introduced in 2008, prior to the government-enacted Making Home Affordable Program, which includes many similar elements. Under the bank's Homeowner Assistance Program, 16 loans to low- or moderate-income borrowers throughout the state were modified or placed in forbearance during the evaluation period for a total of \$1.2 million.

- Wisconsin Housing and Economic Development Authority (WHEDA) – The bank participates in WHEDA’s HOME Loan program, which provides financing opportunities for low- and moderate-income individuals to purchase their homes. Throughout the state, the bank originated 625 HOME Loans for \$6.8 million in 2007 and 2008. These loans are included in the HMDA-reportable lending totals used throughout the lending test.
- Neighborhood Home Loan Program (NHLP) – This program, developed by the bank, provides home mortgages with low down payment requirements and other features that would make homeownership more affordable for low- and moderate-income borrowers.
- Small Business Administration (SBA) – The bank partners with the SBA to offer several financial opportunities to start, build, or expand small businesses. The primary programs offered by the bank include Standard SBA 7(a), SBA 504, SBA Express, SBA Patriot Express, SBA Community Express, and America’s Recovery Capital (ARC) loans. SBA loans are guaranteed loan programs that are available to small business owners who may not otherwise qualify for traditional business loan products.
- WHEDA – The bank also participates in the Credit Relief Outreach Program (CROP) and Farm Asset Reinvestment Management (FARM) programs, guaranteed by WHEDA. Both programs typically have lower interest rates than traditional agricultural loans, which make them more affordable to small farms. The CROP loan program is available for various operational expenses for farmers who may not otherwise qualify for traditional operating loans. The FARM program is available to agricultural producers who wish to start, expand, or modernize operations.

INVESTMENT TEST

With respect to the investment test, the bank’s performance in the Wisconsin assessment area was outstanding. The bank funded \$42.6 million in qualifying investments during this evaluation period.

SERVICE TEST

The bank's overall service performance in the Wisconsin assessment areas was outstanding.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's Wisconsin assessment areas. As of December 31, 2008, the bank had a total of 189 branches within the Wisconsin assessment areas, six in low-income, 25 in moderate-income, 127 in middle-income, 30 in upper-income census tracts, and one in a census tract for which the income was not known. The total number of branches in the Wisconsin assessment area represents 52.1 percent of all the bank's branches. Branches in low- and moderate-income geographies represent 16.4 percent of the branches in the Wisconsin assessment areas. The bank had seven branches located in middle-income census tracts in the nonmetropolitan Northwest Region of Wisconsin, which have been identified as underserved and/or distressed. As of December 31, 2008, the bank had 124 full-service ATMs in the Wisconsin assessment areas: eight in low-income, 20 in moderate-income, 76 in middle-income, 18 in upper-income census tracts, and two in census tracts for which the income was not known. The bank had 211 cash-dispensing ATMs in the Wisconsin assessment areas: 13 in low-income, 18 in moderate-income, 140 in middle-income, 37 in upper-income census tracts, and three in census tracts for which the income was not known. ATMs in low- and moderate-income geographies represent 17.6 percent of the ATMs in the Wisconsin assessment areas. The percentage of branches (16.4%) and ATMs (17.6%) within the low- and moderate-income census tracts was higher than the percentage of families living in the same areas (15.2%). Information from a branch study indicated that low- and moderate-income areas are also being served by branches located in middle- or upper-income census tracts that border these areas.

The bank's record of opening and closing branches has not adversely affected access to its delivery systems, particularly to low- and moderate-income geographies or individuals. Of the three branches opened in Wisconsin since the previous evaluation, one was in a low-income census tract and one was in a moderate-income census tract. Five branches have closed since the previous evaluation, and one branch was relocated.

None of these branches were located in a low- or moderate-income census tract. Services do not vary in a way that inconveniences any portion of the Wisconsin assessment areas, including low- and moderate-income geographies or individuals.

Community Development Services

The bank was a leader in providing community development services.

M&I's officers and employees have participated in a number of financial literacy and technical assistance programs throughout the Wisconsin assessment areas. Some of the programs include mortgage lending seminars, small business financial management seminars for minority-owned small businesses, technical assistance on loan structuring for various organizations, financial training through school programs, and service organization programs for businesses and to individuals. Also, M&I partnered with the Federal Home Loan Bank to obtain 14 affordable housing grants totaling \$2.7 million for use in the Wisconsin assessment areas.

METROPOLITAN AREA

(Full Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MILWAUKEE/RACINE/ WAUKESHA, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all offices. HMDA-reportable lending activity in this assessment area accounts for 16.0 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 24.3 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 60 institutions in the Milwaukee/Racine/Waukesha CSA with 27.7 percent of the market share.

As of December 31, 2008, the bank operated 67 branches in this assessment area, which accounted for 18.5 percent of all the offices in the combined assessment areas. The bank's primary competitors in Milwaukee include offices and/or branches of US Bank, Associated Bank, JP Morgan Chase Bank, Wells Fargo Bank, TCF National Bank, and Johnson Bank. The bank's primary competitors in the Racine area include offices of Johnson Bank, Bank of Elmwood, First Banking Center, Community State Bank, and North Shore Bank.

This assessment area encompasses the Milwaukee/Waukesha/West Allis MSA which is comprised of Milwaukee, Ozaukee, Washington, and Waukesha counties; and the Racine MSA which is comprised of Racine County. According to the 2000 Census, there were approximately 1.7 million people living within the bank's assessment area.

Two community representatives were interviewed within the assessment area; they identified the need for funding for economic development initiatives, as well as major real estate developments. The contacts believed that, overall, banks are active in the community and are generally meeting community development needs.

Housing Characteristics

Housing characteristics are based on 2000 census data. According to the U.S. Census

Bureau's 2008 American Community Survey, the housing stock increased to approximately 736,000 units, 59.9 percent of which were owner-occupied and 32.7 percent were rental units, and 7.3 percent were vacant. The housing market has been facing challenges of rising interest rates, increased foreclosure activity, loss of income, and declining home values. To address housing-related concerns, a coalition of local nonprofit groups was formed; the Milwaukee Foreclosure Partnership Initiative (MFPI) obtains funding from the U.S. Department of Housing and Urban Development (HUD) to address the foreclosure crisis.

Affordable housing is needed throughout this assessment area. A number of affordable housing projects recently started in Milwaukee, but the entities behind many developments defaulted or went bankrupt, leaving unfinished developments in the city.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from the U.S. Census, unemployment was approximately 5.3 percent within this CSA. Unemployment figures based on 2000 census data were 17.9 percent in the low-income census tracts, 8.6 percent in the moderate-income census tracts, 3.8 percent in middle-income census tracts and 2.6 percent in upper-income census tracts. Based on Bureau of Labor Statistics data, the unemployment rate in this CSA was 4.9 percent in both 2007 and 2008, which was higher than the state unemployment rate of 4.7 percent in both 2007 and 2008. The leading industries in the CSA are educational services, healthcare, social assistance and manufacturing.

The bank reported that unemployment is on the rise in the Milwaukee/Racine/Waukesha MSA due to mass layoffs and plant closings in southeast Wisconsin. Mortgage delinquency rates are also increasing throughout the CSA as a result of job losses, decreasing home values, and a variety of other factors. Unemployment continues to be a significant issue in Racine due to headcount reductions by major local employers. Racine County is trying to attract new businesses with an initiative called Developing Racine County through Innovation, Vision and Entrepreneurship or DRIVE, which is focused on attracting potential businesses to Racine County.

Income Characteristics

Based on 2000 census data, the median family income for this assessment area was \$56,589, with \$56,640 for the Milwaukee MSA and \$56,234 for the Racine MSA, all of which are higher than the state median family income of \$52,911. The HUD-adjusted median family income was \$65,600 in 2007 and \$67,700 in 2008 in the Milwaukee MSA, and \$63,900 in 2007 and \$64,600 in 2008 for the Racine MSA. There is a high concentration of residents living below the poverty level in northwest Milwaukee. This area consists of 11 contiguous census tracts near downtown Milwaukee, all of which have a poverty rate of at least 40.0 percent.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following table:

Combined Demographics Report

Milwaukee/Racine/Waukesha CSA MSAs 33340 & 39540

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	82	18.0	39,886	9.2	14,200	35.6	84,256	19.4
Moderate-income	88	19.3	61,721	14.2	9,214	14.9	77,307	17.8
Middle-income	183	40.2	200,230	46.2	6,910	3.5	102,992	23.7
Upper-income	99	21.8	132,014	30.4	1,970	1.5	169,296	39.0
Unknown-income	3	0.7	0	0.0	0	0.0	0	0.0
Total Assessment Area	455	100.0	433,851	100.0	32,294	7.4	433,851	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	#
Low-income	71,583	17,743	4.3	24.8	44,815	62.6	9,025	12.6
Moderate-income	114,273	46,653	11.4	40.8	60,676	53.1	6,944	6.1
Middle-income	325,002	203,050	49.6	62.5	110,062	33.9	11,890	3.7
Upper-income	182,098	141,634	34.6	77.8	33,837	18.6	6,627	3.6
Unknown-income	6	0	0.0	0.0	6	100.0	0	0.0
Total Assessment Area	692,962	409,080	100.0	59.0	249,396	36.0	34,486	5.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	4,929	7.5	4,329	7.5	431	6.5	169	10.5
Moderate-income	8,458	12.8	7,418	12.8	796	12.0	244	15.1
Middle-income	29,655	44.9	25,744	44.6	3,170	47.7	741	46.0
Upper-income	22,684	34.4	20,037	34.7	2,201	33.1	446	27.7
Unknown-income	284	0.4	225	0.4	47	0.7	12	0.7
Total Assessment Area	66,010	100.0	57,753	100.0	6,645	100.0	1,612	100.0
Percentage of Total Businesses:				87.5		10.1		2.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	5	0.6	5	0.6	0	0.0	0	0.0
Moderate-income	17	1.9	17	1.9	0	0.0	0	0.0
Middle-income	543	60.5	534	60.3	9	69.2	0	0.0
Upper-income	332	37.0	328	37.1	4	30.8	0	0.0
Unknown-income	1	0.1	1	0.1	0	0.0	0	0.0
Total Assessment Area	898	100.0	885	100.0	13	100.0	0	0.0
Percentage of Total Farms:				98.6		1.4		0.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MILWAUKEE/
RACINE/WAUKESHA, WISCONSIN**

LENDING TEST

Lending Activity

The bank’s level of lending in this assessment area was good. The two major products reviewed were HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked fifth of 471 lenders in this assessment area. Of the bank’s total HMDA-reportable loans, 16.0 percent were originated in this assessment area.

M&I Milwaukee/Racine/Waukesha CSA CRA Relevant Lending 2007 & 2008 (Dollars in 000's)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank’s Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-Reportable Lending	2,836	537,426	2,457	580,969	5,293	1,118,395	161,047	27,377,154	3.3	4.1
CRA-Reportable Loans to Small Businesses	3,845	775,057	3,292	781,256	7,137	1,556,313	99,337	3,170,674	7.2	49.1
Total	6,681	1,312,483	5,749	1,362,225	12,430	2,674,708	260,384	30,547,828	4.8	8.8

Source: 2007 and 2008 HMDA Data and CRA Data – Loans to small businesses.

Lending activity was analyzed giving consideration to relevant demographic information to evaluate the bank’s record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and community development projects within this assessment area.

Generally, the bank originates loans on multi-family properties as a means of helping to address affordable housing challenges in the communities it serves. These loans are categorized as community development loans. A discussion about loans originated since the previous evaluation is included under the respective sections. Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable lending, specifically home purchase and refinanced home loans, is good. Each was analyzed separately. The distribution of loans to small businesses was good.

In addition to the demographic and economic information presented in the preceding section of this document, household data was used to help identify the market available to be served. Households in the assessment area totaled 659,026. Household distribution by tract income level follows: 9.5 percent of households are in low-income census tracts; 16.3 percent are in moderate-income census tracts; 47.6 percent are in middle-income census tracts; and 26.7 percent are in upper-income census tracts. Households living below the poverty level represented 9.4 percent of the households. Within the low-income census tracts, households living below the poverty level represent 3.4 percent of households and, in moderate-income census tracts, they represent 2.7 percent of households. Households that receive some form of public assistance total 15,059 (2.3%); the largest cluster of this subset of households is located in the low-income census tracts within the assessment area, representing 9.7 percent of the households in the low-income census tracts, overall. The moderate-income census tracts are home to 4,126 of the households that receive public assistance, representing 3.8 percent of the households in the moderate-income census tracts, overall. Households with rental costs that exceed 30.0 percent of income total 87,502, representing 13.3 percent of households, overall. Within low-income census tracts, this subset of households represents 32.7 percent of the households in the low-income census tracts. In moderate-income census tracts, they total 23,352, representing 21.8 percent of the households in these census tracts.

Home Purchase Loans

Lending between 2007 and 2008 declined due to a decrease in demand for home purchase loans and the number of creditworthy applicants. The bank made 1,288 loans in 2007 compared to 943 loans in 2008, a decrease of 26.8 percent. Home purchase loans in this assessment area represent 45.4 percent of HMDA-reportable loans in 2007 and 38.4 percent in 2008.

The bank's home purchase loan activity in the assessment area was below that of the aggregate of lenders, although in 2008, the bank's performance was more comparable to the aggregate measure. The bank's lending in low-income census tracts was slightly above owner occupancy rates in these areas, but below owner occupancy rates in moderate-income areas. The owner-occupancy rates were 4.3 percent and 11.4 percent in low- or moderate-income geographies, respectively. In 2007, the bank made 5.1 percent of its loans in low-income geographies and 8.5 percent in moderate-income geographies; this is lower than the 6.4 percent in low-income geographies and 11.8 percent in moderate-income geographies for the aggregate of lenders. In 2008, the bank made 4.0 percent of its loans in low-income geographies and 10.9 percent in moderate-income geographies, compared to the aggregate of lenders' 4.2 percent in low-income geographies and 10.3 percent in moderate-income geographies.

M&I Milwaukee/Racine/Waukesha CSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	66	5,959	38	3,818	104	9,777	3,204	316,486	17,743	4.3	39,886	9.2
Moderate	109	12,828	103	12,289	212	25,117	6,420	756,858	46,653	11.4	61,721	14.2
Middle	593	87,108	409	61,459	1,002	48,567	28,679	4,522,900	203,050	49.6	200,230	46.2
Upper	520	123,472	393	96,322	913	219,794	18,905	4,392,088	141,634	34.6	132,014	30.4
Total	1,288	229,367	943	173,888	2,231	403,255	57,208	9,988,332	409,080	100.0	433,851	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank's volume of refinanced loans increased from 1,238 loans in 2007 to 1,264 loans in 2008, a 2.1 percent increase. Refinanced home loans represented 43.7 percent of the bank's HMDA-reportable loans in this assessment area in 2007 and 51.4 percent in 2008.

Based on the data contained in the following tables, in 2007, the bank made 3.6 percent of its loans in low-income geographies and 7.4 percent in moderate-income geographies. This activity was lower than the aggregate of lenders' 6.8 percent and 14.8 percent of the refinanced home loans in low- and moderate-income geographies, respectively. In 2008, the bank made 2.2 percent of its loans in low-income geographies and 7.2 percent in moderate-income geographies, which was again lower than the aggregate of lenders' 3.8 percent and 10.2 percent of the refinanced home loans in low- and moderate-income geographies, respectively.

M&I Milwaukee/Racine/Waukesha CSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders' 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	45	3,742	28	2,311	73	6,053	5,057	476,858	17,743	4.3	39,886	9.2
Moderate	92	9,718	91	12,995	183	22,713	11,849	1,350,645	46,653	11.4	61,721	14.2
Middle	581	88,239	608	100,496	1,189	188,735	44,230	6,741,218	203,050	49.6	200,230	46.2
Upper	520	121,537	537	133,904	1,057	255,441	31,790	7,180,886	141,634	34.6	132,014	30.4
Total	1,238	223,236	1,264	249,706	2,502	472,942	92,926	15,749,607	409,080	100.0	433,851	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2007, the bank ranked fifth of 108 reporting institutions in this assessment area and sixth of 92 reporting institutions in 2008. The bank originated 24.3 percent of its loans to small businesses in this assessment area. The bank made 3,845 loans to small businesses within this assessment area in 2007 and 3,292 in 2008, a decrease of 14.4 percent. In both 2007 and 2008, the bank outperformed the aggregate of lenders in low- and moderate-income areas.

In 2007, the bank originated 5.2 percent of its loans to small businesses in low-income geographies and 12.2 percent in the moderate-income geographies; this was below the total percentage of the businesses in low-income geographies (7.5%) and generally consistent with the percentage of businesses in moderate-income geographies (12.8%). The aggregate of lenders made 4.2 percent in low-income geographies and 9.9 percent of the loans to small businesses in moderate-income geographies. In 2008, the bank originated 5.8 percent of its loans to small businesses in low-income geographies and 11.9 percent in moderate-income geographies; this was slightly below the percentage of businesses in low-and moderate-income geographies within this assessment area. The aggregate of lenders made 4.0 percent of the loans to small businesses in low-income geographies and 9.6 percent in moderate-income geographies.

M&I Milwaukee/Racine/Waukesha CSA Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	199	46,043	191	40,656	390	86,699	4,063	158,451	4,929	7.5	4,329	7.5
Moderate	470	95,646	393	96,605	863	192,251	9,691	314,527	8,458	12.8	7,418	12.8
Middle	1,731	341,522	1,435	334,966	3,166	676,488	43,704	1,431,890	29,655	44.9	25,744	44.6
Upper	1,431	287,919	1,264	306,986	2,695	594,905	38,942	1,227,070	22,684	34.4	20,037	34.7
Unknown Income	14	3,927	9	2,043	23	5,970	276	12,235	284	0.4	225	0.4
Tract Unknown							2,661	26,501				
Total	3,845	775,057	3,292	781,256	7,137	1,556,313	99,337	3,170,674	66,010	100.0	57,753	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was adequate for HMDA-reportable lending and small business lending in this assessment area.

Home Purchase Loans

Based on the information contained in the following tables, in 2007, the bank originated 7.2 percent of its loans to low-income borrowers and 14.5 percent of its loans to moderate-income borrowers, which was below the aggregate of lenders' 5.2 percent to low-income borrowers and 20.2 percent to moderate-income borrowers. In 2008, the bank originated 8.8 percent of its loans to low-income borrowers and 16.8 percent to moderate-income borrowers, which was again below the aggregate of lenders' 6.1 percent to low-income borrowers and 22.0 percent to moderate-income borrowers.

M&I Milwaukee/Racine/Waukesha CSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	93	9,401	83	8,030	176	17,431	3,166	311,985	113,400	22.7	84,256	19.4
Moderate	187	21,517	158	18,658	345	40,175	11,931	1,519,239	99,346	16.9	77,307	17.8
Middle	241	33,950	168	25,218	409	59,168	14,331	2,246,206	114,545	19.5	102,992	23.7
Upper	574	134,591	405	101,313	979	235,904	20,824	4,743,952	240,939	41.0	169,296	39.0
Unknown	193	29,908	129	20,669	322	50,577	6,956	1,166,950				
Total	1,288	229,367	943	173,888	2,231	403,255	57,208	9,988,332	588,230	100.0	433,851	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Refinanced Home Loans

Based on the data contained in the following table, in 2007, the bank made 5.6 percent of its refinanced home loans to low-income borrowers and 13.3 percent to moderate-income borrowers. The bank's performance was below the aggregate of lenders' 6.7 percent to low-income borrowers and 19.3 percent to moderate-income borrowers. In 2008, the bank made 5.5 percent of its loans to low-income borrowers and 12.3 percent of its loans to moderate-income borrowers. The bank's performance was below the aggregate of lenders' 5.4 percent to low-income borrowers and 17.1 percent to moderate-income borrowers.

M&I Milwaukee/Racine/Waukesha CSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	69	5,477	69	5,537	138	11,014	5,657	505,306	113,400	22.7	84,256	19.4
Moderate	165	17,804	155	17,398	320	35,202	17,054	2,063,275	99,346	16.9	77,307	17.8
Middle	232	30,404	240	35,059	472	65,463	23,568	3,526,457	114,545	19.5	102,992	23.7
Upper	572	134,173	610	149,314	1,182	283,487	34,291	7,468,317	240,939	41.0	169,296	39.0
Unknown	200	35,378	190	42,398	390	77,776	12,357	2,188,614				
Total	1,238	223,236	1,264	249,706	2,502	472,942	92,927	15,751,969	588,230	100.0	433,851	100.0

Sources: 2007-08 CRA Data and 2008 Dunn & Bradstreet Data.

Loans to Small Businesses

The bank's performance was well below the percentage of small businesses in the assessment area, but it was consistent with the performance of the aggregate of lenders. In 2007, the bank originated 42.1 percent of its loans to small businesses with \$1 million or less in revenue, compared to the aggregate of all lenders' 38.7 percent. In 2008, the bank originated 38.4 percent of its loans to small businesses with \$1 million or less in revenue, which was greater than the aggregate of all lenders' 33.3 percent.

M&I Milwaukee/Racine/Waukesha CSA CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	1,620	233,357	1,265	218,283	2,885	451,640	35,980	1,174,756	57,753	87.5
Loans to Businesses with Revenues Over \$1mm	1,836	513,674	1,661	524,463	3,497	1,038,137	63,357	1,995,918	6,645	10.1
Unknown Revenue	389	28,026	366	38,510	755	66,536	-	-	1,612	2.4
Total	3,845	775,057	3,292	781,256	7,137	1,556,313	99,337	3,170,674	66,010	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 155 community development loans totaling \$256.9 million in this assessment area. The majority of the loans were for affordable housing (55 loans totaling \$66.7 million), and community services targeted to low- and moderate-income groups and individuals (51 loans totaling \$71.7 million). Among the organizations benefiting from these loans were non-profit organizations that provide affordable housing, private entities that develop affordable multi-family housing complexes, and various nonprofit organizations that provide other community services that target low- and moderate-income individuals and families.

Within the Milwaukee-Racine CSA, the bank originated 179 loans totaling \$204.9 million to finance units of multi-family housing. Within low-income census tracts, the bank originated 19 loans (10.6%) for a total of \$23.3 million (11.4%). Within the moderate-income census tracts, the bank financed 29 loans (16.2%) for a total of \$30.3 million (14.8%).

The bank originated 179 loans for multi-family housing; total financing provided was \$204.8 million. Approximately 995 housing units were made available to low- or moderate-income individuals through these loans. Some of the housing projects financed in 2007 and 2008 were built with the help of low-income housing tax credits, and others were projects that reserved a certain number of housing units for individuals and households with incomes below limits established by U.S. Housing and Urban Development.

Innovative or Flexible Lending

Included in the HMDA-reportable lending totals in the lending distribution tests, but also worth discussion for their community development value, are loans originated under the Wisconsin Housing and Economic Development Authority (WHEDA) HOME Loan program and M&I's Homeowners' Assistance Program. The HOME Loan program provides financing to low- and moderate-income borrowers for home purchases. During the review period, 106 loans for \$11.9 million were funded under this program. The bank also modified five loans for \$462,777 under the bank's Homeowners' Assistance Program. This internal program targets borrowers at risk of default; the bank works with the borrowers to help bring them current on their loans.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was excellent. The bank funded \$22.5 million in total investments during this evaluation period. The bank made extensive use of innovative and/or complex investments. An example includes a \$250,000 contribution from its CDC made to Legacy Bank. Legacy Bank is the first bank in Milwaukee owned exclusively by minorities and women. It is located in a moderate-income area, and is focused on contributing to economic development in the Washington Heights and Walnut Hill neighborhoods by providing financial services to local businesses and residents. Additionally, numerous local organizations received donations from the institution, including organizations such as Habitat for Humanity, WHEDA, and various entities providing community services to low- and moderate-income individuals.

A substantial number of the qualified contributions funded housing and financial counseling sessions (\$500 per session). These types of grants are not routinely provided by private investors and are focused on affordable housing and/or homeownership. Organizations that benefited include the following: Acts CDC, Career Youth Development, Inc., Select Milwaukee, United Community Center and Housing Resources, Inc.

SERVICE TEST

The bank's overall service performance in this assessment area was excellent.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 67 branches within this assessment area: five in low-income, seven in moderate-income, 33 in middle-income, 21 in upper-income census tracts, and one census tract for which income is unknown. Offices in this assessment area represent 18.5 percent of all the bank's offices. Branches in low- and moderate-income geographies represent 17.9 percent of the branches in this assessment area. As of December 31, 2008, the bank had 60 full-service ATMs in this assessment area: five in low-income, eight in moderate-income, 32 in middle-income, 13 in upper-income, and two in census tracts for which income information was not available. The bank had 88 cash-dispensing ATMs in this assessment area: seven in low-income; six in moderate-income; 52 in middle-income; 20 in upper-income; and three in census tracts with no available income information. ATMs in low- and moderate-income geographies represent 17.4 percent of the ATMs in this assessment area. The branch and ATM distribution within the low- and moderate-income census tracts was less than the percentage of low- and moderate-income tracts (37.3%) and less than the percentage of families living in those areas (23.4%). However, information from a branch study indicates that low- and moderate-income areas are served by branches located in middle- or upper-income census tracts that border these areas. Twelve branches located in middle- or upper-income geographies provide loan and deposit services to individuals from low- or moderate-income areas.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies or individuals. The bank opened one branch since the previous evaluation, which was located in a low-income census tract. Two branches closed and since the previous evaluation, neither of which were located in low- or moderate-income areas. Ten ATMs opened, two of which were in low-income geographies and one was in a moderate-income geography; and nine ATMs closed, one of which was in a low-income and one in a moderate-income geography. Services are tailored to the convenience and needs of the assessment area, including in low- and moderate-income geographies or individuals.

Community Development Services

The bank provided an excellent level of community development services in this assessment area. M&I's officers and employees have provided services and shared their expertise through participation in financial literacy and technical assistance programs. They participated in over 1,850 hours of qualified activities: 191 hours providing financial literacy training; 94 hours participating with local schools' Junior Achievement programs; and 1,572 hours participating in other service activities. Bank employees participated in WHEDA, Urban Economic Development Association, and Goodwill Industries programs that primarily serve the needs of low- and moderate-income individuals.

Bank employees often were involved in a leadership capacity within these organizations. The bank provides community education on budgeting and saving, building personal credit, buying a house, and other banking services to schools, correctional facilities, and other nonprofit agencies throughout the assessment area. During 2007 and 2008, 4,470 individuals benefited from these seminars. Also, M&I, in partnership with the Federal Home Loan Bank, assisted in obtaining seven affordable housing grants totaling \$1.5 million in this assessment area.

METROPOLITAN AREA

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MADISON, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 14.8 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 7.0 percent of the bank's total small business activity. Small farm lending activity accounts for 9.5 percent of the bank's total small farm lending. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 52 institutions in the Madison MSA with 16.0 percent of the market share. As of December 31, 2008, the bank operated 18 branches in this assessment area, which accounted for 5.0 percent of all the branches in the combined assessment areas. The bank's primary competitors include offices and/or branches of First Business Bank, Johnson Bank, U.S. Bank, Chase Bank, Amcore Bank, Associated Bank and Anchor Bank.

This assessment area is the Madison MSA and consists of Dane, Columbia, and Iowa Counties. According to the 2000 Census, there were approximately 501,774 people living within the bank's assessment area. According to U.S. Census Bureau estimates, the population increased to 554,267 in 2007 and 561,505 in 2008.

One community representative was interviewed who identified affordable housing, forgivable home improvement loans and homeownership counseling as a need in the assessment area. Comments regarding the bank's involvement in the community were positive.

Housing Characteristics

Housing characteristics are based on 2000 Census data. There were approximately 212,662 housing units within this assessment area. The median housing value was \$142,430. According to the U.S. Census Bureau's 2008 American Community Survey, there were approximately 248,000 housing units, 58.9 percent of which were owner-occupied, 32.3 percent were rental units, and 8.9 percent were vacant.

Bank management reported that the current housing market is facing challenges with declining home values. For several years, Madison had a shortage of affordable housing and several nonprofit organizations have been working to address the shortage. However, these initiatives have not been sufficient to meet the demand for affordable housing. An affordable housing initiative, "Inclusionary Zoning," was implemented in 2005 to help ease the shortage of affordable housing. Due to the complexities of the program and declining housing market, the program was terminated by the city in January 2009. The city has continued to use Tax Incremental Financing (TIF) districts, which require developers who utilize TIF financing to identify 20 percent of the units as affordable housing. The Dane County Housing Authority offers monthly homebuyers seminars to educate potential homebuyers.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 3.8 percent within this MSA. Unemployment figures based on 2000 census data were 10.9 percent in the low-income census tracts, 4.6 percent in moderate-income, 3.3 percent in middle-income and 2.2 percent, in upper-income census tracts. Based on Bureau of Labor Statistics data, the unemployment rate in this MSA was 3.5 percent in 2007 and 2008, which was lower than the state unemployment rate of 4.7 percent in 2007 and 2008. The leading industries in Madison are education services, health care, social assistance, and retail trades. Madison is the state capitol and home of the state government, the University of Wisconsin-Madison and several biotech, insurance and financial services firms. Dane County continues to grow at a fast pace fueled by growth in established and new businesses, and is one of the most stable employment economies in the state.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$61,050, which is higher than the state median family income of \$52,911. HUD-adjusted median family income for the assessment area was 73,700 in 2007 and 77,600 in 2008. Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Madison MSA 31540

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	5	4.5	2,454	2.0	678	27.6	19,337	15.8
Moderate-income	19	17.1	18,638	15.3	1,432	7.7	23,456	19.2
Middle-income	67	60.4	79,107	64.8	2,316	2.9	34,568	28.3
Upper-income	18	16.2	21,812	17.9	386	1.8	44,650	36.6
Unknown-income	2	1.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	111	100.0	122,011	100.0	4,812	3.9	122,011	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	11,117	703	0.6	6.3	9,698	87.2	716	6.4
Moderate-income	38,968	18,301	15.0	47.0	18,454	47.4	2,213	5.7
Middle-income	128,017	79,542	65.3	62.1	42,945	33.5	5,530	4.3
Upper-income	34,560	23,321	19.1	67.5	9,723	28.1	1,516	4.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	212,662	121,867	100.0	57.3	80,820	38.0	9,975	4.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	852	3.4	718	3.2	92	4.2	42	6.2
Moderate-income	3,688	14.8	3,210	14.5	358	16.3	120	17.7
Middle-income	15,649	62.7	13,946	63.1	1,280	58.3	423	62.5
Upper-income	4,783	19.2	4,227	19.1	464	21.1	92	13.6
Unknown-income	1	0.0	1	0.0	0	0.0	0	0.0
Total Assessment Area	24,973	100.0	22,102	100.0	2,194	100.0	677	100.0
Percentage of Total Businesses:				88.5		8.8		2.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	5	0.3	5	0.3	0	0.0	0	0.0
Moderate-income	294	17.9	291	17.8	3	20.0	0	0.0
Middle-income	1,164	70.7	1,155	70.8	9	60.0	0	0.0
Upper-income	184	11.2	181	11.1	3	20.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,647	100.0	1,632	100.0	15	100.0	0	0.0
Percentage of Total Farms:				99.1		0.9		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MADISON, WISCONSIN

LENDING TEST

Lending Activity

The bank’s level of lending activity in this assessment area was good. The two major products reviewed were HMDA-reportable loans and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked fourth of 361 lenders in this assessment area. Of the bank’s total HMDA-reportable lending, 14.8 percent originated in this assessment area.

M&I Madison WI MSA CRA Relevant Lending 2007 & 2008 (Dollars in 000's)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank’s Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-Reportable Lending	2,530	501,582	2,126	529,127	4,656	1,030,709	59,250	10,244,706	7.9	10.1
CRA-Reportable Loans to Small Businesses	1,139	229,653	1,003	214,993	2,142	444,646	34,178	937,660	6.3	47.2
Total	3,669	731,235	3,129	744,120	6,798	1,475,355	93,428	11,182,366	7.3	13.2
Source: 2007 and 2008 HMDA Data and CRA Data – Loans to small businesses.										

The preceding information, combined with relevant demographic information, was used to evaluate the bank’s record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and community development projects within this assessment area.

Generally, the bank originates loans on multi-family properties as a means of helping to address affordable housing challenges in the communities it serves. A discussion about

loans originated since the previous evaluation is included under the respective sections. Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable lending, specifically home purchase and refinanced loans, was adequate. Each was analyzed separately. The distribution of loans to small businesses was excellent, while the distribution of small farm loans reflected poor performance. Less weight is given to small farm lending based on the low volume of this activity.

In addition to the demographic and economic information presented in the preceding section of this document, household data was used to help identify the market available to be served. Households in the assessment area totaled 202,901. Household distribution by tract income level follows: 10,388 in low-income census tracts (5.1%); 36,913 in moderate-income census tracts (18.2%); 122,630 in middle-income census tracts (60.4%); and 32,970 in upper-income census tracts (16.3%). Households living below the poverty level totaled 17,895 or 8.8 percent of the households. Within the low-income census tracts, households living below the poverty level represent 2.5 percent of households and, in moderate-income census tracts, they represent 1.9 percent of households. Households that receive some form of public assistance total 2,636 (1.3%); the largest cluster of this subset of households is located in the low-income census tracts within the assessment area, representing 2.6 percent of the households in the low-income census tracts. The moderate-income census tracts are home to 743 of the households that receive public assistance, representing 2.0 percent of the households in the moderate-income census tracts.

Households with rental costs that exceed 30 percent of income total 29,518, representing 14.5 percent of households overall. Within low-income census tracts, this subset of households represents 60.7 percent of the households. In moderate-income census tracts, they total 6,532, representing 17.7 percent of the households.

Home Purchase Loans

Lending between 2007 and 2008 declined significantly due to a decrease in demand for home purchase loans and a decreased number of creditworthy applicants. The bank made 1,460 loans in 2007 and 861 loans in 2008, a decrease of 41.0 percent. Home purchase loans in this assessment area represent 57.7 percent of HMDA-reportable loans in 2007 and 40.5 percent in 2008.

Based on the data in the following table, in 2007, the bank made 1.1 percent of its loans in low-income geographies and 11.7 percent in moderate-income geographies, compared to aggregate of lenders' 0.5 percent in low-income geographies and 11.4 percent in moderate-income geographies. In 2008, the bank made 1.2 percent of its loans in low-income geographies and 9.2 percent of its loans in moderate-income geographies; this is consistent with the aggregate of lenders' 0.6 percent in low-income geographies and 10.3 percent in moderate-income geographies.

M&I Madison WI MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	16	2,991	10	2,427	26	5,418	113	19,962	703	0.6	2,454	2.0
Moderate	171	21,625	79	11,701	250	33,326	2,250	333,699	18,301	15.0	18,638	15.3
Middle	871	138,480	473	84,424	1,344	222,904	13,217	2,314,730	79,542	65.3	79,107	64.8
Upper	402	87,166	299	66,310	701	153,476	4,853	1,086,115	23,321	19.1	21,812	17.9
Unknown Income							3	777				
Total	1,460	250,262	861	164,862	2,321	415,124	20,436	3,755,283	121,867	100.0	122,011	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank refinanced 958 home loans in 2007 and 1,161 loans in 2008, a 21.2 percent increase. The increase in refinanced home loans was due to a falling interest rate

environment, which created more demand for this product. Refinanced loans represented 37.9 percent of HMDA-reportable loans in this assessment area in 2007 and 54.6 percent in 2008.

Based on data contained in the following table, in 2007, the bank originated 0.9 percent of its refinancings in low-income geographies and 12.3 percent in moderate-income geographies; this was generally consistent with the aggregate of lenders' 0.7 percent and 12.0 percent in low- and moderate-income geographies, respectively. In 2008, the bank made 0.3 percent of its loans in low-income geographies and 8.8 percent in moderate-income geographies; this was slightly lower than the aggregate of lenders' 0.5 percent in low-income geographies and 10.2 percent in moderate-income geographies.

M&I Madison WI MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	9	1,122	3	991	12	2,113	203	38,162	703	0.6	2,454	2.0
Moderate	118	15,795	102	19,131	220	34,926	3,731	511,347	18,301	15.0	18,638	15.3
Middle	561	104,116	695	155,976	1,256	260,092	22,595	3,706,765	79,542	65.3	79,107	64.8
Upper	270	66,984	361	103,383	631	170,367	7,158	1,530,343	23,321	19.1	21,812	17.9
Unknown Tract Income							2	126				
Total	958	188,017	1,161	279,481	2,119	467,498	33,689	5,786,743	121,867	100.0	122,011	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2008, the bank ranked sixth of 70 reporting institutions in this assessment area. The bank originated 7.0 percent of its loans to small businesses in this assessment area. The bank made 1,139 loans to small businesses within this assessment area in 2007 and 1,003 in 2008, a decrease of 11.9 percent.

In 2007, the bank originated 3.5 percent of its loans to small businesses in low-income geographies and 15.6 percent in the moderate-income geographies; this was consistent with the percentage of the businesses in low-income geographies (3.4%) and the percentage of the total businesses in moderate-income geographies (14.8%) in this assessment area. The bank's level of lending was higher than the aggregate of lenders' 3.2 percent of the loans in low-income geographies and 13.2 percent in moderate-income geographies. In 2008, the bank originated 3.4 percent of its loans to small businesses in low-income geographies and 17.4 percent in moderate-income geographies. The bank's performance was higher than the percentage of businesses in low- and moderate-income geographies and the performance of the aggregate of lenders' 2.8 percent of the loans in low-income geographies and 13.3 percent in moderate-income geographies.

M&I CRA-Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	40	12,164	34	6,667	74	18,831	1,037	22,478	852	3.4	718	3.2
Moderate	178	36,749	175	39,913	353	76,662	4,531	142,362	3,688	14.8	3,210	14.5
Middle	644	123,126	543	106,726	1,187	229,852	20,462	534,773	15,649	62.7	13,946	63.1
Upper	277	57,614	251	61,687	528	119,301	7,309	229,062	4,783	19.2	4,227	19.1
Unknown Income							839	8,985	1	0.0	1	0.0
Total	1,139	229,653	1,003	214,993	2,142	444,646	34,178	937,660	24,973	100.0	22,102	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Loans to Small Farms

The bank originated 9.5 percent of its total loans to small farm in this assessment area. The bank made 225 loans to small farms within this assessment area in 2007 and 267 in 2008, an increase of 18.7 percent. Of the farms in this assessment area, 0.3 percent are located in low-income census tracts and 17.9 percent are located in moderate-income census tracts.

In 2007, the bank originated no loans to small farmers in low-income geographies and 18 loans, or 8.0 percent, in the moderate-income geographies. Similar to the bank, the aggregate of lenders made no loans to small farms in the low-income areas; however, the bank's performance was considerably lower than the aggregate of lenders' 24.7 percent of the loans to small farms in moderate-income geographies. In 2008, the level of loans to small farms was similar to that of 2007. The bank again originated no loans to small farms in low-income geographies and 23 loans or 8.6 percent of its loans in moderate-income geographies, compared to the aggregate of lenders' 18.6 percent of the loans to small farms in moderate-income geographies.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was adequate for HMDA-reportable, small business, and small farm lending in this assessment area.

Home Purchase Loans

Based on the data contained in the following table, in 2007, the bank made 8.2 percent of its loans to low-income borrowers and 19.4 percent to moderate-income borrowers, compared to the aggregate of lenders' 6.4 percent to low-income borrowers and 20.6 percent to moderate-income borrowers. In 2008, the bank originated 7.5 percent of its loans to low-income borrowers and 20.1 percent to moderate-income borrowers. The bank's performance was generally consistent with the aggregate of lenders' 8.2 percent to low-income borrowers and 23.2 percent to moderate-income borrowers.

M&I Madison WI MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	119	12,513	65	8,084	184	20,597	1,450	165,285	43,153	21.3	19,337	15.8
Moderate	283	33,471	173	24,435	456	57,906	4,414	636,501	35,820	17.7	23,456	19.2
Middle	382	55,799	215	35,817	597	91,616	5,753	979,526	43,107	21.3	34,568	28.3
Upper	613	138,287	386	92,352	999	230,639	6,666	1,562,888	80,821	39.8	44,650	36.6
Unknown Income	63	10,192	22	4,174	85	14,366	2,153	411,083				
Total	1,460	250,262	861	164,862	2,321	415,124	20,436	3,755,283	202,901	100.0	122,011	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Refinanced Home Loans

As presented in the following table, in 2007, the bank made 5.2 percent of its refinanced home loans to low-income borrowers and 15.9 percent to moderate-income borrowers, which was less than the aggregate of lenders' 6.4 percent to low-income borrowers and 20.6 percent to moderate-income borrowers. In 2008, the bank made 4.0 percent of its loans to low-income borrowers and 16.2 percent to moderate-income borrowers, compared to the aggregate of lenders' 6.6 percent to low-income borrowers and 19.9 percent to moderate-income borrowers.

M&I Madison WI MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	50	4,910	46	5,007	96	9,917	2,131	222,770	43,153	21.3	19,337	15.8
Moderate	152	18,388	188	24,948	340	43,336	6,812	889,389	35,820	17.7	23,456	19.2
Middle	232	35,694	262	43,835	494	79,529	9,701	1,487,781	43,107	21.3	34,568	28.3
Upper	424	111,765	552	163,073	976	274,838	11,290	2,419,413	80,821	39.8	44,650	36.6
Unknown Income	100	17,260	113	42,618	213	59,878	3,755	767,390				
Total	958	188,017	1,161	279,481	2,119	467,498	33,689	5,786,743	202,901	100.0	122,011	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2007, the bank originated 50.1 percent of its loans to small businesses with \$1 million or less in revenue. Though the bank's performance was far below the percent of small businesses in the assessment area, the bank outperformed the aggregate of all lenders' 41.6 percent of the loans to small businesses with \$1 million or less in revenue. In 2008, the bank originated 43.3 percent of its loans to businesses with \$1 million or less in revenue, and again outperformed the aggregate of all lenders' 34.2 percent to businesses with \$1 million or less in revenue.

M&I Madison WI MSA CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	571	89,769	434	67,034	1,005	156,803	13,026	359,245	22,102	88.5
Loans to Businesses with Revenues Over \$1mm	423	131,702	341	121,651	764	253,353	21,152	578,415	2,194	8.8
Unknown Revenue	145	8,182	228	26,308	373	34,490			677	2.7
Total	1,139	229,653	1,003	214,993	2,142	444,646	34,178	937,660	24,973	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Loans to Small Farms

Nearly all farms (99.1%) in this assessment area have revenues of \$1 million or less. In 2007, the bank originated 87.6 percent of its loans to farms with \$1 million or less in revenue, which was more than the aggregate of all lenders' 82.7 percent to farms with \$1 million or less in revenue. In 2008, the bank originated 62.9 percent of its loans to farms with \$1 million or less in revenue, which was less than the aggregate of lenders' 71.0 percent.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 48 community development loans totaling \$279.1 million in this assessment area. The majority of the loans were for affordable housing

and economic development. Twenty-four loans with affordable housing purposes were originated for \$98.9 million during 2007 and 2008. Eleven loans with economic development purposes were originated for \$139.3 million. Organizations benefiting from these loans include WHEDA, and other affordable housing-related and economic development nonprofit organizations.

The bank originated 90 loans totaling \$128.5 million to finance multifamily housing within this assessment area. Of these loans, 12 totaling \$20.3 million were used to finance housing units within low-income census tracts and 18 loans totaling \$19.5 million were used to finance housing units in moderate-income census tracts. This lending represents responsiveness to the housing shortages identified within the Madison assessment area.

The bank originated 90 loans totaling \$128.5 million to finance multifamily housing projects, making a total of 542 individual housing units available to low- and moderate-income borrowers. Of the loans originated, four provided financing for Section 8 housing for LMI individuals/households, and other loans financed multifamily housing developments in mixed-income neighborhoods, reserving the majority of units for low- and moderate-income residents.

Innovative or Flexible Lending

Included in the HMDA-reportable totals in the lending distribution tests, but also worth discussion for their community development value, are loans originated under the WHEDA HOME Loan program. This program provides financing to low- and moderate-income borrowers for home purchases. During the review period 103 loans totaling \$13.9 million were funded under this program. Also included in the HMDA-reportable totals are five modified loans that totaled \$437,708; the loans were re-written under the bank's homeowners' assistance program. This internal program is targeted to borrowers at risk of default, in which the bank works with the borrowers to help bring them current on their loans.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was

excellent. The bank funded \$2.3 million in total investments during this evaluation period. Investments were primarily for the purpose of providing affordable housing. As discussed previously, the assessment area needs affordable housing. The emphasis on investing in projects for this purpose demonstrates responsiveness to community credit needs. Investments were made in projects through Habitat for Humanity and WHEDA. Additionally, numerous community development donations were made including contributions that benefited Habitat for Humanity, local food pantries and food banks, and group homes for low- and moderate-income individuals and families, as well as sponsorships for financial literacy conferences.

SERVICE TEST

Retail Services

Delivery services are reasonably accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 18 branches within this assessment area: none in low-income, three in moderate-income, 13 in middle-income, and two in upper-income census tracts. The branches in this assessment area represent 5.0 percent of all the bank's branches. Branches in low- and moderate-income geographies represent 16.7 percent of the branches in this assessment area. As of December 31, 2008, the bank had 19 full-service ATMs in this assessment area: three in low-income, four in moderate-income, 10 in middle-income, and two in upper-income census tracts. The bank had 21 cash-dispensing ATMs in this assessment area: five in low-income, four in moderate-income, 11 in middle-income, and one in upper-income census tracts. ATMs in low- and moderate-income geographies represent 40.0 percent of the ATMs in this assessment area. The percentage of branches within the low- and moderate-income census tracts was lower than the percentage of low- and moderate-income tracts (21.6%) and the percentage of families living in the LMI areas (35.3%). However, residents of these areas have good access to bank services; from branches located in middle- income census tracts that border LMI areas. A branch study identified six branches located in middle-income geographies that provide loans and other banking services to individuals from low- or moderate-income areas. ATM distribution within the low- and moderate-income census tracts exceeds the percentages of low- and moderate-income families and areas within the assessment area.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, including to low- and moderate-income geographies or individuals. Since the previous evaluation, no branches were opened and one branch closed in an upper-income census tract. Additionally, the bank opened one ATM in a middle-income census tract and closed one in an upper-income census tract. Services are tailored to the convenience and needs of the assessment area, including low- and moderate-income geographies or individuals.

Community Development Services

The bank provided an excellent level of community development services in this assessment area.

A number of organizations have benefited from the expertise of M&I's officers and employees, who have assisted with financial literacy and technical assistance programs within this assessment area. They participated in nearly 2,800 hours of qualified activities, including initiatives targeted to, or primarily serving the needs of low- and moderate-income individuals, affordable housing, and economic development. Bank employees were involved in a leadership capacity local housing agencies, and economic development corporations. The bank provides education on budgeting and saving, building personal credit, home buying, and other banking services to schools, correctional facilities, and other nonprofit agencies throughout the assessment area. During the evaluation period, 188 individuals benefited from these seminars.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN APPLETON/OSHKOSH/NEENAH, WISCONSIN

The bank's operations in this assessment area which includes the counties of Calumet and Outagamie in the Appleton MSA and Winnebago County in the Oshkosh/Neenah MSA are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 3.9 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 5.1 percent of the bank's total small business activity. The bank was ranked first of 37 institutions in the Appleton MSA with 15.6 percent of the market share. As of December 31, 2008, the bank operated 13 branches in this assessment area, which accounted for 3.6 percent of all the branches in the combined assessment areas. Competition is strong within the assessment area, with offices and/or branches of large and small financial institutions including offices of nationwide financial institutions, regional banking centers and local banks and thrifts, as well as offices of credit unions and independent mortgage companies.

M&I's assessment area includes the counties of Calumet and Outagamie in the Appleton MSA and Winnebago County in the Oshkosh/Neenah MSA. There were a total of 80 census tracts in this assessment area. There were approximately 358,365 people living within this assessment area (2000 Census). According to U.S. Census Bureau estimates, the population was 379,148 in 2007 and 381,831 in 2008.

Housing Characteristics

Housing characteristics are based on 2000 Census data. There were approximately 143,093 housing units within this assessment area. The median housing value was \$101,996. According to the U.S. Census Bureau's 2008 American Community Survey, there were approximately 162,000 occupied housing units, 67.9 percent of which were owner-occupied, 24.7 percent were rental units, and 7.4 percent were vacant. The housing market is currently experiencing a slowdown in new construction and higher than normal levels of mortgage delinquency. The need for affordable housing remains

high in the Appleton MSA. Affordable housing, both rental and owner-occupied, also continues to be a concern in the Oshkosh/Neenah MSA. An increase in foreclosures, coupled with decreases in wages due to unemployment, has increased the need for affordable housing.

Labor, Employment and Economic Characteristics

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 3.3 percent within the Appleton/Oshkosh/Neenah CSA. Unemployment, based on 2000 census data, was 4.7 percent in the moderate-income census tracts. The middle- and upper-income census tracts reported unemployment percentages of 3.4 percent and 2.2 percent, respectively. Based on Bureau of Labor Statistics data, the unemployment rate in the CSA was 4.4 percent in 2007 and 2008, which was slightly lower than the state unemployment rates, which were 4.7 percent in 2007 and 2008. In both, the Appleton MSA and the Oshkosh/Neenah MSA, manufacturing is the largest industry, comprising over 33.0 percent and 24.0 percent of the respective workforce. Layoffs and permanent job losses occurred in the manufacturing industry in 2006 but have since slowed, resulting in a more stable employment base. Some major employers have still had significant layoffs in 2007 and 2008, resulting in job losses of approximately 1,270 jobs throughout both MSAs.

Income Characteristics

The median family income for this CSA was \$55,815 based on 2000 census data, with \$57,592 for the Appleton MSA and \$53,528 for the Oshkosh/Neenah MSA, all of which are higher than the state median family income of \$52,911. The HUD-adjusted median family income in Appleton MSA was \$67,900 in 2007 and \$68,600 in 2008; and in Oshkosh/Neenah MSA was \$62,300 in 2007 and \$64,400 in 2008.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

App/Oshkosh/Neenah CSA MSAs 11540 & 36780

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	13,464	14.4
Moderate-income	8	10.0	5,048	5.4	358	7.1	18,447	19.7
Middle-income	64	80.0	74,100	79.2	2,387	3.2	27,555	29.5
Upper-income	8	10.0	14,397	15.4	275	1.9	34,079	36.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	80	100.0	93,545	100.0	3,020	3.2	93,545	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	9,934	4,754	4.9	47.9	4,686	47.2	494	5.0
Middle-income	113,737	77,359	79.4	68.0	31,209	27.4	5,169	4.5
Upper-income	19,422	15,276	15.7	78.7	3,313	17.1	833	4.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	143,093	97,389	100.0	68.1	39,208	27.4	6,496	4.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,248	8.8	1,120	8.9	88	6.6	40	10.8
Middle-income	10,299	72.4	9,070	72.4	961	72.5	268	72.0
Upper-income	2,681	18.8	2,340	18.7	277	20.9	64	17.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	14,228	100.0	12,530	100.0	1,326	100.0	372	100.0
Percentage of Total Businesses:				88.1		9.3		2.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	0.3	3	0.3	0	0.0	0	0.0
Middle-income	844	89.6	833	89.7	11	84.6	0	0.0
Upper-income	95	10.1	93	10.0	2	15.4	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	942	100.0	929	100.0	13	100.0	0	0.0
Percentage of Total Farms:				98.6		1.4		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN APPLETON/ OSHKOSH/NEENAH, WISCONSIN

The bank's performance in the Appleton/Oshkosh/Neenah assessment area was below the state rating of high satisfactory for the lending test, exhibiting adequate lending performance primarily due to the distribution of HMDA-reportable loans in moderate-income census tracts and to low- and moderate-income borrowers. While there are no low-income census tracts in the assessment area, moderate-income census tracts comprise 10.0 percent of the assessment area's geographies. Low-income families comprise 14.4 percent of all families in the assessment area and moderate-income families comprise 19.7 percent. The bank's performance in each criterion was lower than the aggregate lenders' performance and lower than the demographics against which the bank's lending was measured.

Performance with respect to the investment and service tests was consistent with that of the state rating.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN EAU CLAIRE, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.6 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 1.6 percent of the bank's total small business activity. Small farm lending activity accounts for 4.0 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked third of 21 institutions in the Eau Claire MSA with 9.1 percent of the market share. As of December 31, 2008, the bank operated six branches in this assessment area, which accounted for 1.7 percent of all the branches in the combined assessment area.

The Eau Claire assessment area encompasses Chippewa and Eau Claire Counties. According to U.S. Census Bureau estimates, the population was 157,549 in 2007 and 158,742 in 2008.

Housing characteristics are based on 2000 census data. The median housing value was \$93,103, which was lower than the state median housing value of \$109,900. According to the U.S. Census Bureau's 2008 American Community Survey, there were approximately 68,000 occupied housing units in Eau Claire, 64.7 percent of which were owner-occupied, 27.9 percent were rental units, and 7.4 percent were vacant. Based on the 2000 Census, the median family income was \$48,942, which was lower than the state median family income of \$52,911. The HUD-adjusted median family income for the assessment area was \$55,600 in 2007 and \$59,900 in 2008.

Based on the Labor Summary from the 2000 Census, unemployment was approximately 4.7 percent within this MSA. Bureau of Labor Statistics data reported the unemployment rate at 4.5 percent in 2007 and 4.4 percent in 2008, which was lower than the state unemployment rate of 4.4 percent in 2007 and 2008. The primary industries in Eau Claire are educational services, health care, social assistance, and manufacturing. Agriculture also plays a large role in employment in Eau Claire County. Three major

employers reduced workforce during 2008 and 2009, and other local family-owned businesses have closed due to decreases in sales.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following table:

Combined Demographics Report

Eau Claire MSA 20740

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	6,066	16.2
Moderate-income	5	15.6	4,199	11.2	519	12.4	7,547	20.2
Middle-income	20	62.5	26,535	70.9	1,317	5.0	9,812	26.2
Upper-income	7	21.9	6,711	17.9	174	2.6	14,020	37.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	32	100.0	37,445	100.0	2,010	5.4	37,445	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	9,650	3,900	9.9	40.4	5,106	52.9	644	6.7
Middle-income	40,589	28,459	72.2	70.1	9,978	24.6	2,152	5.3
Upper-income	10,056	7,064	17.9	70.2	2,671	26.6	321	3.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	60,295	39,423	100.0	65.4	17,755	29.4	3,117	5.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,368	21.1	1,222	20.8	105	23.3	41	25.0
Middle-income	4,136	63.7	3,751	63.7	284	63.1	101	61.6
Upper-income	994	15.3	911	15.5	61	13.6	22	13.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,498	100.0	5,884	100.0	450	100.0	164	100.0
Percentage of Total Businesses:				90.6		6.9		2.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	31	4.4	31	4.4	0	0.0	0	0.0
Middle-income	585	82.5	582	82.4	3	100.0	0	0.0
Upper-income	93	13.1	93	13.2	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	709	100.0	706	100.0	3	100.0	0	0.0
Percentage of Total Farms:				99.6		0.4		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN EAU CLAIRE, WISCONSIN

Lending performance in the Eau Claire assessment area was consistent with the state rating of high satisfactory. The bank's performance with respect to the service test was consistent with the state rating of outstanding; however, performance with respect to the investment test was lower than the state rating of outstanding. Investment activity reflects good performance. Qualified investments were made within this assessment area, but limited to numerous contributions made to organizations with community development purposes for a total of \$64,517.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FOND DU LAC, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.0 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.6 percent of the bank's total small business activity. Small farm lending activity accounts for 2.2 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank ranked third of 17 institutions in the Fond du Lac MSA with 10.9 percent of the market share. As of December 31, 2008, the bank operated two branches in this assessment area, which accounted for 0.6 percent of all the branches in the combined assessment areas.

This assessment area encompasses Fond du Lac County in the Fond du Lac MSA. There were a total of 20 census tracts in this assessment area. As of the 2000 U.S. Census, approximately 97,296 people lived in this assessment area. Estimates made by the U.S. Census Bureau indicate that there were 99,043 people in 2007 and 99,453 in 2008 living in this assessment area.

Housing characteristics are based on 2000 Census data. There were approximately 39,271 housing units within this assessment area. The median housing value was \$101,135, which was lower than the state median housing value of \$109,900. As of the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 43,000 housing units, 69.8 percent of which were owner-occupied, 23.0 percent were rental units, and 7.0 percent were vacant. The median family income for this assessment area was \$53,017, which was slightly higher than the state median family income of \$52,911. HUD-adjusted median family income was \$61,800 in 2007 and \$62,500 in 2008.

The bank reported that homeownership programs are available to low-income families throughout the county, including interest-free loans through Habitat for Humanity, the

Fond du Lac City Redevelopment Authority, and ADVOCAP, which is a local community action agency.

Based on the 2000 Labor Summary from the U.S. Census, unemployment was approximately 4.3 percent within this MSA. According to Bureau of Labor Statistics data, the unemployment rate at 4.6 percent in 2007 and 4.7 percent in 2008 were comparable to the state unemployment rate of 4.7 percent in 2007 and 2008. The leading industries in the assessment area include manufacturing, educational services, health care services, and social assistance. The assessment area has been impacted by the national economic downturn; bank management reported mass layoffs have been primarily limited to three companies.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Fond du Lac MSA 22540

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,660	14.3
Moderate-income	0	0.0	0	0.0	0	0.0	4,768	18.6
Middle-income	19	95.0	23,612	92.0	863	3.7	8,070	31.4
Upper-income	1	5.0	2,049	8.0	37	1.8	9,163	35.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	25,661	100.0	900	3.5	25,661	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	36,763	24,808	92.0	67.5	9,764	26.6	2,191	6.0
Upper-income	2,508	2,146	8.0	85.6	213	8.5	149	5.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	39,271	26,954	100.0	68.6	9,977	25.4	2,340	6.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	3,469	93.4	3,073	93.0	297	97.1	99	97.1
Upper-income	245	6.6	233	7.0	9	2.9	3	2.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,714	100.0	3,306	100.0	306	100.0	102	100.0
Percentage of Total Businesses:				89.0		8.2		2.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	440	91.1	435	91.0	5	100.0	0	0.0
Upper-income	43	8.9	43	9.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	483	100.0	478	100.0	5	100.0	0	0.0
Percentage of Total Farms:				99.0		1.0		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FOND DU LAC, WISCONSIN

The bank's performance in the Fond du Lac assessment area was consistent with the state ratings of high satisfactory for the lending test and outstanding for both the investment and service tests.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN GREEN BAY, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 3.3 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 3.9 percent of the bank's total small business activity. Small farm lending activity accounts for 5.8 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked second of 26 institutions in the Green Bay MSA with 12.2 percent of the market share. As of December 31, 2008, the bank operated 12 branches in this assessment area, which accounted for 3.3 percent of all the branches in the combined assessment area.

The bank's assessment area is the Green Bay MSA consists of Brown, Door, Kewaunee and Oconto counties; Door County is a micropolitan statistical area. Approximately 282,599 people lived in this assessment area as of the 2000 Census. According to U.S. Census Bureau estimates, the population was 301,056 in 2007 and 302,935 in 2008.

According to 2000 U.S. Census Bureau information, there were approximately 118,232 housing units within this assessment area. The median housing value was \$111,008, which was higher than the median housing value of \$109,900 for the state. According to the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 137,000 housing units, 63.5 percent of which were owner-occupied, 24.8 percent were rental units, and 11.7 percent were vacant. The median family income was \$53,949, which was higher than the state median family income of \$52,911. HUD-adjusted median family income for the MSA was \$62,400 in 2007 and \$62,900 in 2008. Bank management indicated that affordable housing and first-time homebuyer assistance programs are needed in this assessment area.

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 3.7 percent within this MSA. Bureau of Labor Statistics data indicate that the unemployment rate at 4.6 percent in 2007 and 2008, was generally consistent

with the state unemployment rate of 4.7 percent in 2007 and 2008. The leading industries include educational services, health care services, social assistance, and manufacturing. As reported by the bank, the city of Green Bay is working on revitalization of the downtown area; this should bring new businesses to the area, which would result in economic growth and creation of new jobs.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Green Bay MSA 24580

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	11,902	16.2
Moderate-income	13	20.3	10,237	13.9	1,136	11.1	13,923	18.9
Middle-income	42	65.6	50,232	68.2	2,026	4.0	19,989	27.2
Upper-income	8	12.5	13,134	17.8	246	1.9	27,789	37.8
Unknown-income	1	1.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	64	100.0	73,603	100.0	3,408	4.6	73,603	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	23,711	9,395	12.5	39.6	8,659	36.5	5,657	23.9
Middle-income	77,215	51,585	68.8	66.8	22,396	29.0	3,234	4.2
Upper-income	17,306	13,992	18.7	80.9	2,870	16.6	444	2.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	118,232	74,972	100.0	63.4	33,925	28.7	9,335	7.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	2,108	17.0	1,835	16.9	183	15.7	90	24.5
Middle-income	8,351	67.5	7,293	67.2	824	70.9	234	63.6
Upper-income	1,913	15.5	1,715	15.8	154	13.2	44	12.0
Unknown-income	5	0.0	3	0.0	2	0.2	0	0.0
Total Assessment Area	12,377	100.0	10,846	100.0	1,163	100.0	368	100.0
Percentage of Total Businesses:				87.6		9.4		3.0
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	124	13.7	124	13.8	0	0.0	0	0.0
Middle-income	732	80.6	722	80.5	10	90.9	0	0.0
Upper-income	52	5.7	51	5.7	1	9.1	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	908	100.0	897	100.0	11	100.0	0	0.0
Percentage of Total Farms:				98.8		1.2		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GREEN BAY, WISCONSIN

The bank's performance in the Green Bay assessment area was consistent with the state rating of outstanding for the service test but lower than the state ratings of high satisfactory with respect to the lending test. The bank's performance was also lower than the state rating of outstanding with respect to the investment test; however, investment activity during the evaluation period was good.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN JANESVILLE, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.7 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 2.1 percent of the bank's total small business activity. Small farm lending activity accounts for 7.3 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 19 institutions in the Janesville MSA with 26.0 percent of the market share. As of December 31, 2008, the bank operated eight branches in this assessment area, which accounted for 2.2 percent of all the branches in the combined assessment areas.

This assessment area is the Janesville MSA, which encompasses Rock County. The majority of Rock County is agricultural with two major cities: Janesville and Beloit. There were a total of 36 census tracts in this assessment area. According to the 2000 Census, approximately 152,307 people live in this assessment area. Based on U.S. Census Bureau population estimates, the population increased to 159,398 in 2007 and 160,213 in 2008.

Housing characteristics are based on 2000 Census data. The median housing value was \$98,336, which was lower than the state median housing value of \$109,900. According to the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 69,000 housing units, 66.7 percent of which were owner-occupied, 23.2 percent were rental units, and 10.1 percent were vacant.

The median family income for this assessment area was \$53,241, which was slightly higher than the state median family income of \$52,911. HUD-adjusted median family income was \$60,300 for 2007 and \$63,500 for 2008.

Bank management reported that the housing market experienced a dramatic downturn in 2007 and 2008. The City of Janesville sponsors ongoing first-time homebuyer seminars.

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 5.6 percent within this MSA. The Bureau of Labor Statistics data indicated that the unemployment rate at 5.4 percent in 2007 and 6.1 percent in 2008 were higher than the state unemployment rates, which were 4.7 percent in 2007 and 2008. Leading industries in the assessment area are manufacturing, educational services, health care, and social assistance. The bank stated that General Motors (GM), which has been the primary manufacturing employer in the assessment area for approximately 90 years, officially closed its Janesville plant in March 2009, and production at the plant ceased in December 2008. This resulted in an approximate job loss of 1,250. In addition, another 1,000 jobs were expected to be lost among local suppliers to the GM plant. Rock County reported total layoffs for 2008 at 5,400. A number of new companies are planning to start up or relocate to the Beloit and Janesville area; this is expected to alleviate some unemployment pressure by adding new jobs.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Janesville MSA 27500

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	6,458	15.9
Moderate-income	8	22.2	6,800	16.7	869	12.8	8,113	19.9
Middle-income	23	63.9	25,033	61.6	1,000	4.0	10,746	26.4
Upper-income	5	13.9	8,837	21.7	185	2.1	15,353	37.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	36	100.0	40,670	100.0	2,054	5.1	40,670	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	11,912	5,777	13.9	48.5	5,215	43.8	920	7.7
Middle-income	38,137	27,084	64.9	71.0	8,973	23.5	2,080	5.5
Upper-income	12,138	8,849	21.2	72.9	2,719	22.4	570	4.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	62,187	41,710	100.0	67.1	16,907	27.2	3,570	5.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,089	19.2	970	18.9	79	19.6	40	25.0
Middle-income	3,262	57.4	2,980	58.2	191	47.4	91	56.9
Upper-income	1,333	23.5	1,171	22.9	133	33.0	29	18.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,684	100.0	5,121	100.0	403	100.0	160	100.0
Percentage of Total Businesses:				90.1		7.1		2.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	0.7	3	0.7	0	0.0	0	0.0
Middle-income	329	80.4	325	80.6	4	66.7	0	0.0
Upper-income	77	18.8	75	18.6	2	33.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	409	100.0	403	100.0	6	100.0	0	0.0
Percentage of Total Farms:				98.5		1.5		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN JANESVILLE, WISCONSIN

The bank's performance in this assessment area was consistent with overall state ratings of high satisfactory for the lending test and outstanding for the service test; bank performance under the investment test was below the state rating of outstanding. Investment activity was good within this assessment area with \$180,953 qualified donations and investments in mortgage-backed securities. Contributions were made to various organizations with community development purposes, primarily to those providing services to low- and moderate-income individuals and families.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LACROSSE, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.4 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.7 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked sixth of 21 institutions in the La Crosse MSA with 6.8 percent of the market share. As of December 31, 2008, the bank operated three branches in this assessment area, which accounted for 0.8 percent of all the branches in the combined assessment area.

This assessment area is the La Crosse MSA, which is comprised of La Crosse County. There were a total of 25 census tracts in this assessment area. Approximately 107,120 people lived in this assessment area as of the 2000 Census. According to U.S. Census Bureau population estimates, there were 111,535 residents in 2007 and 112,627 in 2008.

Available housing characteristics are based on 2000 Census data. The median housing value was \$94,375, which was lower than the state median housing value of \$109,900. According to the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 48,000 housing units, 65.6 percent of which were owner-occupied, 29.2 percent were rental units, and 4.2 percent were vacant.

The median family income for this assessment area was \$50,322, which was lower than the state median family income of \$52,911. HUD-adjusted median family income for the assessment area was \$60,400 in 2007 and \$63,400 in 2008.

Based on the Labor Summary from the 2000 Census, unemployment was approximately 4.1 percent within this MSA. Bureau of Labor Statistics data showed the unemployment rates at 3.8 percent in 2007 and 2008, which was lower than the state unemployment rates of 4.7 percent in 2007 and 2008. The leading industries in the assessment area are educational services, health care, social assistance, and manufacturing. The bank

reported that La Crosse County benefits from a diversified economy that relies on food service, education, and the manufacturing industry.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

LaCrosse MSA 29100

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,190	16.2
Moderate-income	4	16.0	3,730	14.4	499	13.4	5,120	19.8
Middle-income	18	72.0	18,810	72.8	816	4.3	6,853	26.5
Upper-income	3	12.0	3,314	12.8	67	2.0	9,691	37.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	25	100.0	25,854	100.0	1,382	5.3	25,854	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	9,573	3,004	11.1	31.4	5,987	62.5	582	6.1
Middle-income	29,467	20,323	75.1	69.0	7,953	27.0	1,191	4.0
Upper-income	4,439	3,749	13.8	84.5	583	13.1	107	2.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	43,479	27,076	100.0	62.3	14,523	33.4	1,880	4.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	876	19.8	740	18.9	115	27.8	21	19.4
Middle-income	3,071	69.3	2,737	69.9	258	62.5	76	70.4
Upper-income	487	11.0	436	11.1	40	9.7	11	10.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	4,434	100.0	3,913	100.0	413	100.0	108	100.0
Percentage of Total Businesses:				88.2		9.3		2.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	1.3	3	1.3	0	0.0	0	0.0
Middle-income	213	89.9	213	89.9	0	0.0	0	0.0
Upper-income	21	8.9	21	8.9	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	237	100.0	237	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LACROSSE, WISCONSIN

Performance within this assessment area was consistent with the state rating of high satisfactory with respect to the lending test; however, investment and service test performance, while good, were below the state ratings of outstanding for each test. During the evaluation period, donations of \$43,641 were made to organizations supporting community development efforts. Employees also participated with community services organizations that primarily supported low- and moderate-income individuals. They served as committee members, officers, or volunteers. Delivery systems are readily accessible to low- and moderate-income geographies and individuals, as all three branches are either located in a moderate-income geography or in a middle- or upper-income geography that borders the moderate-income geographies.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LAKE COUNTY, ILLINOIS/KENOSHA COUNTY, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.3 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.7 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 15 institutions in the Lake County Illinois/Kenosha County Wisconsin Metropolitan Division (MD) with 18.5 percent of the market share. As of December 31, 2008, the bank operated six branches in this assessment area, which accounted for 1.7 percent of all the branches in the combined assessment areas.

This assessment consists of Kenosha County, Wisconsin, in the Lake County IL/Kenosha County WI MD. There were a total of 30 census tracts in this assessment area and approximately 149,577 people lived in this assessment area as of the 2000 Census. According to U.S. Census Bureau population estimates, there were 162,896 in 2007 and 164,465 in 2008.

Housing characteristics are based on 2000 Census data. The median housing value was \$118,155, which was higher than the state median housing value of \$109,900. According to the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 68,000 housing units, 62.4 percent of which were owner-occupied, 29.4 percent were rental units, and 5.9 percent were vacant.

The median family income for this assessment area was \$56,418, which was higher than the state median family income of \$52,911.

Based on the 2000 Labor Summary from U.S. Census, the unemployment rate was 5.7 percent within this MSA. Bureau of Labor Statistics data indicated that unemployment rates at 4.9 percent in 2007 and 5.3 percent in 2008 were higher than the Wisconsin unemployment rates of 4.7 percent in 2007 and 2008. The leading industries in the

assessment area are educational services, health care, social assistance, and manufacturing. The bank reported that Kenosha County has been impacted by plant closings and job losses in the manufacturing sector with nearly 200 positions eliminated in 2008. Additionally, a one-month closure of a Chrysler manufacturing facility impacted approximately 850 employees.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Lake Co IL/Kenosha Co WI MD 29404

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	3	10.0	2,064	5.3	382	18.5	10,467	27.1
Moderate-income	14	46.7	15,135	39.1	1,144	7.6	8,947	23.1
Middle-income	13	43.3	21,472	55.5	568	2.6	10,143	26.2
Upper-income	0	0.0	0	0.0	0	0.0	9,114	23.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	30	100.0	38,671	100.0	2,094	5.4	38,671	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	4,021	1,130	2.9	28.1	2,510	62.4	381	9.5
Moderate-income	23,996	14,392	37.2	60.0	8,266	34.4	1,338	5.6
Middle-income	31,972	23,211	59.9	72.6	6,548	20.5	2,213	6.9
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	59,989	38,733	100.0	64.6	17,324	28.9	3,932	6.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	544	10.7	493	10.7	24	6.6	27	17.2
Moderate-income	1,653	32.4	1,504	32.8	99	27.4	50	31.8
Middle-income	2,909	57.0	2,591	56.5	238	65.9	80	51.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,106	100.0	4,588	100.0	361	100.0	157	100.0
Percentage of Total Businesses:				89.9		7.1		3.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1	0.7	1	0.7	0	0.0	0	0.0
Moderate-income	11	7.6	10	7.2	1	20.0	0	0.0
Middle-income	132	91.7	128	92.1	4	80.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	144	100.0	139	100.0	5	100.0	0	0.0
Percentage of Total Farms:				96.5		3.5		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LAKE COUNTY, ILLINOIS/KENOSHA COUNTY, WISCONSIN

The bank's performance in this assessment area was consistent with the state rating of high satisfactory for the lending test and outstanding for the service test. The bank made a significant level of qualified investments in this area; however, the performance was below the state rating of outstanding. The bank made \$49,966 in contributions to community organizations in the form of donations and grants, and the securities portfolio contained \$272,637 in qualified mortgage-backed securities.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SHEBOYGAN, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.0 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.9 percent of the bank's total small business activity. Small farm lending activity accounts for 1.0 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked third of 16 institutions in the Sheboygan MSA with 10.4 percent of the market share. As of December 31, 2008, the bank operated four branches in this assessment area, which accounted for 1.1 percent of all the branches in the combined assessment areas.

This assessment area is the Sheboygan MSA and is comprised of Sheboygan County. There were a total of 24 census tracts in this assessment area. Approximately 112,646 people lived in this assessment area as of the 2000 Census. According to U.S. Census Bureau estimates, the population was 114,206 in 2007 and 114,561 in 2008.

Housing characteristics are based on 2000 Census data. There were approximately 45,947 housing units within this assessment area. The median housing value was \$105,790, which was lower than the state median housing value of \$109,900. According to the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 50,000 housing units, 68.0 percent of which were owner-occupied, 24.0 percent were rental units, and 8.0 percent were vacant.

The median family income for this assessment area was \$53,830, which was lower than the state median family income of \$52,911. The HUD-adjusted median family income for the assessment area was \$64,700 in 2007 and \$64,000 in 2008. The bank indicated that there is a need for low- and moderate-income housing in Sheboygan County.

Based on the 2000 Labor Summary from the U.S. Census, the unemployment rate was approximately 2.6 percent within this MSA. Bureau of Labor Statistics data indicated that the unemployment rate was 4.1 percent in 2007 and 4.4 percent in 2008, which was lower than the state unemployment rate of 4.7 percent in 2007 and 2008. The primary industries include manufacturing, educational services, health care, and social assistance. Various companies have been impacted by the downward economic trend and have reduced head counts, including Kohler Company, which is one of the assessment area's largest employers, Muth Mirrors, and Polar-Ware.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Sheboygan MSA 43100

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	4,404	14.6	
Moderate-income	4	16.7	4,193	13.9	492	11.7	5,802	19.3	
Middle-income	17	70.8	22,045	73.3	541	2.5	8,806	29.3	
Upper-income	3	12.5	3,853	12.8	71	1.8	11,079	36.8	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	24	100.0	30,091	100.0	1,104	3.7	30,091	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied		Rental		Vacant			
		#	%	%	#	%	#	%	
Low-income	0		0	0.0	0	0.0	0	0.0	
Moderate-income	7,994		3,352	10.8	41.9	4,150	51.9	492	6.2
Middle-income	32,964		23,608	75.9	71.6	7,671	23.3	1,685	5.1
Upper-income	4,989		4,127	13.3	82.7	637	12.8	225	4.5
Unknown-income	0		0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	45,947		31,087	100.0	67.7	12,458	27.1	2,402	5.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%		
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	737	17.1	642	16.9	70	18.0	25	20.2	
Middle-income	3,040	70.4	2,678	70.4	282	72.7	80	64.5	
Upper-income	540	12.5	485	12.7	36	9.3	19	15.3	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	4,317	100.0	3,805	100.0	388	100.0	124	100.0	
Percentage of Total Businesses:				88.1		9.0		2.9	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%		
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	1	0.3	1	0.3	0	0.0	0	0.0	
Middle-income	280	85.1	274	85.1	6	85.7	0	0.0	
Upper-income	48	14.6	47	14.6	1	14.3	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	329	100.0	322	100.0	7	100.0	0	0.0	
Percentage of Total Farms:				97.9		2.1		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SHEBOYGAN, WISCONSIN

The bank's performance within this assessment area was consistent with the state lending test rating of high satisfactory and the service test rating of outstanding. Performance was below the state rating of outstanding for the investment test. The bank made a significant level of qualified investments and grants with \$112,586 in mortgage-backed securities and contributions to local organizations that support community development purposes.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WAUSAU, WISCONSIN

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.3 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 1.5 percent of the bank's total small business activity. Small farm lending activity accounts for 5.1 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 24 institutions in the Wausau MSA with 21.9 percent of the market share. As of December 31, 2008, the bank operated eight branches in this assessment area, which accounted for 2.2 percent of all the branches in the combined assessment areas.

This assessment area is the Wausau MSA, which is comprised of Marathon County. According to 2000 U.S. Census information, 125,834 people lived in this assessment area. The 2008 estimated population was 130,962.

Housing characteristics are based on 2000 Census data. There were approximately 50,360 housing units within this assessment area. Approximately 71.7 percent of the housing units were owner-occupied, 23.0 percent were rental units, and the remaining 5.3 percent were vacant. The median housing value was \$96,225, which was lower than the state median housing value of \$109,900. According to the U.S. Census Bureau's 2008 American Community Survey, the assessment area had approximately 58,000 housing units, 67.2 percent of which were owner-occupied, 25.9 percent were rental units, and 7.0 percent were vacant.

The median family income for this assessment area was \$52,396, which was slightly lower than the state median family income of \$52,911. Recent U.S. Census Bureau population estimates show the population was 129,783 in 2007 and 130,962 in 2008. HUD-adjusted median family income for the MSA was \$62,900 in 2007 and \$64,000 in 2007. The bank reported that unmet housing needs, including affordable housing, are a top concern among renters and homeowners. Several organizations have programs to

mitigate this issue, including the city of Wausau, Habitat for Humanity, and the Wausau Housing Development Corporation.

According to the 2000 Labor Summary from U.S. Census, the unemployment rate was approximately 3.8 percent within this MSA. According to Bureau of Labor Statistics data, the unemployment rate was 4.2 percent in 2007 and 4.4 percent in 2008, which was lower than the state unemployment rates of 4.7 percent in 2007 and 2008. The leading industries in the assessment area are manufacturing, educational services, health care, and social assistance. The bank reported that employment opportunities have decreased during this evaluation period due to layoffs and plant closings. Among the companies that have decreased or discontinued operations are two employers the bank identified as primary employers in the assessment area.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Wausau MSA 48140

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	5,169	15.2
Moderate-income	6	22.2	5,006	14.7	503	10.0	6,625	19.4
Middle-income	18	66.7	23,956	70.3	937	3.9	9,739	28.6
Upper-income	3	11.1	5,122	15.0	37	0.7	12,551	36.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27	100.0	34,084	100.0	1,477	4.3	34,084	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	9,270	5,063	14.0	54.6	3,613	39.0	594	6.4
Middle-income	34,248	25,601	70.9	74.8	6,841	20.0	1,806	5.3
Upper-income	6,842	5,445	15.1	79.6	1,139	16.6	258	3.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	50,360	36,109	100.0	71.7	11,593	23.0	2,658	5.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,095	20.4	978	20.5	88	18.7	29	23.0
Middle-income	3,212	59.9	2,874	60.4	258	54.8	80	63.5
Upper-income	1,052	19.6	910	19.1	125	26.5	17	13.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,359	100.0	4,762	100.0	471	100.0	126	100.0
Percentage of Total Businesses:			88.9		8.8		2.4	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	84	11.6	84	11.8	0	0.0	0	0.0
Middle-income	577	79.6	566	79.3	11	100.0	0	0.0
Upper-income	64	8.8	64	9.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	725	100.0	714	100.0	11	100.0	0	0.0
Percentage of Total Farms:			98.5		1.5		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WAUSAU, WISCONSIN

The bank’s performance in the Wausau assessment area was consistent with the state’s investment test rating of outstanding, but was lower than the lending test rating of high satisfactory and service test rating of outstanding. The geographic distribution of HMDA-reportable loans in low- and moderate-income borrowers reflected adequate performance, but the percentages within moderate-income areas was well below the lending by aggregate lenders and the percentage of families living in these areas. Further, the distribution of loans to small farms reflected poor performance when compared to aggregate and demographics. Small business lending in these areas, however, reflected good performance. The distribution of HMDA-reportable loans among low- and moderate-income borrowers was also well below the percentage of low- and moderate-income families and the performance of the aggregate of lenders.

SUMMARY OF LIMITED SCOPE REVIEWS*

Assessment Area	Lending Test	Investment Test	Service Test
Appleton/Oshkosh/Neenah CSA WI	Below	Consistent	Consistent
Eau Claire MSA WI	Consistent	Below	Consistent
Fond du Lac MSA WI	Below	Consistent	Consistent
Green Bay MSA WI	Below	Below	Consistent
Janesville MSA WI	Consistent	Below	Consistent
LaCrosse MSA WI	Consistent	Below	Below
Kenosha MD WI	Consistent	Below	Consistent
Sheboygan MSA WI	Consistent	Below	Consistent
Wausau MSA WI	Below	Consistent	Below

* Assessment areas evaluated as limited reviews were assessed on their consistency with the state-wide rating.

NONMETROPOLITAN STATEWIDE AREA⁵

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTHWEST WISCONSIN REGION

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 8.3 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 6.2 percent of the bank's total small business activity. Small farm lending activity accounts for 22.2 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 113 institutions in the Northwest Non-MSA region with 11.6 percent of the market share. As of December 31, 2008, the bank operated 22 branches in this assessment area, which accounted for 6.1 percent of all the branches in the combined assessment area. The bank's primary competitors include offices and/or branches of Associated Bank, U.S. Bank, Wood County National Bank, Acuity Bank, Grand Marsh State Bank, Bank of Mauston, and River Valley State Bank.

This assessment area is the Non-Metropolitan Northwest Region of Wisconsin which encompasses Adam, Ashland, Barron, Bayfield, Buffalo, Burnett, Clark, Dunn, Green Lake, Iron, Jackson, Juneau, Langlade, Lincoln, Marquette, Monroe, Oneida, Pepin, Polk, Portage, Price, Rusk, Sawyer, Taylor, Trempealeau, Vilas, Washburn, Waushara, and Wood Counties. The majority of this assessment area is rural and the economy relies heavily on summer tourism. According to the 2000 Census, there were approximately 757,195 people living within this assessment area.

⁵The discussion of an institution's CRA performance within a nonmetropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a nonmetropolitan statewide area for intrastate banks that have branches in metropolitan and nonmetropolitan areas is optional because the performance in the nonmetropolitan areas have been reviewed and discussed in the overall evaluation of the institution. Examiners may wish to discuss in greater detail, however, the assessment areas within nonmetropolitan areas that were reviewed using a full-scope review for intrastate banks with branches in metropolitan and nonmetropolitan areas or for intrastate banks with branches only in nonmetropolitan areas.

Six community representatives were interviewed, who identified financial support for local nonprofit organizations, economic development, loans with longer terms than five years, first-time home buyer loans, and credit and home ownership counseling for low- and moderate-income individuals as community needs. Community representatives mentioned that the bank provides operating support, and makes its community room available to local organizations for meetings.

Housing Characteristics

Housing characteristics are based on 2000 Census data. There were approximately 397,175 housing units within this assessment area. The median housing value was \$85,045. The current housing market is facing challenges with increasing foreclosure activity, loss of income, and declining home values. The bank indicated that affordable housing for both owner-occupied and rental units continues to be a need in Adams, Vilas, and Northern Oneida Counties. There is a steady demand for multifamily dwellings in Menomonee and Steven Points due to the presence of the University of Wisconsin-Steven Points. Several nonprofit organizations are addressing the affordable housing needs.

Labor, Employment, and Economic Characteristics

Based on the Labor Summary from the 2000 Census, unemployment was 5.6 percent within this assessment area and 7.9 percent in the moderate-income census tracts. The middle- and upper-income census tracts had unemployment rates of 5.6 percent and 3.4 percent, respectively. The primary employers in all counties within this assessment area are local governments and school districts. There is a large healthcare presence, and the paper industry continues to have a major impact in Wood, Portage, and Oneida Counties. The tourism industry is also a major employment source in most counties. Several nonprofit organizations are addressing the small business development needs.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$44,699. This is lower than the state median family income of \$52,911 but higher than the Wisconsin nonmetropolitan median family income of \$46,680.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report
Non-MSA Northwest Region

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	37,268	18.1
Moderate-income	22	10.7	17,964	8.7	1,670	9.3	42,308	20.6
Middle-income	176	85.4	175,187	85.3	10,201	5.8	54,069	26.3
Upper-income	8	3.9	12,213	5.9	374	3.1	71,719	34.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	206	100.0	205,364	100.0	12,245	6.0	205,364	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	46,901	20,301	8.8	43.3	6,578	14.0	20,022	42.7
Middle-income	332,926	196,960	85.5	59.2	58,422	17.5	77,544	23.3
Upper-income	17,348	13,045	5.7	75.2	3,090	17.8	1,213	7.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	397,175	230,306	100.0	58.0	68,090	17.1	98,779	24.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3,456	9.3	3,132	9.3	182	8.2	142	10.8
Middle-income	32,170	86.3	29,101	86.3	1,945	87.1	1,124	85.7
Upper-income	1,646	4.4	1,495	4.4	105	4.7	46	3.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	37,272	100.0	33,728	100.0	2,232	100.0	1,312	100.0
Percentage of Total Businesses:				90.5		6.0		3.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	281	5.1	271	4.9	10	12.8	0	0.0
Middle-income	5,091	91.6	5,027	91.7	64	82.1	0	0.0
Upper-income	188	3.4	184	3.4	4	5.1	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5,560	100.0	5,482	100.0	78	100.0	0	0.0
Percentage of Total Farms:				98.6		1.4		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHWEST WISCONSIN REGION

LENDING TEST

The bank’s overall lending performance in this assessment area was good.

Lending Activity

The bank’s lending activity in this assessment area was good. The two major products reviewed were HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses. Small farm loans were also evaluated for this assessment area. The bank’s lending penetration throughout the assessment area was excellent for home mortgage loans and small business lending, and adequate for small farm lending. In 2008, the bank ranked fourth of 528 HMDA lenders in this assessment area. Of the bank’s total HMDA-reportable loans, 8.3 percent originated in this assessment area. By number, loans decreased between 2007 and 2008 by 659 or 19.7 percent.

M&I Non-MSA Northwest Region CRA Relevant Lending 2007 & 2008 (Dollars in 000's)										
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate	
	#	\$	#	\$	#	\$	#	\$	#	\$
HMDA-Reportable Lending	1,933	292,155	1,604	284,911	3,537	577,066	56,788	7,270,581	6.2	7.9
CRA-Reportable Loans to Small Businesses	1,411	208,810	1,054	187,079	2,465	395,889	43,925	1,145,899	5.7	34.5
Total	3,344	500,965	2,658	471,990	6,002	972,955	100,713	8,416,480	6.0	11.6
Source: 2007 and 2008 HMDA Data and CRA Data – Loans to small businesses.										

The preceding information was analyzed, giving consideration to relevant demographic information, to assess the bank’s record of lending to borrowers from census tracts with

different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and community development projects within this assessment area.

Generally, the bank originates loans on multi-family properties as a means of helping to address affordable housing challenges in the communities it serves. These loans are categorized as community development loans. A discussion about loans originated since the previous examination is included under the respective sections. Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses was excellent. The distribution of loans to small farms was adequate.

Home Purchase Loans

The bank made 880 loans in 2007 and 479 loans in 2008. For this assessment area, home purchase loans represent 45.5 percent of HMDA-reportable loans reported in 2007 and 29.9 percent in 2008. There are no low-income census tracts in this assessment area.

Based on data contained in the following table, in 2007, the bank made 13.8 percent of its loans in moderate-income census tracts, which compares well with the owner-occupancy rate of 8.8 percent in moderate-income census tracts. The bank outperformed the aggregate of lenders' 10.1 percent of home purchase loans in moderate-income census tracts. In 2008, the bank's performance also exceeded the owner-occupancy rate and the performance of the aggregate of lenders. It made 14.2 percent of its loans in moderate-income census tracts, compared to the aggregate of lenders' 9.4 percent in moderate-income census tracts.

M&I Non-MSA Northwest Region Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	121	18,946	68	10,549	189	29,495	1,664	249,755	20,301	8.8	17,964	8.7
Middle	659	99,583	355	54,443	1,014	154,026	14,061	1,844,102	196,960	85.5	175,187	85.3
Upper	100	14,018	56	8,088	156	22,106	1,087	158,839	13,045	5.7	12,213	5.9
Total	880	132,547	479	73,080	1,359	205,627	16,812	2,252,696	230,306	100.0	205,364	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank made 886 loans in 2007 and 997 loans in 2008, a 12.5 percent increase. Refinanced home loans in this assessment area represented 45.8 percent of HMDA-reportable loans in 2007 and 62.2 percent in 2008. The upward trend was attributed to borrowers taking advantage of low-interest rates.

According to the data contained in the following table, in 2007, the bank made 14.0 percent of its loans in moderate-income geographies; this exceeded the owner-occupancy rate of 8.8 percent in moderate-income census tracts. This level of lending was higher than the aggregate of lenders' 10.2 percent of the refinanced loans in moderate-income census tracts. In 2008, the bank made 13.6 percent of its loans in moderate-income census tracts, exceeding the aggregate of lenders' 9.7 percent in moderate-income census tracts.

M&I Non-MSA Northwest Region Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	124	17,017	136	25,767	260	42,784	3,490	496,863	20,301	8.8	17,964	8.7
Middle	695	105,797	779	136,634	1,474	242,431	29,623	3,851,555	196,960	85.5	175,187	85.3
Upper	67	8,453	82	13,946	149	22,399	1,760	247,713	13,045	5.7	12,213	5.9
Total	886	131,267	997	176,347	1,883	307,614	34,873	4,596,131	230,306	100.0	205,364	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2008, the bank ranked fourth of 74 reporting institutions in this assessment area. The bank originated 6.2 percent of its total loans to small businesses in this assessment area. The bank made 1,411 loans to small businesses within this assessment area in 2007 and 1,054 in 2008, a decrease of 25.3 percent. This decrease is attributed to current economic conditions which have had a negative impact on small businesses.

In 2007, the bank originated 11.4 percent of its loans to small businesses in moderate-income census tracts, which exceeded the percentage of businesses in moderate-income census tracts (9.3%) in this assessment area and the aggregated lenders' rate of lending which was also 9.3 percent. In 2008, the bank originated 11.8 percent of its loans to small businesses in moderate-income census tracts, which again compared well with the aggregate of lenders' 8.4 percent of the loans in moderate-income census tracts.

M&I Non-MSA Northwest Region CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	161	20,499	124	19,123	285	39,622	3,904	101,159	3,456	9.3	3,132	9.3
Middle	1,144	167,126	846	147,889	1,990	315,015	34,953	963,322	32,170	86.3	29,101	86.3
Upper	106	21,185	84	20,067	190	41,252	2,347	57,891	1,646	4.4	1,495	4.4
Tract Unknown Income							2,721	23,527				
Total	1,411	208,810	1,054	187,079	2,465	395,889	43,925	1,145,899	37,272	100.0	33,728	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Loans to Small Farms

The bank originated 22.2 percent of its total small farm loans in this assessment area. The bank made 633 loans to small farms within this assessment area in 2007 and 674 in 2008, an increase of 6.5 percent.

In 2007, the bank originated 3.6 percent of its loans to small farms in moderate-income census tracts; this was slightly below the percentage of the farms in moderate-income census tracts (5.1%) in this assessment area, and consistent with the aggregate of lenders' 3.6 percent of the loans in moderate-income census tracts. In 2008, the bank originated 3.6 percent of its loans to small farms in moderate-income census tracts, which was below the aggregate of lenders' 4.1 percent of the loans in moderate-income census tracts.

Distribution by Borrower Income and Revenue Size of the Business

The borrower distribution was adequate for HMDA-reportable, small business, and small farm lending in this assessment area.

Home Purchase Loans

As illustrated in the following table, in 2007, the bank originated 3.9 percent of its loans to low-income borrowers and 12.7 percent of its loans to moderate-income borrowers, compared to the aggregate of lenders' 7.4 percent of the loans to low-income borrowers and 18.3 percent to moderate-income borrowers. In 2008, the bank made 6.7 percent of its loans to low-income borrowers and 12.1 percent to moderate-income borrowers, compared to the aggregate of lenders' 9.5 percent of the loans to low-income borrowers and 18.8 percent to moderate-income borrowers.

M&I Non-MSA Northwest Region Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	34	1,765	32	2,022	66	3,787	3,055	194,870	69,152	23.2	37,268	18.1
Moderate	112	8,753	58	5,512	170	14,265	6,885	599,882	54,133	18.1	42,308	20.6
Middle	157	15,727	118	13,064	275	28,791	9,289	973,410	64,107	21.5	54,069	26.3
Upper	513	98,056	232	47,613	745	145,669	15,064	2,475,775	111,337	37.8	71,719	34.9
Unknown	64	8,246	39	4,869	103	13,115	3,582	560,204				
Total	880	132,547	479	73,080	1,359	205,627	37,875	4,804,141	298,729	100.0	205,364	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Refinanced Home Loans

Based on the data contained in the following table, in 2007, the bank made 6.8 percent of its loans to low-income borrowers and 14.7 percent to moderate-income borrowers. The bank's performance was below the aggregate of lenders' 7.8 percent to low-income borrowers and 17.9 percent to moderate-income borrowers. In 2008, the bank made 5.7 percent of its loans to low-income borrowers and 13.1 percent to moderate-income borrowers. The bank's performance was below the aggregate of lenders' 7.5 percent to low-income borrowers, and 16.8 percent to moderate-income borrowers.

M&I Non-MSA Northwest Region Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Households by Income		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	60	4,800	57	4,192	117	8,992	2,673	178,114	69,152	23.2	37,268	18.1
Moderate	130	10,649	131	11,727	261	22,376	6,075	555,391	54,133	18.1	42,308	20.6
Middle	210	22,142	200	25,471	410	47,613	9,035	1,008,483	64,107	21.5	54,069	26.3
Upper	334	58,908	434	96,192	768	155,100	13,819	2,340,852	111,337	37.8	71,719	34.9
Unknown	152	34,768	175	38,765	327	73,533	3,454	537,996				
Total	886	131,267	997	176,347	1,883	307,614	33,056	4,620,836	298,729	100.0	205,364	100.0

Sources: 2007-08 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2007, the bank originated 55.7 percent of its loans to small businesses with \$1 million or less in revenue, outperforming the rate of lending accomplished by the aggregate of lenders (47.0%). In 2008, the bank originated 50.9 percent of its loans to small businesses with \$1 million or less in revenue. The bank's performance was lower than the percentage of businesses in the assessment area with revenues of \$1 million or less (90.5%); however, the bank's percentage exceeded that of the aggregate of all lenders 41.4 percent of the loans to small businesses with \$1 million or less in revenue.

M&I Non-MSA Northwest Region CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	786	95,016	537	84,653	1,323	179,669	19,519	653,332	33,728	90.5
Loans to Businesses with Revenues Over \$1mm	384	105,162	282	84,618	666	189,780	6,406	492,567	2,232	6.0
Unknown Revenue	241	8,632	235	17,808	476	26,440	0	0	1,312	3.5
Total	1,411	208,810	1,054	187,079	2,465	395,889	25,925	1,145,899	37,272	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Loans to Small Farms

Nearly all farms within this assessment area 98.6 percent have revenues of \$1 million or less. In 2007, the bank originated 89.1 percent of its loans to small farms with \$1 million or less in revenue, which exceeds the aggregate of lenders' 81.7 percent. In 2008, the bank originated 67.2 percent of its loans to small farms with \$1 million or less in revenue; this was lower than the aggregate of all lenders' 73.8 percent to small farms with \$1 million or less in revenue. The decrease in bank lending to small farms was attributed to the number of loans for which income was unknown, which rose from 1.1 percent in 2007 to 19.9 percent in 2008.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 16 community development loans totaling \$19.4 million in this assessment area. The majority of the loans were for affordable housing, four loans totaling \$7.6 million, and economic development, five loans totaling \$8.7 million.

The bank originated five loans totaling \$4,160,000 to finance 50 units of multi-family housing units throughout this assessment area, as well as affordable housing financed through the use of low-income housing tax credits. Of these loans, two were originated in moderate-income census tracts, and four were originated in a distressed middle-income census tract.

Innovative or Flexible Lending

Included in the HMDA-reportable totals in the lending distribution tests but also worth discussion for their community development value are loans originated under the Wisconsin Housing and Economic Development Authority's (WHEDA) HOME Loan program. This program provides financing to low- and moderate-income borrowers for home purchases. During the review period, 88 loans totaling \$7.3 million were funded under this program. Additionally, two loans for \$93,409 were modified under the bank's Homeowners Assistance Program. This internal program is targeted to borrowers at risk of default; the bank works with the borrowers to help bring their payments current.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was excellent. The bank funded \$6.8 million in total investments during this evaluation period. Approximately 94.5 percent of this total was funded through a CDC with a primary focus on affordable housing. Donations went to service organizations, local economic development corporations, and Habitat for Humanity.

SERVICE TEST

The bank's overall service performance in this assessment area was excellent.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 22 branches within this assessment area: one in moderate-income, 20 in middle-income, and one in upper-income census tracts. There are no low-income census tracts in this assessment area. The branches in this assessment area represent 6.1 percent of all the bank's branches.

Branches in moderate-income census tracts represent 4.5 percent of the branches in this assessment area. The bank also has seven branches located in middle-income census tracts that were designated as underserved and/or distressed areas in this assessment area. As of December 31, 2008, the bank had 12 full-service ATMs in this assessment area: 11 in middle-income, and one in upper-income census tracts. The bank had 20 cash-dispensing ATMs in this assessment area: two in moderate-income, 15 in middle-income, and three in upper-income census tracts. ATMs in moderate-income census tracts account for 6.3 percent of the ATMs in this assessment area. There are nine ATMs located in middle-income census tracts that are designated as underserved and/or distressed areas. Branches and ATMs located in moderate-income census tracts represent 4.5 percent and 6.3 percent, respectively, of the branches and ATMs in the assessment area, and 8.7 percent of families live in these areas.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, including to low- and moderate-income individuals. The bank has not divested any branches since the previous examination. As of December 15, 2008, one branch was relocated from 320 Oak Street to 300 Margaret Street, a middle-income census tract, in Woodruff. Services are tailored to the convenience and needs of the assessment areas, including in low- and moderate-income or individuals, and moderate-income census tracts.

Community Development Services

The bank was a leader in providing community development services.

M&I's officers and employees have provided or assisted with financial literacy and technical assistance programs within this assessment area. They participated in 549 hours of qualified activities. They include initiatives targeted to, or primarily serving the needs of low- and moderate-income individuals, affordable housing, economic development and revitalizing and/or stabilizing specific census tracts. Organizations benefiting from bank employees assistance include Junior Achievement, YMCA, Oneida County Economic Development, and St. Michaels Hospital. Bank employees were involved in a leadership capacity within these organizations. The bank also provided community education throughout the assessment area on buying a house, budgeting, credit handling, and other banking related matters; 261 individuals benefited from these seminars. The bank also partnered with the Federal Home Loan Bank in providing two

affordable housing grants totaling \$380,400.

NONMETROPOLITAN STATEWIDE AREA⁶

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NORTHEAST WISCONSIN REGION

The bank's operations in these assessment areas are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in the assessment areas accounts for 2.2 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 1.5 percent of the bank's total small business activity. Small farm lending activity accounts for 6.9 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked fourth of 33 institutions in this assessment area with 7.9 percent market share. As of December 31, 2008, the bank operated seven branches in the assessment areas, which accounted for 1.9 percent of all the branches in the combined assessment areas.

The assessment areas consist of the Non-Metropolitan Northeast Region of Wisconsin which includes: Florence, Forest, Marinette, Manitowoc, Menominee, Shawano, and Waupaca Counties. These areas have a strong agricultural base, with many agricultural-related jobs. Approximately 238,340 people lived in the assessment area as of the 2000 U.S. Census.

Housing characteristics are based on 2000 Census data. The median housing value was \$85,722, which was lower than the state median housing value of \$109,900 and the non-metropolitan Wisconsin housing value of \$91,008. The median family income for these assessment areas was \$46,946, which was lower than the state median family income of \$52,911 but comparable to the Wisconsin nonmetropolitan income of \$46,680. The bank is working with local organizations to address the affordable housing needs in Walworth County.

⁶The discussion of an institution's CRA performance within a nonmetropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a nonmetropolitan statewide area for intrastate banks that have branches in metropolitan and nonmetropolitan areas is optional. Examiners may wish to discuss in greater detail, however, the assessment areas within the nonmetropolitan areas that were reviewed using a full-scope review for intrastate banks with branches in metropolitan and nonmetropolitan areas or for intrastate banks with branches only in nonmetropolitan areas.

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 4.3 percent within this assessment area. In addition to agricultural jobs, tourism is a major source of income in Marinette County.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Non-MSA Northeast Region

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	10,578	16.3
Moderate-income	4	6.5	3,887	6.0	481	12.4	12,492	19.3
Middle-income	50	80.6	53,164	82.0	2,759	5.2	16,988	26.2
Upper-income	7	11.3	7,767	12.0	165	2.1	24,760	38.2
Unknown-income	1	1.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	62	100.0	64,818	100.0	3,405	5.3	64,818	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	11,088	4,196	5.8	37.8	1,516	13.7	5,376	48.5
Middle-income	94,380	59,431	82.0	63.0	18,354	19.4	16,595	17.6
Upper-income	10,927	8,878	12.2	81.2	1,130	10.3	919	8.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	116,395	72,505	100.0	62.3	21,000	18.0	22,890	19.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	489	4.9	438	4.9	34	4.7	17	5.3
Middle-income	8,451	84.8	7,571	84.9	604	83.8	276	86.3
Upper-income	1,022	10.3	912	10.2	83	11.5	27	8.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	9,962	100.0	8,921	100.0	721	100.0	320	100.0
Percentage of Total Businesses:			89.6		7.2		3.2	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	27	2.0	27	2.0	0	0.0	0	0.0
Middle-income	1,163	84.2	1,150	84.4	13	68.4	0	0.0
Upper-income	192	13.9	186	13.6	6	31.6	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,382	100.0	1,363	100.0	19	100.0	0	0.0
Percentage of Total Farms:			98.6		1.4		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NORTHEAST WISCONSIN REGION

The bank's performance in this assessment area was consistent with the state rating of outstanding for the investment tests and consistent with the state rating of high satisfactory for the lending test and the state rating of outstanding for the service test.

NONMETROPOLITAN STATEWIDE AREA⁷

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SOUTHWEST WISCONSIN REGION

The bank's operations in the assessment areas are consistent with overall bank operations. Similar deposit and loan products are offered at all branch offices. HMDA-reportable lending activity in the assessment areas accounts for 5.0 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 4.3 percent of the bank's total small business activity. Small farm lending activity accounts for 22.0 percent of the bank's total small farm activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 81 institutions in this assessment area with 7.9 percent of the market share. As of December 31, 2008, the bank operated 13 branches in these assessment areas, which accounted for 3.6 percent of all the branches in the combined assessment areas.

The assessment areas consist of the Non-Metropolitan Southwest Region of Wisconsin which includes: Crawford, Dodge, Grant, Green, Jefferson, Lafayette, Richland, Sauk, Vernon, and Walworth Counties. These areas have a strong agricultural base, with many agricultural-related jobs. Approximately 471,506 people live in this assessment area as of 2000 U.S. Census Bureau information.

Housing characteristics are based on 2000 Census data. The median housing value was \$105,277, which was lower than the state median housing value of \$109,900 but was higher than the Wisconsin nonmetropolitan housing value of \$91,008. The median family income for the assessment area was \$49,887, which was lower than the state median family income of \$52,911 but higher than the Wisconsin nonmetropolitan income of \$46,686.

⁷The discussion of an institution's CRA performance within a nonmetropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a nonmetropolitan statewide area for intrastate banks that have branches in metropolitan and nonmetropolitan areas is optional. Examiners may wish to discuss in greater detail, however, the assessment areas within the nonmetropolitan areas that were reviewed using a full-scope review for intrastate banks with branches in metropolitan and nonmetropolitan areas or for intrastate banks with branches only in nonmetropolitan areas.

Based on the 2000 Labor Summary from U.S. Census, unemployment was approximately 4.2 percent within this assessment area.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Non-MSA Southwest Region

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	17,560	14.2	
Moderate-income	4	3.7	3,896	3.1	489	12.6	22,212	17.9	
Middle-income	84	77.8	95,309	76.9	4,930	5.2	32,517	26.2	
Upper-income	20	18.5	24,679	19.9	663	2.7	51,595	41.6	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	108	100.0	123,884	100.0	6,082	4.9	123,884	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	0		0	0.0	0	0.0	0	0.0	
Moderate-income	6,870		4,423	3.4	64.4	1,447	21.1	1,000	14.6
Middle-income	154,935		98,816	76.0	63.8	40,871	26.4	15,248	9.8
Upper-income	39,591		26,703	20.5	67.4	6,036	15.2	6,852	17.3
Unknown-income	0		0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	201,396		129,942	100.0	64.5	48,354	24.0	23,100	11.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	792	3.6	722	3.7	41	2.6	29	3.6	
Middle-income	17,019	78.4	15,115	78.1	1,225	79.1	679	84.3	
Upper-income	3,892	17.9	3,513	18.2	282	18.2	97	12.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	21,703	100.0	19,350	100.0	1,548	100.0	805	100.0	
Percentage of Total Businesses:				89.2		7.1		3.7	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0	
Moderate-income	183	4.4	179	4.4	4	10.8	0	0.0	
Middle-income	3,288	79.7	3,258	79.7	30	81.1	0	0.0	
Upper-income	656	15.9	653	16.0	3	8.1	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	4,127	100.0	4,090	100.0	37	100.0	0	0.0	
Percentage of Total Farms:				99.1		0.9		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SOUTHWEST WISCONSIN REGION

The bank's performance in this assessment area was consistent with the state rating of high satisfactory for the lending test, but below the state rating of outstanding for the service test and investment test. Bank employees participated as board members, committee members, or volunteers with nonprofit organizations such as Habitat for Humanity, local food pantry, the Neighborhood Housing Services of Richland, and organizations that operate revolving loan funds to meet the needs of small businesses. The bank provided \$49,872 in investments throughout the assessment area. Among these investments are also donations to local organizations with community development purposes, such as Habitat for Humanity, local food pantries, and other organizations.

SUMMARY OF LIMITED SCOPE REVIEWS*

Assessment Area	Lending Test	Investment Test	Service Test
Non-Metropolitan Northeast Region WI	Consistent	Consistent	Consistent
Non-Metropolitan Southwest Region WI	Consistent	Below	Below

* Assessment areas evaluated as limited reviews were assessed on their consistency with the state-wide rating.

STATE OF ARIZONA

CRA RATING FOR ARIZONA⁸: OUTSTANDING

The Lending Test is rated: High Satisfactory.

The Investment Test is rated: Outstanding.

The Service Test is rated: Outstanding.

Major factors supporting the rating include the following:

- Lending levels reflect good responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans reflects adequate penetration, and small business loans reflect excellent penetration throughout the assessment area;
- The distribution of borrowers reflects adequate penetration among customers of different income levels;
- The distribution of lending reflects adequate penetration among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank had an excellent level of qualified investments;
- Service delivery systems are readily accessible to all portions of the assessment area, and to individuals of different income levels within the assessment area;
- The record of opening and closing banking centers has not adversely affected the accessibility of the bank's delivery systems in low- and moderate-income census tracts; and
- The bank was a leader in providing community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the bank's performance in assessment areas located in the Phoenix/Mesa/Scottsdale MSA. The scope of the examination is consistent with the overall scope of the examination in the institution summary. The bank's activities in the Phoenix/Mesa/Scottsdale MSA were subject to

⁸For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

full scope review and were used to determine the bank's statewide rating. Limited review examination procedures were used to evaluate the bank's performance in the Tucson and Prescott MSAs.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARIZONA

The assessment areas located in the State of Arizona are as follows:

- Phoenix/Mesa/Scottsdale MSA consisting of Maricopa and Pinal Counties.
- Prescott MSA which encompasses Yavapai County.
- Tucson MSA which encompasses Pima County.

As of December 31, 2008, the bank operated 53 branches in Arizona assessment areas, which accounted for 14.6 percent of all the branches in the combined assessment areas. There were no branches in low-income census tracts and 10 branches (18.9%) in moderate-income census tracts.

Additional demographic information for the Arizona assessment areas, based on 2000 U.S Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

State of Arizona

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	53	5.8	36,776	3.4	13,937	37.9	209,781	19.5
Moderate-income	262	28.5	291,918	27.2	47,325	16.2	201,308	18.7
Middle-income	319	34.7	409,358	38.1	23,792	5.8	233,753	21.7
Upper-income	279	30.3	336,860	31.3	8,086	2.4	430,070	40.0
Unknown-income	7	0.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	920	100.0	1,074,912	100.0	93,140	8.7	1,074,912	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	62,201	18,038	1.7	29.0	38,355	61.7	5,808	9.3
Moderate-income	539,743	249,205	23.1	46.2	215,042	39.8	75,496	14.0
Middle-income	684,906	435,686	40.4	63.6	187,474	27.4	61,746	9.0
Upper-income	492,992	374,295	34.7	75.9	78,666	16.0	40,031	8.1
Unknown-income	10	0	0.0	0.0	10	100.0	0	0.0
Total Assessment Area	1,779,852	1,077,224	100.0	60.5	519,547	29.2	183,081	10.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	8,864	5.0	7,061	4.4	1,442	9.7	361	7.8
Moderate-income	46,908	26.2	40,536	25.4	4,971	33.5	1,401	30.2
Middle-income	61,209	34.2	55,618	34.9	4,021	27.1	1,570	33.8
Upper-income	61,974	34.6	56,279	35.3	4,391	29.6	1,304	28.1
Unknown-income	107	0.1	74	0.0	26	0.2	7	0.2
Total Assessment Area	179,062	100.0	159,568	100.0	14,851	100.0	4,643	100.0
Percentage of Total Businesses:			89.1		8.3		2.6	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	24	1.5	23	1.6	1	0.8	0	0.0
Moderate-income	400	25.0	354	24.1	45	34.9	1	33.3
Middle-income	644	40.2	587	39.9	55	42.6	2	66.7
Upper-income	535	33.4	507	34.5	28	21.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,603	100.0	1,471	100.0	129	100.0	3	100.0
Percentage of Total Farms:			91.8		8.0		0.2	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARIZONA

Lending Test

The bank’s overall lending test was rated high satisfactory.

Lending Activity

Lending activity reflects good responsiveness to credit needs throughout the bank’s assessment areas.

HMDA-reportable lending decreased 46.6 percent between 2007 and 2008. Small business lending also decreased 16.6 percent between 2007 and 2008. The decreases are attributed to the continued decline in the housing market and the downturn in the economy. The bank implemented a Homeowner Assistance Program to identify customers at risk of becoming delinquent and losing their homes. The program is tailored to a variety of factors that impact the customer’s individual situation. The resulting loan modifications within the assessment areas totaled 122 for \$60.2 million.

M&I State of Arizona CRA Relevant Lending 2007 & 2008 (Dollars in 000's)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	#
HMDA-Reportable Lending	2,519	1,086,726	1,345	536,142	3,864	1,622,868	634,509	136,384,927	.61
CRA-Reportable Loans to Small Businesses	2,117	388,997	1,765	356,937	3,882	745,934	498,912	10,580,851	.78
Total	4,636	1,475,723	3,110	893,079	7,764	2,368,802	1,133,421	146,965,778	.68

Geographic and Borrower Distribution

The geographic distribution of the bank's HMDA-reportable lending was good in the Phoenix MSA. Geographic distribution was excellent for small business lending. The overall distribution of loans reflected adequate penetration among borrowers of different income levels, and adequate among businesses of different revenue sizes. A detailed analysis of geographic and borrower distribution is provided with the analysis for each assessment area.

Community Development Lending

The bank was a leader in making community development loans and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 91 community development loans totaling \$150.6 million in the Arizona assessment areas. The majority of the loans were for affordable housing and economic development.

INVESTMENT TEST

The bank's performance in this assessment area was outstanding. The bank funded \$10.4 million in total investments during this evaluation period.

SERVICE TEST

The bank's overall service performance in this assessment area was outstanding.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's Arizona assessment areas. As of December 31, 2008, the bank had a total of 53 branches within the assessment areas, none in low-income, 10 in moderate-income, 22 in middle-income, and 21 in upper-income census tracts. The branches in the Arizona assessment areas represent 14.6 percent of all the bank's branches. Branches in low- and moderate-income census tracts represent 18.9 percent of the branches in the assessment areas. As of December 31, 2008, the bank had 47 full-service ATMs in the Arizona assessment areas: none in low-income, seven in moderate-income, 22 in middle-income, and 18 in upper-income census tracts. The bank had four cash-dispensing ATMs in the Arizona

assessment areas: none in low-income, one in moderate-income, one in middle-income, and two in upper-income census tracts. ATMs in low- and moderate-income census tracts represent 14.9 percent of the ATMs in the assessment areas. While there are no offices or ATMs in low-income census tracts and less than 20.0 percent of its branches and ATMs are in moderate-income census tracts, the bank's services were accessible to low- and moderate-income individuals. A branch study identified low- and moderate-income areas served by branches located in middle- or upper-income census tracts that border these areas. Two of the branches in middle-income census tracts are in proximity to moderate-income census tracts and offer loan and deposit services to the individuals living in the low- and moderate-income areas.

The bank's record of opening and closing branches has not adversely-affected the accessibility of its delivery systems, including low- and moderate-income census tracts or individuals. Of the eight branches opened since the previous evaluation, one was in a moderate-income census tract four were in middle-, and three were in upper-income census tracts. One branch located in an upper-income area closed since the previous evaluation. Services do not vary in a way that inconveniences any segment of the assessment area, including low- and moderate-income census tracts and individuals.

Community Development Services

The bank was a leader in providing community development services. Its officers and employees have served on boards of directors or as chairpersons of local organizations that provide community development services to low- and moderate-income individuals or census tracts; they also have conducted financial literacy or technical assistance seminars, and financial training through school seminars.

METROPOLITAN AREA

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PHOENIX/MESA/ SCOTTSDALE, ARIZONA

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 17.5 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 10.0 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked fourth of 77 institutions in the Phoenix/Mesa/ Scottsdale MSA with 4.3 percent of the market share. As of December 31, 2008, the bank operated 44 branches in this assessment area, which accounted for 12.1 percent of all the branches in the combined assessment area. The bank's primary competitors include offices and/or branches of Wells Fargo, JP Morgan Chase Bank/Washington Mutual, Bank of America, U.S. Bank, Compass Bank, First National Bank, National Bank of Arizona, and Desert Schools Federal Credit Union.

This assessment area is the Phoenix/ Mesa/Scottsdale MSA and encompasses Maricopa and Pinal Counties. There were a total of 696 census tracts in this assessment area. According to the 2000 Census, there were approximately 3.2 million people living within the bank's assessment area. The population of Arizona has been growing at a fast pace. Information provided by bank management indicated the population growth is attributed to migration, as retirees are attracted to Arizona's low taxes, low cost of living, and weather.

Three community representatives were interviewed, who identified affordable housing, financing for small businesses and larger commercial development projects as opportunities in the assessment area.

Housing Characteristics

Housing characteristics are based on 2000 U.S. Census data. There were approximately 1.3 million housing units within this assessment area. The median housing value was

\$119,646. Demand for housing began to decline in 2006, and continued downward through the evaluation period. This resulted in the number of available homes exceeding the number of buyers in the market. There were a number of contributing factors prior to the decline: a high level of investor speculation; rapid appreciation in property values caused by high demand and overstated appraised values; and inaccurately reported borrower incomes. In 2008, Arizona ranked fourth in the nation in foreclosure filings which was attributed to a high number of investors abandoning their properties and the weakening economy; this caused an increase in job loss, which contributed to a decline in the number of creditworthy applicants in the market. The housing stock in Arizona includes more than 96,000 homes that are either bank-owned or up for auction, the majority of these homes are in the Phoenix market.

The market has experienced an affordable housing shortage which was attributed to the inflated housing prices beyond an "affordable" range. With the downturn in the economy, many home owners sought, and continue to seek, assistance to prevent foreclosures.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from U.S. Census, the unemployment rate was 4.9 percent within this MSA. Unemployment rates were 12.5 percent in the low-income census tracts, and 7.2 percent in the moderate-income census tracts. The middle- and upper-income census tracts had unemployment rates at 4.2 percent and 2.8 percent, respectively. As of September 2008, jobs in the Phoenix metropolitan area decreased by 43,200 over a one-year period. This is the third largest loss for a metropolitan statistical area behind Detroit, MI (57,800), and Los Angeles, CA (53,200) for the same period.

According to Bureau of Labor Statistics data, the unemployment rate in this MSA was 3.3 percent in 2007 and 4.9 percent in 2008, which was lower than the state unemployment rates, of 3.8 percent in 2007 and 5.5 percent in 2008. The primary employers in the assessment area include Arizona State University and Sky Harbor International Airport; other employers include technology, healthcare, social assistance, construction, telecommunications and financial services organizations.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$51,171, which is higher than the state median family income of \$46,723. HUD-adjusted median family income was \$59,100 in 2007 and \$64,200 in 2008.

Additional demographic information for this assessment area, based on 2000 U.S. Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report
Assessment Area: AZ Phoenix/Mesa/Scottsdale MSA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	43	6.2	28,907	3.6	10,936	37.8	158,683	19.5
Moderate-income	199	28.6	227,365	27.9	34,584	15.2	152,341	18.7
Middle-income	238	34.2	300,373	36.9	15,664	5.2	177,516	21.8
Upper-income	210	30.2	257,619	31.6	5,821	2.3	325,724	40.0
Unknown-income	6	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	696	100.0	814,264	100.0	67,005	8.2	814,264	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	48,586	13,232	1.6	27.2	31,143	64.1	4,211	8.7
Moderate-income	418,372	195,092	24.0	46.6	160,185	38.3	63,095	15.1
Middle-income	494,400	318,361	39.2	64.4	134,560	27.2	41,479	8.4
Upper-income	370,017	285,400	35.1	77.1	56,267	15.2	28,350	7.7
Unknown-income	10	0	0.0	0.0	10	100.0	0	0.0
Total Assessment Area	1,331,385	812,085	100.0	61.0	382,165	28.7	137,135	10.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	7,577	5.5	5,958	4.9	1,304	10.9	315	8.8
Moderate-income	36,056	26.2	31,115	25.4	3,887	32.6	1,054	29.3
Middle-income	43,337	31.4	39,327	32.1	2,870	24.1	1,140	31.7
Upper-income	50,804	36.8	45,883	37.5	3,844	32.2	1,077	30.0
Unknown-income	107	0.1	74	0.1	26	0.2	7	0.2
Total Assessment Area	137,881	100.0	122,357	100.0	11,931	100.0	3,593	100.0
	Percentage of Total Businesses:			88.7		8.7		2.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	19	1.6	18	1.7	1	0.9	0	0.0
Moderate-income	323	27.3	280	26.4	42	35.9	1	33.3
Middle-income	436	36.9	384	36.2	50	42.7	2	66.7
Upper-income	404	34.2	380	35.8	24	20.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,182	100.0	1,062	100.0	117	100.0	3	100.0
	Percentage of Total Farms:			89.8		9.9		0.3

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PHOENIX/
MESA/SCOTTSDALE, ARIZONA**

LENDING TEST

The bank's overall lending performance in this assessment area was good.

Lending Activity

The bank's lending activity in this assessment area was good. The two major products reviewed were HMDA-reportable loans and loans to small businesses. The bank's lending penetration throughout the assessment area was good. In 2008, the bank ranked 35th of 867 lenders in this assessment area. Of the bank's total HMDA-reportable loans, 17.5 percent were originated in this assessment area.

M&I Phoenix/Mesa/Scottsdale AZ CRA Relevant Lending Activity 2007 & 2008 (Dollars in 000's)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	
HMDA-Reportable Lending	1,736	826,451	930	396,824	2,666	1,223,275	510,801	112,410,166	0.5
CRA-Reportable Loans to Small Businesses	1,762	336,387	1,467	305,828	3,229	642,215	396,451	8,660,453	0.8
Total	3,498	1,162,838	2,397	702,652	5,895	1,865,490	907,252	121,070,619	0.6

Analysis of the lending data, giving consideration to relevant demographic information was used to evaluate the bank's record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution), and its community development projects within this assessment area.

Generally, the bank originates loans on multi-family properties as a means of helping to address affordable housing challenges in the communities it serves. These loans are categorized as community development loans. Loans originated since the previous examination are discussed under the respective sections. Community development loans, including those that meet affordable housing needs are discussed in the section entitled Community Development Lending.

Geographic Distribution

The overall geographic distribution of HMDA-reportable loans, specifically home purchase and refinanced home loans was good. The distribution of loans to small businesses was excellent.

Home Purchase Loans

The number of home purchase loans originated between 2007 and 2008 decreased significantly due to low demand resulting from the downturn in the economy. The bank made 1,045 loans in 2007 compared to 482 loans in 2008, a decrease of 53.9 percent. Of the HMDA-reportable loans made in this assessment area, home purchases represented 60.2 percent in 2007 and 51.8 percent in 2008.

As illustrated in the following table, in 2007, the bank originated 2.0 percent of its home purchase loans in low-income geographies and 21.1 percent in moderate-income geographies; this was slightly above the owner-occupancy rate of 1.6 percent in low-income geographies and slightly below the 24.0 percent rate in moderate-income geographies. The bank's performance was also slightly higher than the aggregate of lenders' 1.3 percent in low-income geographies and slightly below the 23.1 percent in moderate-income geographies. In 2008, the bank made 0.2 percent of its loans in low-income geographies and 19.1 percent in moderate-income geographies, compared to the aggregate of lenders' 0.8 percent in low-income geographies and 20.8 percent in moderate-income geographies.

M&I Phoenix/Mesa/Scottsdale AZ MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	21	5,430	1	260	22	5,690	2,913	454,478	13,232	1.6	28,907	3.6
Moderate	220	44,405	92	16,536	312	60,941	56,619	9,119,967	195,092	24.0	227,365	27.9
Middle	289	100,534	156	38,512	445	139,046	107,815	20,129,068	318,361	39.2	300,373	36.9
Upper	515	432,831	233	148,729	748	581,560	86,858	25,325,108	285,400	35.1	257,619	31.6
Unknown							52	11,083				
Total	1,045	583,200	482	204,037	1,527	787,237	254,257	55,039,704	812,085	100.0	814,264	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The volume of refinanced home loans decreased from 582 loans in 2007 to 371 loans in 2008, a 36.2 percent decrease. This was attributed to a decline in demand for refinanced home loans and the downturn in the economy. Refinanced home loans represent 34.0 percent of HMDA-reportable loans made in 2007 and 40.0 percent in 2008.

Based on the data contained in the following table, in 2007, the bank made 1.2 percent of its refinanced home loans in low-income census tracts (7 loans) and 18.7 percent in moderate-income census tracts; this was consistent with the owner-occupancy rate of 1.6 percent in low-income census tracts, and below the 24.0 percent owner-occupancy rate in moderate-income geographies. The bank's performance was consistent with the aggregate of lenders' 1.4 percent in low-income geographies and below the 23.1 percent of refinanced home loans in moderate-income geographies. In 2008, the bank made 0.3 percent of its refinanced loans in low-income geographies and 10.5 percent in moderate-income geographies; this was below the owner-occupancy rates and the aggregate of lenders' 1.1 percent in low-income geographies and 18.4 percent in moderate-income geographies.

M&I Phoenix/Mesa/Scottsdale AZ MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	7	1,986	1	128	8	2,114	3,104	443,876	13,232	1.6	28,907	3.6
Moderate	109	19,848	39	8,877	148	28,725	50,713	7,961,662	195,092	24.0	227,365	27.9
Middle	217	51,526	122	35,834	339	87,360	93,385	17,756,294	318,361	39.2	300,373	36.9
Upper	249	112,424	209	118,435	458	230,859	87,037	26,887,883	285,400	35.1	257,619	31.6
Unknown Income							21	6,485				
Total	582	185,784	371	163,274	953	349,058	234,260	53,056,200	812,085	100.0	814,264	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

There bank made 16 loan modifications under the Homeowner Assistance Program to borrowers in moderate-income census tracts. These modifications totaled approximately \$2.9 million.

Loans to Small Businesses

In 2008, the bank ranked 14th of 206 reporting institutions in this assessment area. The bank originated 10.0 percent of its small business loans in this assessment area. The bank made 1,762 to small businesses within this assessment area in 2007 and 1,467 loans in 2008, a decrease of 16.7 percent.

In 2007, the bank originated 141 or 8.0 percent of its loans to small businesses in low-income geographies and 434 or 24.6 percent in moderate-income geographies; this was more than the percentage of the businesses in low-income geographies (5.7%) and below the percentage of businesses in moderate-income geographies (26.0%). The bank outperformed the aggregate of lenders who made 3.2 percent of the loans to small businesses in low-income geographies and 18.6 percent in moderate-income geographies. In 2008, the bank originated 127 or 8.7 percent of its loans to small businesses in low-income geographies, and 388 loans or 26.4 percent in moderate-income geographies; this was above the percentage of total businesses in low- and moderate-income geographies within this assessment area, and above the aggregate of lenders' 3.2 percent of the loans to small businesses in low-income geographies and 18.0

percent to businesses in moderate-income geographies.

M&I Phoenix/Mesa/Scottsdale AZ MSA CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	141	37,077	127	29,091	268	66,168	12,577	494,427	6,793	5.6	5,190	4.9
Moderate	434	100,033	388	94,771	822	194,804	72,659	1,958,994	31,200	25.9	26,431	25.2
Middle	460	76,729	385	64,760	845	141,489	120,063	2,264,925	37,688	31.3	33,729	32.1
Upper	727	122,548	566	116,263	1,293	238,811	180,908	3,754,077	44,505	37.0	39,597	37.7
Unknown Income			1	943	1	943	158	2,190	68	0.1	40	0.0
Total	1,762	336,387	1,467	305,828	3,229	642,215	386,365	8,474,613	120,254	100.0	104,987	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was adequate for HMDA-reportable lending and poor for small business lending in this assessment area.

Home Purchase Loans

In 2007, the bank made 2.7 percent of its loans to low-income borrowers and 5.1 percent to moderate-income borrowers. For low-income borrowers, the bank's activity was higher than the aggregate of lenders who made 1.6 percent of the loans to low-income borrowers, but was below the aggregate of lenders' 11.6 percent of the loans to moderate-income borrowers. In 2008, the bank's home purchase loans increased to 5.0 percent of its loans to low-income borrowers and 12.9 percent to moderate-income borrowers. The increase in percentage of loans reflects a decrease in volume overall. The actual number of loans originated to low-income individuals declined by four loans while the number of loans made to moderate-income borrowers increased by nine. The aggregate of lenders made 5.5 percent of the loans to low-income borrowers 20.6 percent to moderate-income borrowers.

M&I Phoenix/Mesa/Scottsdale AZ MSA Home Purchase Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	28	5,996	24	2,279	52	8,275	7,696	892,426	13,232	1.6	158,683	19.5
Moderate	53	8,066	62	8,293	115	16,359	37,921	5,707,033	195,092	24.0	152,341	18.7
Middle	99	19,125	64	12,111	163	31,236	56,293	10,109,473	318,361	39.2	177,516	21.8
Upper	473	296,507	248	140,594	721	437,101	109,409	29,414,863	285,400	35.1	325,724	40.0
Unknown	392	253,506	84	40,760	476	294,266	42,938	8,915,939				
Total	1,045	583,200	482	204,037	1,527	787,237	254,257	55,039,734	812,085	100.0	814,264	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

In 2007, the bank made 4.0 percent of its loans to low-income borrowers and 9.1 percent to moderate-income borrowers. The bank's performance was higher than the aggregate of lenders' 3.0 percent to low-income borrowers and below the aggregates' 14.1 percent to moderate-income borrowers. In 2008, the bank made 3.7 percent of its loans to low-income borrowers and 6.7 percent to moderate-income borrowers, which is below the aggregate of lenders' 5.4 percent to low-income borrowers and 15.7 percent to moderate-income borrowers.

M&I Phoenix/Mesa/Scottsdale AZ MSA Refinanced Home Loans 2007 and 2008 (Dollars are in Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	23	2,838	14	1,291	37	4,129	8,813	1,014,179	13,232	1.6	158,683	19.5
Moderate	53	7,272	25	3,596	78	10,868	34,195	5,033,902	195,092	24.0	152,341	18.7
Middle	68	12,708	42	9,393	110	22,101	48,111	8,626,981	318,361	39.2	177,516	21.8
Upper	326	116,461	231	112,769	557	229,230	100,964	28,685,273	285,400	35.1	325,724	40.0
Unknown	112	46,505	59	36,225	171	82,730	42,177	9,695,865				

Total	582	185,784	371	163,274	953	349,058	234,260	53,056,200	812,085	100.0	814,264	100.0
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Sources: 2007-2008 HMDA Data and 2000 Census Data.

The bank made were 34 loan modifications totaling \$9.6 million to low- and moderate-income borrowers. Fifteen modifications totaling \$3.0 million were made to low-income borrowers and 19 totaling \$6.6 million to moderate-income borrowers.

Loans to Small Businesses

Approximately 87.0 percent of the businesses in this assessment area have revenues of \$1 million or less. In 2007, the bank originated 37.4 percent of its business loans to businesses in this category, compared to 38.7 percent for the aggregate of all lenders. In 2008, the bank originated 39.3 percent of its loans to small businesses with \$1 million or less in revenue, compared to 31.6 percent for the aggregate of all lenders. Both the bank and the aggregate of lender’s performance in this category were well below the percentage of the businesses in the assessment area.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 82 community development loans totaling \$119.0 million in this assessment area. A distribution of the loans, by purpose, is summarized in the following table.

Type of Community Development Loan	#	Total Dollars (in millions)
Economic Development	19	65.8
Revitalization/Stabilization	5	21.2
Community Development Services	15	19.2
Affordable Housing	43	12.8
Total	82	119.0

The bank originated seven loans totaling \$7,331,438 to finance 167 multi-family housing units. Two loans totaling \$2,454,000 financed 60 units within low-income census tracts; five loans totaling \$4,877,438 financed 107 units in moderate-income census tracts.

INVESTMENT TEST

The bank's performance in this assessment area was excellent. The bank funded \$8.3 million in total investments during this evaluation period. The CDC makes extensive use of complex nontraditional investments to support community development initiatives. Approximately \$2.7 million was invested in low-income housing tax credits (LIHTC), resulting in additional affordable housing opportunities; \$2.5 million in the Phoenix Fund New Markets Tax Credit program (NMTC), providing federal tax credits to help to increase business opportunities in low-income communities; and a \$1.5 million investment in a tuition aid program for children of low-income families. Some of the investments are tailored to meet community development needs in low- and moderate-income areas in the Phoenix MSA, which represents approximately 35.0 percent of the assessment area. Overall, LMI individuals and families benefited from the bank's qualified investment activity throughout this assessment area.

SERVICE TEST

The bank's overall service performance in this assessment area was excellent.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 44 branches within this assessment area: none in low-income, nine in moderate-income, 17 in middle-income, and 18 in upper-income census tracts. The branches in this assessment area represent 12.1 percent of all the bank's offices. Branches in moderate-income geographies represent 20.5 percent of the branches in this assessment area. As of December 31, 2008, the bank had 38 full-service ATMs in this assessment area: none in low-income, six in moderate-income, 17 in middle-income, and 15 in upper-income census tracts. The bank had four cash-dispensing ATMs: none in low-income, one in moderate-income, one in middle-income, and two in upper-income census tracts. ATMs in moderate-income geographies represent 15.8 percent of the ATMs in this assessment area. Although the bank has no offices or ATMs in low-income census tracts, and only nine of its 44 branches and six of its 38 ATMs in moderate-income census tracts, individuals in low- and moderate-income geographies have access to

bank services. The bank monitors the areas served by its branches, the latest branch study supports that there are 14 branches located in middle- or upper-income census tracts that provide loan and deposit services to individuals in low- or moderate-income geographies.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies or individuals. Of the eight branches opened since the previous evaluation, two branch offices, one in a moderate-income census tract and one in a middle-income census tract, provide loan and deposit services to individuals located in low- or moderate-income geographies. The only branch that was closed during the review period was located in an upper-income census tract. Services are tailored to the convenience and needs of the assessment areas, including low- and moderate-income geographies and individuals.

Community Development Services

The bank was a leader in providing community development services.

Over 24 officers and employees provided a minimum of 1,126 hours of financial literacy or technical assistance throughout this assessment area. Qualified community development services included serving on the board or as chairperson of local organizations that serve low- and moderate-income individuals or geographies, participating in fund raisers for local nonprofit organizations and providing financial training through school programs such as the junior achievement program.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PRESCOTT, ARIZONA

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 2.6 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.8 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked sixth of 14 institutions in the Prescott MSA with 5.4 percent of the market share. As of December 31, 2008, the bank operated three branches in this assessment area, which accounted for 5.7 percent of all the branches in the combined assessment areas.

This assessment area is in the Prescott MSA, which encompasses Yavapai County. There were a total of 26 census tracts in this assessment area. The U.S. Forest Service owns 38.0 percent of the land, while the state of Arizona owns 24.6 percent of the land.

According to the 2000 US Census, the population of the assessment area is 167,517. There were 81,730 housing units in the assessment area. Housing was more expensive in the assessment area. The median housing value was \$114,723, which was higher than the state median housing value of \$109,400. However, family income did not keep pace with housing values. The median family income for this assessment area was \$40,888, which was lower than the state median family income of \$46,723. HUD-adjusted median family income for the MSA was \$49,100 in 2007 and \$50,500 in 2008. A substantial portion of the population work in Sedona, but because of the lack of affordable housing in Sedona, the majority of the labor force lives outside of the area. There are no housing assistance agencies in Sedona.

According to the 2000 Labor Summary from U.S. Census, unemployment was approximately 5.0 percent within this MSA. Bureau of Labor Statistics data reported the unemployment rate as 3.7 percent in 2007 and 5.6 percent in 2008, which was lower than the state unemployment rates of 3.8 percent in 2007 and 5.5 percent in 2008. The primary industry in Yavapai County continues to be tourism, followed by manufacturing, mining, and cattle ranching. As the economy declined, unemployment

increased in these areas. Bank management indicated the workforce has been rising during the evaluation period, as more people move to affordable homes.

Additional demographic information for this assessment area, based on 2000 U.S. Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Assessment Area(s): AZ Prescott MSA 39140

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	8,069	17.2
Moderate-income	2	7.7	1,456	3.1	252	17.3	9,394	20.0
Middle-income	17	65.4	36,570	77.9	3,021	8.3	11,078	23.6
Upper-income	6	23.1	8,918	19.0	430	4.8	18,403	39.2
Unknown-income	1	3.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	26	100.0	46,944	100.0	3,703	7.9	46,944	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	3,852	1,265	2.5	32.8	1,619	42.0	968	25.1
Middle-income	61,810	39,561	76.8	64.0	14,095	22.8	8,154	13.2
Upper-income	16,068	10,693	20.8	66.5	2,938	18.3	2,437	15.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	81,730	51,519	100.0	63.0	18,652	22.8	11,559	14.1
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,175	11.1	1,044	10.8	90	15.7	41	14.4
Middle-income	7,273	68.9	6,697	69.0	374	65.0	202	71.1
Upper-income	2,115	20.0	1,963	20.2	111	19.3	41	14.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	10,563	100.0	9,704	100.0	575	100.0	284	100.0
Percentage of Total Businesses:			91.9		5.4		2.7	
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	12	7.5	12	7.7	0	0.0	0	0.0
Middle-income	116	73.0	112	72.3	4	100.0	0	0.0
Upper-income	31	19.5	31	20.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	159	100.0	155	100.0	4	100.0	0	0.0
Percentage of Total Farms:			97.5		2.5		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PRESCOTT, ARIZONA

The bank's performance in the Prescott assessment area was below with the state ratings of high satisfactory for the lending test and outstanding for the investment and service tests.

The bank's overall lending performance was adequate. This assessment area does not have low-income census tracts and only two census tracts are designated moderate-income. The distribution of HMDA-reportable loans by income level of the census tract was poor with three loans (0.8%) originated in moderate-income geographies in 2007 and none originated in 2008. This was below the aggregate of lenders who originated 1.7 percent of its loans in moderate-income geographies in 2007 and 1.6 percent in 2008. Geographic distribution of small business loans reflects excellent penetration in 2007 and good penetration in 2008.

The distribution of loans to borrowers by income is adequate in 2007. The bank's record of lending to borrowers with different incomes was poor in 2008. The distribution of lending reflects adequate penetration among businesses of different sizes. The bank made one loan modification for \$130,000 to a borrower located in a moderate-income census tract under the Homeowners Assistance Program. Six loan modifications totaling \$1.7 million was made to low- and moderate-income borrowers. The bank originated one community development loan for \$6 million to an organization that provide community development services to low- and moderate-income individuals.

The bank made 15 qualifying investments totaling \$86,624, which was considered good for this assessment area.

The bank's overall service performance in this assessment area was adequate. Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of three branches within this assessment area, one in a moderate-income and two in middle -income census tracts. Services do not vary in a way that inconveniences any portion of the assessment area. Bank staff participated in 50 hours of qualified community development services in this assessment area, which was considered adequate.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TUCSON, ARIZONA

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 3.1 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.8 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked eighth of 22 institutions in the Tucson MSA with 3.1 percent of the market share. As of December 31, 2008, the bank operated six branches in this assessment area, which accounted for 1.1 percent of all the branches in the combined assessment areas.

There were a total of 198 census tracts in this assessment area, 10 low-income (5.1%), 61 moderate-income (30.8%), 64 middle-income (32.3%), and 63 upper-income census tracts (31.8%). This assessment area is the Tucson MSA, which encompasses Pima County. Most of the population is in Tucson, which is the second largest city in Arizona. Pima County also includes the Tohono O'odham Nation, the San Xavier Indiana Reservation, Organ Pipe Cactus National Monument, and Saguaro National Park. Approximately 843,746 people live in this assessment area (2000 Census).

Housing characteristics are based on 2000 Census data. There were approximately 366,737 housing units within this assessment area. The median housing value was \$102,574, which was lower than the state median housing value of \$109,400. The median family income for this assessment area was \$44,466, which was lower than the state median family income of \$46,723. HUD-adjusted median family income for the assessment area was \$52,400 in 2007 and \$55,000 in 2008.

According to the 2000 Labor Summary from U.S. Census, unemployment was approximately 5.3 percent within this MSA. Bureau of Labor Statistics data reported the unemployment rate at 3.6 percent in 2007 and 5.1 percent in 2008, which was lower than the state unemployment rates of 3.8 percent in 2007 and 5.5 percent in 2008. The primary employers in Pima County are the education, technology, and tourism industries.

Additional demographic information for this assessment area, based on 2000 U.S. Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Assessment Area(s): AZ Tucson MSA 46060

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	10	5.1	7,869	3.7	3,001	38.1	43,029	20.1
Moderate-income	61	30.8	63,097	29.5	12,489	19.8	39,573	18.5
Middle-income	64	32.3	72,415	33.9	5,107	7.1	45,159	21.1
Upper-income	63	31.8	70,323	32.9	1,835	2.6	85,943	40.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	198	100.0	213,704	100.0	22,432	10.5	213,704	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	13,615	4,806	2.2	35.3	7,212	53.0	1,597	11.7
Moderate-income	117,519	52,848	24.7	45.0	53,238	45.3	11,433	9.7
Middle-income	128,696	77,764	36.4	60.4	38,819	30.2	12,113	9.4
Upper-income	106,907	78,202	36.6	73.1	19,461	18.2	9,244	8.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	366,737	213,620	100.0	58.2	118,730	32.4	34,387	9.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	1,287	4.2	1,103	4.0	138	5.9	46	6.0
Moderate-income	9,677	31.6	8,377	30.5	994	42.4	306	39.9
Middle-income	10,599	34.6	9,594	34.9	777	33.1	228	29.8
Upper-income	9,055	29.6	8,433	30.7	436	18.6	186	24.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	30,618	100.0	27,507	100.0	2,345	100.0	766	100.0
Percentage of Total Businesses:				89.8		7.7		2.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	5	1.9	5	2.0	0	0.0	0	0.0
Moderate-income	65	24.8	62	24.4	3	37.5	0	0.0
Middle-income	92	35.1	91	35.8	1	12.5	0	0.0
Upper-income	100	38.2	96	37.8	4	50.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	262	100.0	254	100.0	8	100.0	0	0.0
Percentage of Total Farms:				96.9		3.1		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TUCSON, ARIZONA

The bank's performance in the Tucson assessment area was below the state rating of high satisfactory for the lending test, below the state rating of outstanding for the service test, and consistent with the state rating of outstanding for the investment test.

The bank's overall lending performance was adequate. The geographic distribution of HMDA-reportable loans was adequate in 2007 and poor in 2008. In 2007, the bank originated 57 or 13.5 percent of its loans in low- and moderate-income census tracts and 24 or 11.8 percent in 2008. This was below the aggregate of lenders' who originated 22.0 percent of their loans in low- and moderate-income geographies in 2007 and 19.9 percent in 2008. The geographic distribution of small business loans reflects good penetration throughout the assessment area in 2007 and 2008. The distribution of borrowers reflect poor penetration among customers of different income levels with 34 loans or 8.1 percent of its lending made to low- and moderate borrowers in 2007 and 15 loans or 7.4 percent in 2008. This was below the aggregate of lenders who made 13.9 percent of their loans to low- and moderate-income borrowers in 2007 and 17.8 percent in 2008. The distribution of lending reflects poor penetration among businesses of difference sizes with 45.5 percent of these loans to businesses with revenues of \$1 million or less in 2007 and 43.7 percent in 2008.

The bank made one loan modification under the Homeowners Assistance Program totaling \$142,488 to a borrower located in a moderate-income census tract. There were seven loan modifications totaling \$1.5 million made to low- and moderate-income borrowers.

The bank originated eight community development loans totaling \$25.6 million for the review period. Two of the loans totaling \$23.5 million were for economic development, five loans totaling \$2.1 million were for affordable housing and one loan for \$50,000 was to a community development service organization.

The bank's overall service performance in this assessment area was good. Delivery services are readily accessible to essentially all portions of the bank's assessment area. There are 10 low-income and 61 moderate-income census tracts in this assessment area. As of December 31, 2008, the bank had a total of six branches within this assessment

area. While none of the branches are located in a low- or moderate-income census tract, a branch study indicates three branches provide loan and deposit services to low- and moderate-income geographies. Services do not vary in a way that inconveniences any portion of the assessment area. Bank staff participated in 100 hours of qualified community development services in this assessment area, which is considered adequate.

SUMMARY OF LIMITED SCOPE REVIEWS*

Assessment Area	Lending Test	Investment Test	Service Test
Prescott MSA, AZ	Below	Below	Below
Tucson MSA, AZ	Below	Consistent	Below

* Assessment areas evaluated as limited reviews were assessed on their consistency with the state-wide rating.

STATE OF FLORIDA

CRA RATING FOR FLORIDA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Outstanding

Major factors supporting the rating:

- Lending levels reflect good responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable and small business loans reflects excellent penetration throughout the assessment area;
- The distribution of borrowers reflects adequate penetration among customers of different income levels;
- The distribution of lending reflects poor penetration among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank had a significant level of qualified investments;
- Service delivery systems are accessible to essentially all portions of this assessment area and to individuals of different income levels; and
- The bank provided a high level of community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the Sarasota/Bradenton/Venice and Orlando/Kissimmee assessment areas. The scope of the review is consistent with the overall scope of the examination described in the institution summary.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

The assessment areas located in the state of Florida consist of the following areas:

- Sarasota/Bradenton/Venice MSA consisting of Manatee and Sarasota Counties;
- Orlando/Kissimmee MSA consisting of Orange and Seminole Counties;
- Cape Coral/Fort Myers MSA which encompasses Lee County;
- Naples/Marco Island MSA which encompasses Collier County;

- Punta Gorda MSA which encompasses Charlotte County; and
- Tampa/St. Petersburg/Clearwater MSA which encompasses Hillsborough County.

On June 1, 2007, M&I entered the Orlando/Kissimmee MSA following the merger with United Heritage Bank.

There were a total of 852 census tracts in Florida assessment areas. As of December 31, 2008, the bank operated 34 branches in its Florida assessment areas, which accounted for 9.4 percent of all the branches in the combined assessment areas. There were no branches located in low-income census tracts and eight branches (23.5%) located in moderate-income census tracts.

Additional demographic information for the Florida assessment areas, based on 2000 Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

State of Florida

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	27	3.2	22,106	2.2	8,428	38.1	176,949	17.9
Moderate-income	176	20.7	178,366	18.0	26,676	15.0	181,625	18.3
Middle-income	393	46.1	472,004	47.6	29,444	6.2	219,313	22.1
Upper-income	256	30.0	318,489	32.1	9,173	2.9	413,078	41.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	852	100.0	990,965	100.0	73,721	7.4	990,965	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	39,341	10,160	1.0	25.8	25,052	63.7	4,129	10.5
Moderate-income	332,452	157,108	15.3	47.3	133,714	40.2	41,630	12.5
Middle-income	823,294	509,536	49.5	61.9	205,110	24.9	108,648	13.2
Upper-income	529,597	352,408	34.2	66.5	91,960	17.4	85,229	16.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	1,724,684	1,029,212	100.0	59.7	455,836	26.4	239,636	13.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	5,045	2.2	4,331	2.1	526	3.2	188	3.2
Moderate-income	44,447	19.3	38,922	18.7	4,138	25.5	1,387	23.9
Middle-income	104,987	45.6	95,556	45.9	6,904	42.6	2,527	43.6
Upper-income	75,716	32.9	69,387	33.3	4,637	28.6	1,692	29.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	230,195	100.0	208,196	100.0	16,205	100.0	5,794	100.0
	Percentage of Total Businesses:			90.4		7.0		2.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	32	1.7	27	1.6	5	3.5	0	0.0
Moderate-income	283	15.3	245	14.4	38	26.6	0	0.0
Middle-income	998	54.1	926	54.4	72	50.3	0	0.0
Upper-income	533	28.9	505	29.7	28	19.6	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,846	100.0	1,703	100.0	143	100.0	0	0.0
	Percentage of Total Farms:			92.3		7.7		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLORIDA

Lending Test

The bank's overall lending test was rated high satisfactory.

Lending Activity

Lending activity reflects good responsiveness to credit needs throughout the bank's Florida assessment areas.

In addition to traditional originations of home purchase, home refinance, and small business loans, the bank's Homeowner Assistance Program resulted in loan modifications totaling over \$1 million for seven borrowers, whose homes were in danger of foreclosure in the State of Florida in 2008. Borrowers benefiting from the program included one low-income and one moderate-income borrower, with modified loans totaling \$357,925. One modification for \$120,780 was granted for a loan in a moderate-income census tract to a moderate-income borrower.

M&I State of Florida HMDA-Reportable and CRA-Reportable Lending 2007 & 2008 (Dollars are in Thousands)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	#
HMDA-Reportable Lending	494	\$184,658	351	\$129,396	845	\$314,054	408,881	\$89,882,466	0.2%
CRA-Reportable Loans to Small Businesses	845	\$175,419	1,114	\$251,033	1,959	\$426,452	451,838	\$9,715,914	0.4%
Total	1,339	\$360,077	1,465	\$380,429	2,804	\$740,506	860,719	\$99,598,380	0.3%

Geographic and Borrower Distribution

The geographic distribution of the bank's HMDA-reportable lending was excellent in

the Sarasota/Bradenton/Venice, Orlando/Kissimmee, and Punta Gorda MSAs. Geographic distribution was generally excellent for small business lending. The overall distribution of loans reflected adequate penetration among borrowers of different income levels and poor penetration among businesses of different revenue sizes. A detailed analysis of the geographic and borrower distribution is provided with the analysis for each full review assessment area.

Community Development Lending

The bank was a leader in making community development loans, and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated 25 community development loans totaling \$31.9 million in the combined Florida assessment areas. The majority of these loans were for economic development and affordable housing.

INVESTMENT TEST

With respect to the investment test, the bank's performance in the Florida assessment areas was high satisfactory. The bank funded \$4.8 million in total investments during this evaluation period, \$4.1 million in the Florida assessment areas and \$700 thousand benefiting geographies outside the Florida assessment areas but within the state of Florida.

SERVICE TEST

The bank's overall service performance in the Florida assessment areas was outstanding.

Retail Services

Delivery services are accessible to essentially all portions of the bank's Florida assessment areas. As of December 31, 2008, the bank had a total of 34 branches within the Florida assessment areas, none in low-income, eight in moderate-income, 14 in middle-income, and 12 in upper-income census tracts. The branches in the Florida assessment areas represent 9.4 percent of all the bank's branches. Branches in moderate-income geographies represent 23.5 percent of the branches in the Florida assessment areas. In comparison, 23.9 percent of the census tracts in the assessment

area are low- and moderate-income census tracts. As of December 31, 2008, the bank had 19 full-service ATMs in the Florida assessment areas: none in low-income, five in moderate-income, five in middle-income, and nine in upper-income census tracts. The bank had nine cash-dispensing ATMs in the Florida assessment area: none in low-income, one in moderate-income, eight in middle-income, and none in upper-income census tracts. ATMs in moderate-income geographies represent 21.4 percent of the ATMs in the assessment areas. Although there are no branches or ATMs located in low-income census tracts, information from a branch study indicated that low-income areas have access to bank services through branches located in moderate-, middle-, or upper-income census tracts that border these areas.

The bank entered the Florida market in 2006. The services and products are similar to those offered in the other markets. Services do not vary in a way that would inconvenience any segment of the Florida assessment areas, including low- and moderate-income geographies or individuals.

Community Development Services

The bank provided an excellent level of community development services.

M&I's officers and employees have conducted several financial literacy and technical assistance programs throughout the Florida assessment areas, with most being in the Sarasota and Orlando assessment areas. The programs include financial literacy training through school programs and technical assistance through service organizations.

METROPOLITAN AREA

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SARASOTA/ BRADENTON/VENICE, FLORIDA

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.1 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 1.9 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked fifth of 55 institutions in the Sarasota/Bradenton/Venice MSA with 3.2 percent of the market share. As of December 31, 2008, the bank operated 10 branches in this assessment area, which accounted for 2.8 percent of all the branches in the bank's combined assessment area. The bank's primary competitors include offices and/or branches of Bank of America, Wachovia Bank, SunTrust Bank, and Century Bank FSB.

This assessment area is comprised of the Sarasota/Bradenton/Venice MSA, which encompasses Manatee and Sarasota Counties. There were a total of 143 census tracts in this assessment area. According to the 2000 Census, there were approximately 589,959 people living within the bank's assessment area.

Two community representatives were interviewed, who identified mortgage loan and credit card payment modifications as key challenges facing the community.

Housing Characteristics

Housing characteristics are based on 2000 Census data. There were approximately 320,595 housing units within this assessment area. Approximately 62.8 percent of the housing units were owner-occupied, 19.0 percent were rental units, and the remaining 18.2 percent were vacant. The median housing value was \$104,746. The current housing market is facing challenges with rising interest rates, increased incidence of foreclosures, loss of income, and declining home values.

Labor, Employment, and Economic Characteristics

According to the 2000 Labor Summary from the U.S. Census, unemployment was approximately 3.6 percent within this MSA. Unemployment figures based on 2000 census data were 10.8 percent in the low-income census tracts, and 5.6 percent in the moderate-income census tracts. The middle- and upper-income census tracts had unemployment percentages at 3.3 percent and 2.2 percent, respectively. Based on Bureau of Labor Statistics data, the unemployment rate in this MSA was 4.3 percent in 2007 and 6.9 percent in 2008, which was higher than the state unemployment rates of 4.1 percent in 2007 and 6.2 percent in 2008. Local industries include professional and business services, education, health services, retail trade, and administration and support services. Approximately half of the population is between the ages of 25 and 64.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$48,547. The HUD-estimated median family income was \$57,500 in 2007 and \$59,600 in 2008.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report
FL Sarasota/Bradenton/Venice MSA 14600

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	0.7	897	0.5	291	32.4	29,853	17.6
Moderate-income	31	21.7	37,541	22.2	4,826	12.9	33,150	19.6
Middle-income	77	53.8	89,610	52.9	3,830	4.3	39,877	23.6
Upper-income	34	23.8	41,200	24.3	1,130	2.7	66,368	39.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	143	100.0	169,248	100.0	10,077	6.0	169,248	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,621	601	0.3	37.1	853	52.6	167	10.3
Moderate-income	77,332	41,213	20.5	53.3	22,650	29.3	13,469	17.4
Middle-income	164,234	110,169	54.7	67.1	28,128	17.1	25,937	15.8
Upper-income	77,408	49,491	24.6	63.9	9,292	12.0	18,625	24.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	320,595	201,474	100.0	62.8	60,923	19.0	58,198	18.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	200	0.5	180	0.5	16	0.7	4	0.5
Moderate-income	7,429	20.2	6,753	20.2	483	19.8	193	22.9
Middle-income	19,459	52.9	17,718	52.9	1,298	53.2	443	52.7
Upper-income	9,687	26.3	8,844	26.4	642	26.3	201	23.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	36,775	100.0	33,495	100.0	2,439	100.0	841	100.0
Percentage of Total Businesses:				91.1		6.6		2.3
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	29	8.4	28	8.8	1	3.7	0	0.0
Middle-income	203	58.8	182	57.2	21	77.8	0	0.0
Upper-income	113	32.8	108	34.0	5	18.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	345	100.0	318	100.0	27	100.0	0	0.0
Percentage of Total Farms:				92.2		7.8		0.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN SARASOTA/
BRADENTON/VENICE, FLORIDA**

LENDING TEST

The bank’s overall lending performance in this assessment area was good.

Lending Activity

The two major products reviewed were HMDA-reportable loans and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked 29th of the 530 lenders subject to HMDA reporting requirements in this assessment area. Of the bank’s total HMDA-reportable loans, 1.1 percent originated within this assessment area. The bank’s CRA reportable lending in this assessment area is 2.9 percent of the bank’s total lending. In 2008, the bank ranked 14th of the 105 institutions subject to CRA data reporting requirements in this assessment area.

M&I Sarasota/Bradenton/Venice FL MSA HMDA-Reportable and CRA-Reportable Lending 2007 & 2008 (Dollars are in Thousands)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank’s Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	#
HMDA-Reportable Lending	154	\$38,194	108	\$39,862	262	\$78,056	56,524	\$13,169,138	0.5%
CRA-Reportable Loans to Small Businesses	306	\$53,702	298	\$67,687	604	\$121,389	72,308	\$1,474,826	0.8%
Total	460	\$91,896	406	\$107,549	866	\$199,445	128,832	\$14,643,964	0.7%

Analysis of lending data, giving consideration to relevant demographic information, was used to evaluate the bank’s record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and the level of community development projects within this assessment area.

Geographic Distribution

The overall geographic distribution of HMDA-reportable loans, home purchase and refinanced loans, and loans to small businesses was good.

Home Purchase Loans

The bank made 160 home purchase loans in 2007 and 2008 in the assessment area. Home purchase loans represent 61.1 percent of HMDA-reportable loans in this assessment area. The bank made no home purchase loans in low-income geographies and 39 loans or 24.4 percent of its loans in moderate-income geographies. The bank did not make any loans in the one low-income census tract; however, this is not unreasonable as the owner-occupancy rate is only 0.3 percent in the low-income geography. The bank's percentage of lending in moderate-income geographies was well above the aggregate of lenders' 13.9 percent in moderate-income geographies. The bank's performance was good.

M&I Sarasota/Bradenton/Venice FL MSA Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	\$0	0	0	0	0	77	\$8,772	601	0.3	897	0.5
Moderate	28	\$2,511	11	\$4,220	39	\$6,731	3,859	\$625,429	41,213	20.5	37,541	22.2
Middle	45	\$8,272	31	\$6,806	76	\$15,078	15,166	\$3,055,723	110,169	54.7	89,610	53.0
Upper	22	\$9,359	23	\$10,020	45	\$19,379	8,721	\$2,888,320	49,491	24.6	41,200	24.3
Total	95	\$20,142	65	\$21,046	160	\$41,188	27,823	\$6,578,244	201,474	100.0	169,248	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank made 80 refinanced home loans in 2007 and 2008. Refinanced loans in this assessment area represent 30.5 percent of HMDA-reportable loans in this assessment area.

The bank made no refinanced home loans in low-income geographies and 11 loans, or 13.8 percent, in moderate-income geographies. This performance was poor, and did not compare favorably with the aggregate of lenders' 0.4 percent and 17.1 percent of the home refinanced loans in low- or moderate-income geographies, respectively. However, with only 0.3 percent owner occupancy rate in low-income areas, refinancing opportunities may be limited.

M&I Sarasota/Bradenton/Venice FL MSA Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	0	0	0	0	107	\$13,463	601	0.3	897	0.5
Moderate	6	\$734	5	\$1,558	11	\$2,292	4,499	\$680,303	41,213	20.5	37,541	22.2
Middle	26	\$6,271	16	\$3,670	42	\$9,941	14,367	\$2,870,599	110,169	54.7	89,610	53.0
Upper	17	\$6,508	10	\$9,691	27	\$16,199	7,351	\$2,537,328	49,491	24.6	41,200	24.3
Total	49	\$13,513	31	\$14,919	80	\$28,432	26,324	\$6,101,693	201,474	100.0	169,248	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2008, the bank ranked 14th of 108 reporting institutions in this assessment area. The bank originated 1.9 percent of its total loans to small businesses in this assessment area. However, none were originated in low-income geographies and 108 or 17.9 percent were made in moderate-income geographies. The bank outperformed the aggregate of lenders' 15.9 percent of the loans in moderate-income geographies.

M&I Sarasota/Bradenton/Venice FL MSA CRA-Reportable Loans to Small Businesses 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-09		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	0	0	0	0	171	\$8,614	200	0.5%	180	0.5%
Moderate	50	\$7,668	58	\$12,962	108	\$20,630	11,473	\$242,845	7,429	20.2%	6,753	20.2%
Middle	191	\$33,213	163	\$37,098	354	\$70,311	36,567	\$716,199	19,459	53.0%	17,718	52.9%
Upper	65	\$12,821	77	\$17,627	142	\$30,448	23,077	\$493,223	9,687	26.3%	8,844	26.4%
Unknown	0	0	0	0	0	0	1,020	\$13,945	0	0.0%	0	0.0%
Total	306	\$53,702	298	\$67,687	604	\$121,389	72,308	\$1,474,826	36,775	100.0%	33,495	100.0%

Sources: 2007-2008 CRA Data and 2008 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was adequate for HMDA-reportable lending and for small business lending in this assessment area.

Home Purchase Loans

The bank made 11 loans or 6.9 percent of its loans to low-income borrowers and 16 loans or 10.0 percent of its loans to moderate-income borrowers. The bank outperformed the aggregate of lenders who made 2.6 percent of the loans to low-income borrowers and 11.2 percent to moderate-income borrowers.

M&I Sarasota/Bradenton/Venice FL MSA Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	8	\$495	3	\$180	11	\$675	729	\$66,864	601	0.3	29,853	17.6
Moderate	9	\$571	7	\$577	16	\$1,148	3,106	\$388,968	41,213	20.5	33,150	19.6
Middle	20	\$1,792	11	\$1,363	31	\$3,155	5,053	\$798,452	110,169	54.7	39,877	23.6
Upper	51	\$15,730	39	\$17,454	90	\$33,184	14,601	\$4,272,253	49,491	24.6	66,368	39.2
Unknown	7	\$1,554	5	\$1,472	12	\$3,026	4,334	\$1,051,707				
Total	95	\$20,142	65	\$21,046	160	\$41,188	27,823	\$6,578,244	201,474	100.0	169,248	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank made two loans or 2.5 percent of its loans to low-income borrowers and 12 loans or 15.0 percent of its loans to moderate-income borrowers in the assessment area. The bank underperformed the aggregate of lenders' 3.8 percent to low-income borrowers and outperformed the aggregate of lenders' 13.1 percent to moderate-income borrowers.

M&I Sarasota/Bradenton/Venice FL MSA Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	2	\$130	0	0	2	\$130	1,001	\$93,724	601	0.3	29,853	17.6
Moderate	8	\$1,014	4	\$491	12	\$1,505	3,454	\$433,698	41,213	20.5	33,150	19.6
Middle	12	\$1,702	6	\$795	18	\$2,497	5,179	\$830,244	110,169	54.7	39,877	23.6
Upper	23	\$9,066	18	\$12,675	41	\$21,741	12,176	\$3,529,181	49,491	24.6	66,368	39.2
Unknown	4	\$1,601	3	\$958	7	\$2,559	4,514	\$1,214,846				
Total	49	\$13,513	31	\$14,919	80	\$28,432	26,324	\$6,101,693	201,474	100.0	169,248	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

Of the businesses in this assessment area, 91.1 percent have revenues of \$1 million or less. In 2007, the bank originated 42.5 percent of its loans to small businesses with \$1 million or less in revenue and 47.0 percent in 2008. The bank outperformed the aggregate of lenders' 40.2 percent of loans to businesses with \$1 million or less in revenue in 2007 and 32.1 percent in 2008.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated nine community development loans totaling \$13.7 million in this assessment area. The majority of the loans were for community services.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was good. The bank funded \$64,360 in total investments during this evaluation period. These investments were made primarily to organizations that provide community development services to low- and moderate-income individuals and families.

SERVICE TEST

The bank's overall service performance in this assessment area was excellent.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 10 branches within this assessment area, none in low-income, one in moderate-income, eight in middle-income, and one in upper-income census tracts. As of December 31, 2008, the bank had three full-service ATMs, two in middle-income and one in upper-income geographies, and seven cash-dispensing ATMs, one in moderate-income and six in middle-income geographies. Although there are no branches or ATMs in low-income geographies, a branch study identified eight branches located in middle-income census tracts that provide loan and deposit services to neighboring low-income areas.

Community Development Services

The bank was a leader in providing community development services. Twelve officers or employees provided over 400 qualified hours, devoted to financial literacy and technical assistance programs, throughout this assessment area. Bank staff assisted with junior achievement, fund raising for health care services that benefit low- and moderate-income individuals, and a re-employment program for returning soldiers.

METROPOLITAN AREA

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ORLANDO/KISSIMMEE, FLORIDA

The bank's operations in this assessment area are consistent with overall bank operations. This was a new assessment area for the bank as of June 1, 2007 following the merger with United Heritage Bank. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.3 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 3.3 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked 10th of 52 institutions in the Orlando/Kissimmee MSA with 2.12 percent of the market share. As of December 31, 2008, the bank operated 15 branches in this assessment area, which accounted for 4.1 percent of all the branches in the bank's combined assessment areas. The bank's primary competitors include offices and/or branches of Bank of America, Wachovia Bank, and SunTrust Bank.

This assessment area is located in the Orlando/Kissimmee MSA which encompasses Orange and Seminole Counties. There were a total of 268 census tracts in this assessment area. According to the 2000 Census, there were approximately 1,261,540 people living within the bank's assessment area.

Three community representatives were interviewed, who identified foreclosures as the key challenge facing the community. Information provided by bank management indicated this was one of the fastest growing markets in the country and one of the hardest hit during the 2007-2008 downturn in the economy.

Housing Characteristics

Housing characteristics are based on 2000 Census data. There were approximately 508,428 housing units within this assessment area. Approximately 59.2 percent of the housing units were owner-occupied, 34.4 percent were rental units, and the remaining 6.4 percent were vacant. The median housing value was \$105,564.

Labor, Employment, and Economic Characteristics

According to the 2000 Labor Summary from U.S. Census, unemployment was approximately 4.6 percent within this MSA. Unemployment figures based on 2000 census data were 12.2 percent in the low-income census tracts, and 7.2 percent in the moderate-income census tracts. The middle- and upper-income census tracts had unemployment percentages at 4.1 percent and 3.5 percent, respectively. Based on Bureau of Labor Statistics data, the unemployment rate in this MSA was 3.8 percent in 2007 and 5.9 percent in 2008, which was lower than the state unemployment rates of 4.1 percent in 2007 and 6.2 percent in 2008. Local industries include tourism, professional and business services, government, education, health services, and retail trade.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$50,232. The HUD estimated median family income was \$54,900 in 2007 and \$59,200 in 2008.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

FL Orlando/Kissimmee MSA 36740

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	8	3.0	5,752	1.8	2,312	40.2	57,058	17.8
Moderate-income	56	20.9	58,320	18.2	8,963	15.4	56,171	17.5
Middle-income	114	42.5	138,116	43.1	9,908	7.2	70,324	21.9
Upper-income	90	33.6	118,196	36.9	3,456	2.9	136,831	42.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	268	100.0	320,384	100.0	24,639	7.7	320,384	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	10,103	2,590	0.9	25.6	6,578	65.1	935	9.3
Moderate-income	100,497	42,236	14.0	42.0	50,920	50.7	7,341	7.3
Middle-income	228,527	130,077	43.2	56.9	82,657	36.2	15,793	6.9
Upper-income	169,301	126,283	41.9	74.6	34,517	20.4	8,501	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	508,428	301,186	100.0	59.2	174,672	34.4	32,570	6.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1,953	2.4	1,687	2.3	202	3.5	64	3.2
Moderate-income	16,209	20.3	14,169	19.7	1,511	25.8	529	26.6
Middle-income	31,508	39.5	28,365	39.5	2,375	40.6	768	38.6
Upper-income	30,066	37.7	27,679	38.5	1,758	30.1	629	31.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	79,736	100.0	71,900	100.0	5,846	100.0	1,990	100.0
Percentage of Total Businesses:				90.2		7.3		2.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	4	0.9	4	1.0	0	0.0	0	0.0
Moderate-income	90	20.6	80	20.3	10	23.8	0	0.0
Middle-income	179	41.1	158	40.1	21	50.0	0	0.0
Upper-income	163	37.4	152	38.6	11	26.2	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	436	100.0	394	100.0	42	100.0	0	0.0
Percentage of Total Farms:				90.4		9.6		0.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
ORLANDO/KISSIMMEE, FLORIDA**

LENDING TEST

The bank’s overall lending performance in this assessment area was good.

Lending Activity

The two major products reviewed were HMDA-reportable loans and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked 88th of 600 lenders in this assessment area. Of the bank’s total HMDA-reportable loans, 0.3 percent originated within this assessment area. In 2008, the bank ranked 15th of the 107 institutions subject to CRA data reporting requirements in this assessment area.

M&I Orlando/Kissimmee FL MSA HMDA-Reportable and CRA-Reportable Lending 2007 & 2008 (Dollars are in Thousands)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank’s Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	#
HMDA-Reportable Lending	32	\$11,643	32	\$12,294	64	\$23,937	142,091	\$30,424,555	0.05%
CRA-Reportable Loans to Small Businesses	361	\$71,777	596	\$136,744	957	\$208,521	156,189	\$3,185,802	0.6%
Total	393	\$83,420	628	\$149,038	1,021	\$232,458	298,280	\$33,610,357	0.3%

Analysis of lending data, giving consideration to relevant demographic information, was used to evaluate the bank’s record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and the level of community development projects within this assessment area. Also taken into consideration was the limited amount of time the bank served this market. The bank’s performance in this market did not carry significant weight in assigning the overall rating for the institution.

Geographic Distribution

The overall geographic distribution of HMDA-reportable loans, specifically home purchase and refinanced home loans, was excellent. The distribution of loans to small businesses was excellent.

Home Purchase Loans

The bank made 32 loans in 2007 and 2008. Home purchase loans represent 50.0 percent of HMDA-reportable loans in this assessment area. The bank made two home purchase loans or 6.3 percent in low-income geographies and three loans or 9.4 percent of its loans in moderate-income geographies. The bank's lending in low-income geographies was above the aggregate of lenders' 0.4 percent and below the aggregate of lenders' 13.4 percent in moderate-income geographies. The bank's performance was good.

M&I Orlando/Kissimmee FL MSA Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	2	\$118	0	\$0	2	\$118	318	\$41,961	2,590	0.9%	5,572	1.8%
Moderate	3	\$678	0	\$0	3	\$678	9,686	\$1,625,841	42,236	14.0%	58,320	18.2%
Middle	4	\$2,071	1	\$380	5	\$2,451	31,499	\$6,002,919	130,077	43.2%	138,116	43.1%
Upper	10	\$3,854	12	\$7,076	22	\$10,930	30,595	\$8,212,487	126,283	41.9%	118,196	36.9%
Total	19	\$6,721	13	\$7,456	32	\$14,177	72,098	\$15,883,208	301,186	100.0%	320,384	100.0%

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank made 27 refinanced home loans in 2007 and 2008. Refinanced home loans represent 42.2 percent of HMDA-reportable loans for this assessment area.

The bank made no refinanced home loans in low-income geographies and five loans or 18.5 percent in moderate-income geographies. Overall performance was excellent, and

compared favorably with the aggregate of lenders' 0.7 percent and 14.8 percent of the refinanced home loans in low- and moderate-income geographies, respectively.

M&I Orlando/Kissimmee FL MSA Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	0	0	0	0	464	\$55,192	2,590	0.9%	5,752	1.8%
Moderate	0	0	5	\$472	5	\$472	9,418	\$1,338,983	42,236	14.0%	58,320	18.2%
Middle	9	\$1,414	5	\$1,188	14	\$2,602	28,200	\$4,954,439	130,077	43.2%	138,116	43.1%
Upper	2	\$1,758	6	\$2,623	8	\$4,381	25,760	\$6,563,051	126,283	41.9%	118,196	36.9%
Total	11	\$3,172	16	\$4,283	27	\$7,455	63,842	\$12,911,665	301,186	100.0%	320,384	100.0%

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2008, the bank ranked 15th of 107 reporting institutions in this assessment area. The bank originated 3.3 percent of its total loans to small businesses in this assessment area. Businesses in low-income geographies represent 2.4 percent of the total businesses in the assessment area and those in moderate-income geographies represent 20.3 percent. The bank made 957 loans to small businesses within this assessment area. It originated 25 loans or 2.6 percent to small businesses in low-income geographies and 238 or 24.9 percent were made in moderate-income geographies. The bank outperformed the aggregate of lenders' 1.4 percent of the loans in low-income geographies and 14.6 percent in moderate-income geographies.

M&I Orlando/Kissimmee FL MSA CRA-Reportable Loans to Small Businesses 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-09		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	7	\$1,304	18	\$3,011	25	\$4,315	2,109	\$75,259	1,953	2.4%	1,687	2.3%
Moderate	80	\$18,275	158	\$39,236	238	\$57,511	22,787	\$568,314	16,209	20.3%	14,169	19.7%
Middle	128	\$23,548	176	\$37,585	304	\$61,133	59,524	\$1,176,144	31,508	39.5%	28,365	39.5%
Upper	146	\$28,650	244	\$56,912	390	\$85,562	69,487	\$1,337,105	30,066	37.8%	27,679	38.5%
Unknown							2,282	\$28,980				
Total	361	\$71,777	596	\$136,744	957	\$208,521	156,189	\$3,185,802	79,736	100.0%	71,900	100.0%

Sources: 2007-2008 HMDA Data and 2008 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was adequate for HMDA-reportable lending and poor for small business lending in this assessment area.

Home Purchase Loans

The bank made no loans to low-income borrowers and one loan or 3.1 percent of its loans to moderate-income borrowers. The bank did not compare favorably to the aggregate of lenders' 1.5 percent of the loans to low-income borrowers and 8.7 percent to moderate-income borrowers.

M&I Orlando/Kissimmee FL MSA Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	\$0	0	\$0	0	0	1,067	\$120,657	2,590	0.9%	57,058	17.8%
Moderate	1	\$100	0	\$0	1	\$100	6,259	\$877,101	42,236	14.0%	56,171	17.5%
Middle	2	\$312	1	\$380	3	\$692	13,407	\$2,290,280	130,077	43.2%	70,324	22.0%
Upper	8	\$3,577	10	\$6,753	18	\$10,330	39,561	\$10,284,367	126,283	41.9%	136,831	42.7%
Unknown	8	\$2,732	2	\$323	10	\$3,055	11,804	\$2,310,803				
Total	19	\$6,721	13	\$7,456	32	\$14,177	72,098	\$15,883,208	301,186	100.0%	320,384	100.0%

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank made no loans to low-income borrowers and three loans or 11.1 percent of its loans to moderate-income borrowers in the assessment area. The bank did not compare favorably to the aggregate of lenders' 4.1 percent to low-income borrowers and 14.5 percent to moderate-income borrowers.

M&I Orlando/Kissimmee FL MSA Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	0	0	0	0	2,606	\$264,192	2,590	0.9%	57,058	17.8%
Moderate	2	\$274	1	\$122	3	\$396	9,228	\$1,228,282	42,236	14.0%	56,171	17.5%
Middle	0	\$0	3	\$228	3	\$228	13,745	\$2,263,274	130,077	43.2%	70,324	22.0%
Upper	5	\$2,461	7	\$3,307	12	\$5,768	28,871	\$7,134,753	126,283	41.9%	136,831	42.7%
Unknown	4	\$437	5	\$626	9	\$1,063	9,392	\$2,021,164				
Total	11	\$3,172	16	\$4,283	27	\$7,455	63,842	\$12,911,665	301,186	100.0%	320,384	100.0%

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

Of the businesses in this assessment area, 90.2 percent have revenues of \$1 million or less. In 2007, the bank originated 41.8 percent of its loans to small businesses with \$1 million or less in revenue and 37.9 percent in 2008. The bank outperformed the aggregate of all lenders' 37.6 percent in 2007 and 29.7 percent in 2008.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2007 and 2008, the bank originated nine community development loans totaling \$17.1 million in this assessment area. The majority of the loans were for economic development.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was excellent. The bank funded \$399,267 in total investments during this evaluation period. These investments were made primarily to organizations that provide community development services to low- and moderate-income individuals and families.

SERVICE TEST

The bank's overall service performance in this assessment area was excellent.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 15 branches within this assessment area, none in low-income, five in moderate-income, three in middle-income, and seven in upper-income census tracts. As of December 31, 2008, the bank had 12 full-service ATMs, three in moderate-income, three in middle-income, and six in upper-income geographies; there are no cash-dispensing only ATMs. Although there are no branches or ATMs in low-income geographies, a branch study identified nine branches located in moderate- and upper-income census tracts that provide loan and deposit services to neighboring low-income areas.

Community Development Services

The bank was a leader in providing community development services. Thirteen officers or employees provided over 466 qualified hours, devoted to financial literacy and technical assistance programs, throughout this assessment area.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CAPE CORAL/FORT MYER, FLORIDA

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.6 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.4 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked 40th of 45 institutions in the Cape Coral/Fort Myer MSA with 0.2 percent of the market share. As of December 31, 2008, the bank operated two branches in this assessment area, which accounted for 0.6 percent of all the branches in the combined assessment areas.

This assessment area is the Cape Coral/Fort Myers MSA is comprised of Lee County. There were a total of 117 census tracts in this assessment area. There were approximately 245,405 housing units within this assessment area and the median housing value was \$96,711. The median housing value for the state of Florida was \$93,200. Housing costs in the assessment area were higher than the state overall. The median family income for this assessment area was \$46,410, which was higher than the state median family income of \$45,625. The HUD-estimated median family income was \$54,700 in 2007 and \$59,900 in 2008.

Based on the 2000 Labor Summary from Census, unemployment was approximately 3.7 percent within this MSA. Bureau of Labor Statistics data reported unemployment rate in this MSA at 4.6 percent in 2007 and 8.2 percent in 2008, which was higher than the state unemployment rates of 4.1 percent in 2007 and 6.2 percent in 2008. The economy was based on the aviation and aerospace, IT software, and manufacturing industries.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

FL Cape Coral/Ft. Meyer MSA 15980

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	1.7	2,090	1.6	906	43.3	22,017	17.1
Moderate-income	20	17.1	18,440	14.4	2,789	15.1	25,614	19.9
Middle-income	68	58.1	80,176	62.4	4,285	5.3	29,947	23.3
Upper-income	27	23.1	27,717	21.6	616	2.2	50,845	39.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	117	100.0	128,423	100.0	8,596	6.7	128,423	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	3,069	1,248	0.9	40.7	1,591	51.8	230	7.5
Moderate-income	37,265	17,856	12.4	47.9	12,959	34.8	6,450	17.3
Middle-income	144,203	92,210	63.9	63.9	24,057	16.7	27,936	19.4
Upper-income	60,868	32,942	22.8	54.1	5,736	9.4	22,190	36.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	245,405	144,256	100.0	58.8	44,343	18.1	56,806	23.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	391	1.1	343	1.1	38	1.9	10	1.1
Moderate-income	4,620	13.5	4,061	13.0	388	19.2	171	18.3
Middle-income	20,996	61.5	19,414	62.3	1,059	52.5	523	56.0
Upper-income	8,132	23.8	7,368	23.6	534	26.4	230	24.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	34,139	100.0	31,186	100.0	2,019	100.0	934	100.0
Percentage of Total Businesses:				91.4		5.9		2.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	21	8.2	19	7.6	2	33.3	0	0.0
Middle-income	180	70.3	177	70.8	3	50.0	0	0.0
Upper-income	55	21.5	54	21.6	1	16.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	256	100.0	250	100.0	6	100.0	0	0.0
Percentage of Total Farms:				97.7		2.3		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CAPE CORAL/ FORT MYER, FLORIDA

The bank's performance in this assessment area was below the state rating of high satisfactory for the lending and investment tests and below the state rating of outstanding for the service test.

Geographic and borrower distribution of HMDA-reportable lending was poor. The distribution of lending reflects poor penetration among businesses of different sizes. There were no community development loans made in this assessment area. Overall lending performance was poor. The bank made four donations totaling \$6,100 in this assessment area which was considered adequate. The bank operates two branches and one cash-dispensing ATM, all in middle-income census tracts, within the assessment area. The bank's community development services in this assessment area are adequate. Three officers or employees spent over 20 hours, devoted to providing technical assistance to community development organizations that provide services to low- and moderate-income families.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NAPLES/MARCO ISLAND, FLORIDA

M&I's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.3 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.4 percent of the bank's total small business lending activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked 22nd of 44 institutions in the Naples/Marco Island MSA with 0.8 percent of the market share. As of December 31, 2008, the bank operated three branches in this assessment area, which accounted for 0.8 percent of all the branches in the combined assessment areas.

This assessment area is the Naples/Marco Island MSA which encompasses Collier County. There were a total of 52 census tracts in this assessment area with a population of 251,377 (2000 Census).

According to 2000 Census data, there were approximately 144,536 housing units within this assessment area. Approximately 53.9 percent of the housing units were owner-occupied, 17.4 percent were rental units, and the remaining 28.8 percent were vacant. The median housing value was \$148,970, which was higher than the state median housing value of \$93,200. The median family income for this assessment area was \$54,531, which was higher than the state median family income of \$45,625. The HUD-estimated median family income was \$63,900 in 2007 and \$69,200 in 2008.

Based on the 2000 Labor Summary from Census, unemployment was approximately 3.7 percent within this MSA. Bureau of Labor Statistics data indicated that the unemployment rate in this MSA at 4.3 percent in 2007 and 6.8 percent in 2008, which was higher than the state unemployment rates of 4.1 percent in 2007 and 6.2 percent in 2008. The local economy experiences seasonal fluctuations, due to its dependence on tourism. However, tourism in the area has been negatively impacted by the recent recession.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

FL Naples/Marco Island MSA 34940

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	7.7	3,774	5.3	1,317	34.9	13,582	18.9
Moderate-income	9	17.3	11,451	15.9	1,207	10.5	13,791	19.2
Middle-income	23	44.2	32,998	45.9	1,556	4.7	14,850	20.7
Upper-income	16	30.8	23,600	32.9	692	2.9	29,600	41.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	52	100.0	71,823	100.0	4,772	6.6	71,823	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	5,201	1,788	2.3	34.4	2,940	56.5	473	9.1
Moderate-income	21,361	10,177	13.1	47.6	6,230	29.2	4,954	23.2
Middle-income	61,381	37,340	48.0	60.8	10,260	16.7	13,781	22.5
Upper-income	56,593	28,524	36.6	50.4	5,714	10.1	22,355	39.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	144,536	77,829	100.0	53.8	25,144	17.4	41,563	28.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	500	2.6	446	2.5	35	2.9	19	4.2
Moderate-income	2,196	11.4	2,041	11.6	93	7.7	62	13.8
Middle-income	8,740	45.3	8,035	45.6	519	43.0	186	41.3
Upper-income	7,859	40.7	7,115	40.3	561	46.4	183	40.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	19,295	100.0	17,637	100.0	1,208	100.0	450	100.0
Percentage of Total Businesses:			91.4		6.3		2.3	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	26	15.3	21	13.7	5	29.4	0	0.0
Moderate-income	45	26.5	38	24.8	7	41.2	0	0.0
Middle-income	67	39.4	64	41.8	3	17.6	0	0.0
Upper-income	32	18.8	30	19.6	2	11.8	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	170	100.0	153	100.0	17	100.0	0	0.0
Percentage of Total Farms:			90.0		10.0		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NAPLES/ MARCO ISLAND, FLORIDA

M&I's performance in this assessment area was consistent with the state rating of high satisfactory for the lending test, above the state rating of high satisfactory for the investment test, and below the state rating of outstanding for the service test.

The bank had one mortgage-backed security for \$254,756 and 12 donations totaling \$623,503 in this assessment area which is considered excellent.

The bank operates three branches and one full-service ATM, all in upper-income census tracts, within the assessment area. The bank's community development services in this assessment area are adequate. Five officers or employees spent approximately 40 hours, devoted to providing financial literacy and technical assistance to community service organizations that serve low- and moderate-income families.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PUNTA GORDA, FLORIDA

The bank's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.1 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.2 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked 7th of 21 institutions in the Punta Gorda MSA with 4.2 percent of the market share. As of December 31, 2008, the bank operated one branch in this assessment area, which accounted for 0.3 percent of all the branches in the combined assessment areas.

This assessment area is the Punta Gorda MSA which encompasses Charlotte County. There were 23 census tracts in this assessment area. Approximately 141,627 people live in this assessment area.

According to 2000 Census data, there were approximately 79,758 housing units within this assessment area. The median housing value was \$87,692, which was lower than the state median housing value of \$93,200. Similar to other areas within the state of Florida, the assessment area's housing market has declined due to the exit of investors from the area, foreclosures, and overbuilding by developers. The median family income for this assessment area was \$42,546, which was lower than the state median family income of \$45,625. The HUD-estimated median family income was \$49,800 in 2007 and \$52,600 in 2008.

Based on the 2000 Labor Summary from the Census, unemployment was approximately 3.5 percent within this MSA. Bureau of Labor Statistics data indicated that the unemployment rate was 5.0 percent in 2007 and 8.1 percent in 2008, which was higher than the state unemployment rates of 4.1 percent in 2007 and 6.2 percent in 2008. Local employers include retail, education, health care, mining, construction, and leisure and hospitality industries. Rising unemployment rates are a result of the recent recession that has had a negative affect most of these industries.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

FL Punta Gordo MSA 39460

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	6,857	15.5
Moderate-income	2	8.7	2,111	4.8	297	14.1	9,076	20.5
Middle-income	19	82.6	36,881	83.4	1,866	5.1	11,236	25.4
Upper-income	2	8.7	5,213	11.8	166	3.2	17,036	38.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	23	100.0	44,205	100.0	2,329	5.3	44,205	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	5,057	2,731	5.1	54.0	1,617	32.0	709	14.0
Middle-income	64,759	44,351	83.0	68.5	8,175	12.6	12,233	18.9
Upper-income	9,942	6,362	11.9	64.0	628	6.3	2,952	29.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	79,758	53,444	100.0	67.0	10,420	13.1	15,894	19.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	521	6.2	487	6.3	24	5.7	10	5.0
Middle-income	7,191	85.7	6,646	85.5	372	88.8	173	86.5
Upper-income	679	8.1	639	8.2	23	5.5	17	8.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	8,391	100.0	7,772	100.0	419	100.0	200	100.0
Percentage of Total Businesses:			92.6		5.0		2.4	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	2	3.1	2	3.2	0	0.0	0	0.0
Middle-income	59	92.2	58	92.1	1	100.0	0	0.0
Upper-income	3	4.7	3	4.8	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	64	100.0	63	100.0	1	100.0	0	0.0
Percentage of Total Farms:			98.4		1.6		0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PUNTA GORDA, FLORIDA

M&I's performance in this assessment area was consistent with the state rating of high satisfactory for the lending test, above the state rating of high satisfactory for the investment test, and below the state rating of outstanding for the service test.

The bank made six donations totaling \$650,231 in this assessment area which is considered excellent. The bank operates one branch and one-cash dispensing ATM, all in middle-income census tracts, within the assessment area. There were no community development services in this assessment area.

METROPOLITAN AREA

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN TAMPA/ST. PETERSBURG/ CLEARWATER, FLORIDA

M&I's operations in this assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.1 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.6 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked 50 of 73 institutions in the Tampa/St. Petersburg/ Clearwater MSA with 0.1 percent of the market share. As of December 31, 2008, the bank operated three branches in this assessment area, which accounted for 0.8 percent of all the branches in the combined assessment areas.

This assessment area is the Tampa/St. Petersburg/Clearwater MSA which encompasses Hillsborough County. There were a total of 249 census tracts in this assessment area. Approximately 998,948 people live in this assessment area (2000 Census).

According to 2000 Census data, there were approximately 425,962 housing units within this assessment area. The median housing value was \$91,774, which was lower than the state median housing value of \$93,200. The median family income for this assessment area was \$48,275, which was higher than the state median family income of \$45,625. The 2007 HUD-estimated median family income was \$53,900 and \$56,500 in 2008. Affordable housing is one of the primary needs in Tampa, especially with the ongoing gap between the median home price and median family income. The bank continues to work with local organizations to address affordable housing concerns.

Based on the 2000 Labor Summary from the Census, unemployment was approximately 5.6 percent within this MSA. Bureau of Labor Statistics data reported the unemployment rate in this MSA at 4.2 percent in 2007 and 6.5 percent in 2008, which was higher than the state unemployment rates of 4.1 percent in 2007 and 6.2 percent in 2008. The primary employers include agriculture, retail, health and social services, and professional, scientific and technical services industries.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

FL Tampa/St. Pete/Clearwater MSA 45300

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	12	4.8	9,593	3.7	3,602	37.5	47,582	18.5
Moderate-income	58	23.3	50,503	19.7	8,594	17.0	43,823	17.1
Middle-income	92	36.9	94,223	36.7	7,999	8.5	53,079	20.7
Upper-income	87	34.9	102,563	39.9	3,113	3.0	112,398	43.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	249	100.0	256,882	100.0	23,308	9.1	256,882	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	19,347	3,933	1.6	20.3	13,090	67.7	2,324	12.0
Moderate-income	90,940	42,895	17.1	47.2	39,338	43.3	8,707	9.6
Middle-income	160,190	95,389	38.0	59.5	51,833	32.4	12,968	8.1
Upper-income	155,485	108,806	43.3	70.0	36,073	23.2	10,606	6.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	425,962	251,023	100.0	58.9	140,334	32.9	34,605	8.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	2,001	3.9	1,675	3.6	235	5.5	91	6.6
Moderate-income	13,472	26.0	11,411	24.7	1,639	38.3	422	30.6
Middle-income	17,093	33.0	15,378	33.3	1,281	30.0	434	31.5
Upper-income	19,293	37.2	17,742	38.4	1,119	26.2	432	31.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	51,859	100.0	46,206	100.0	4,274	100.0	1,379	100.0
Percentage of Total Businesses:				89.1		8.2		2.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	2	0.3	2	0.4	0	0.0	0	0.0
Moderate-income	96	16.7	78	14.9	18	36.0	0	0.0
Middle-income	310	53.9	287	54.7	23	46.0	0	0.0
Upper-income	167	29.0	158	30.1	9	18.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	575	100.0	525	100.0	50	100.0	0	0.0
Percentage of Total Farms:				91.3		8.7		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN TAMPA/ST. PETERSBURG/ CLEARWATER, FLORIDA

The bank’s performance in this assessment area was consistent with the state rating of high satisfactory for the lending test, above the state rating of high satisfactory for the investment test, and below the state rating of outstanding for the service test.

M&I made two investments totaling \$522,521 and 15 donations totaling \$1.5 million in this assessment area which is considered excellent. The bank operates three branches, two in moderate- and one in upper-income census tracts, and three full- service ATMs, two in moderate- and one in an upper-income census tracts, within the assessment area. The bank’s community development services in this assessment area are good. Five officers or employees spent over 70 hours devoted to financial literacy and technical assistance to community service organizations that provide services to low- and moderate-income families.

SUMMARY OF LIMITED SCOPE REVIEWS*

Assessment Area	Lending Test	Investment Test	Service Test
Cape Coral/Fort Myer MSA	Below	Below	Below
Naples/Marco Island MSA	Consistent	Above	Below
Punta Gorda MSA	Consistent	Above	Below
Tampa/St. Petersburg/Clearwater MSA, FL	Consistent	Above	Below

* Assessment areas evaluated as limited reviews were assessed on their consistency with the state-wide rating.

STATE OF INDIANA

CRA RATING FOR INDIANA: SATISFACTORY

The Lending Test is rated: High Satisfactory.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: High Satisfactory.

Major factors supporting the rating:

- Lending levels reflect good responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans reflects adequate penetration throughout the assessment area and good penetration for small business loans;
- The distribution of borrowers reflects excellent penetration among customers of different income levels;
- The distribution of lending reflects poor penetration among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank had a significant level of qualified investments;
- Service delivery systems are accessible to essentially all portions of this assessment area and to individuals of different income levels; and
- The bank provided a relatively high level of community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the Indianapolis/Anderson assessment area. The scope of the review is consistent with the overall scope of the examination described in the institution summary. The bank entered this market as a result of the merger with First Indiana Bank on February 2, 2008. The scope period for the review of this assessment area was February 2, 2008 to December 31, 2008 and includes all available lending data since the merger with First Indiana Bank.

Limited review examination procedures were used to evaluate the nonmetropolitan statewide assessment area of Rush County, Indiana. The scope period for this assessment area review was February 2, 2008 to December 31, 2008 and includes all available lending data since the merger of First Indiana Bank.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANA

The assessment areas located in the state of Indiana consist of the following areas:

- Indianapolis/Anderson Combined Statistical Area (CSA) consisting of the Indianapolis/Carmel MSA 26900 which encompasses located in Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby counties; and portions of Anderson MSA 11300 including Madison county.
- Indiana Nonmetropolitan Statistical Area (Non-MSA) consisting of Rush county.

The bank entered the Indiana market as a result of the February 2, 2008 purchase and merger with First Indiana Bank. The merger resulted in the acquisition of 32 branches located in the previously described assessment areas. Of the 32 branches in the combined Indiana assessment area, 31 are in the Indianapolis/Anderson CSA and one is located in the Non-MSA. As of December 31, 2008, the branches accounted for 8.8 percent of the institution's branch distribution across all nationwide assessment areas. There were no branches located in low-income census tracts and eight branches (25.0%) located moderate-income census tracts.

There were a total of 345 census tracts in the combined Indiana assessment areas.

Additional demographic information for the Indiana assessment areas, based on 2000 U.S Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report
State of Indiana

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	27	7.8	17,236	4.0	4,889	28.4	80,465	18.8
Moderate-income	92	26.7	88,853	20.7	11,324	12.7	78,968	18.4
Middle-income	157	45.5	208,522	48.6	8,551	4.1	98,666	23.0
Upper-income	68	19.7	114,240	26.6	2,006	1.8	170,752	39.8
Unknown-income	1	0.3	0	0.0	0	0.0	0	0.0
Total Assessment Area	345	100.0	428,851	100.0	26,770	6.2	428,851	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	37,022	12,344	2.9	33.3	17,115	46.2	7,563	20.4
Moderate-income	164,117	75,927	17.6	46.3	70,959	43.2	17,231	10.5
Middle-income	328,914	217,209	50.3	66.0	91,726	27.9	19,979	6.1
Upper-income	158,428	126,584	29.3	79.9	24,714	15.6	7,130	4.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	688,481	432,064	100.0	62.8	204,514	29.7	51,903	7.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	2,355	3.4	2,079	3.4	213	3.6	63	3.3
Moderate-income	11,729	17.0	10,347	16.9	1,027	17.2	355	18.7
Middle-income	33,923	49.1	29,938	48.8	3,001	50.2	984	51.9
Upper-income	21,111	30.5	18,896	30.8	1,727	28.9	488	25.7
Unknown-income	42	0.1	28	0.0	8	0.1	6	0.3
Total Assessment Area	69,160	100.0	61,288	100.0	5,976	100.0	1,896	100.0
	Percentage of Total Businesses:			88.6		8.6		2.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	3	0.1	3	0.1	0	0.0	0	0.0
Moderate-income	57	2.6	55	2.6	2	14.3	0	0.0
Middle-income	1,703	79.1	1,696	79.3	7	50.0	0	0.0
Upper-income	389	18.1	384	18.0	5	35.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,152	100.0	2,138	100.0	14	100.0	0	0.0
	Percentage of Total Farms:			99.3		0.7		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANA

Lending Test

The bank's overall lending test was rated high satisfactory.

Lending Activity

Lending activity reflects good responsiveness to credit needs throughout the bank's Indiana assessment areas.

M&I State of Indiana HMDA-Reportable and CRA-Reportable Lending 2008 (Dollars are in Thousands)						
Loan Types	2008		2008 Aggregated Lending		Bank's Loans as a Percentage of the Aggregate	
	#	\$	#	\$	#	\$
HMDA-Reportable Lending	376	119,122	67,763	10,198,757	0.6%	1.2%
CRA-Reportable Loans to Small Businesses	536	106,182	47,823	1,598,629	1.1%	6.6%
Total	912	225,304	115,586	11,797,386	0.8%	1.9%

Geographic and Borrower Distribution

The geographic distribution of the bank's HMDA-reportable lending was adequate in the Indianapolis/Anderson CSA. Geographic distribution was good for small business lending. The overall distribution of loans reflected good penetration among borrowers of different income levels, but poor penetration among businesses of different revenue sizes. A detailed analysis of the geographic and borrower distribution is provided with the analysis for each full review assessment area.

Community Development Lending

The bank was a leader in making community development loans, and makes use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2008, the bank originated 24 community development loans totaling \$110.3 million in

the combined Indiana assessment areas. The majority of these loans were for affordable housing and revitalization and stabilization projects.

INVESTMENT TEST

With respect to the investment test, the bank's performance in the Indiana assessment areas was high satisfactory. The bank funded \$1.3 million in total investments during this evaluation period.

SERVICE TEST

The bank's overall service performance in the Indiana assessment areas was high satisfactory.

Retail Services

Delivery services are accessible to essentially all portions of the bank's Indiana assessment areas. As of December 31, 2008, the bank had a total of 32 branches within the Indiana assessment areas, none in low-income, eight in moderate-income, 12 in middle-income, and 12 in upper-income census tracts. The branches in the Indiana assessment areas represent 8.8 percent of all the bank's branches. Branches in moderate-income geographies represent 25.0 percent of the branches in the Indiana assessment areas. In comparison, 34.5 percent of the census tracts in the assessment area are low- and moderate-income census tracts. As of December 31, 2008, the bank had 31 full-service ATMs in the Indiana assessment areas: none in low-income, six in moderate-income, 13 in middle-income, and 12 in upper-income census tracts. The bank had two cash-dispensing ATMs: one in moderate-income and one in upper-income census tracts. ATMs in moderate-income geographies represent 21.2 percent of the ATMs in the assessment areas.

Indiana is a new market for the bank and the services and products are similar to those offered in the other markets. Services do not vary in a way that would inconvenience any segment of the Indiana assessment areas, including low- and moderate-income geographies or individuals.

Community Development Services

The bank provided a relatively high level of community development services.

M&I's officers and employees conducted nine financial literacy and technical assistance programs throughout the Indiana assessment areas, the majority of which were in the Indianapolis area. Over 200 people participated in the programs, which included financial training through school programs, and technical assistance through service organizations.

METROPOLITAN AREA

(Full review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANAPOLIS/ ANDERSON, INDIANA

The bank's operations in this assessment area are similar to overall bank operations. This was a new assessment area for the bank as of February 2, 2008 and following the merger with First Indiana Bank. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 1.7 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 1.7 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked fourth of 55 institutions in the Indianapolis/Anderson CSA with 5.3 percent of the market share. As of December 31, 2008, the bank operated 31 branches in this assessment area, which accounted for 8.5 percent of all the branches in the bank's combined assessment areas. The bank's primary competitors include offices and/or branches of JP Morgan Chase Bank NA, National City Bank (PNC), Fifth Third Bank, and Huntington National Bank.

This assessment area is located in the Indianapolis/Carmel MSA which encompasses Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby Counties and a portion of the Anderson MSA consisting of Madison County. There were a total of 340 census tracts in this assessment area. According to the 2000 Census, there were approximately 1.6 million people living within the bank's assessment area.

Five community representatives were interviewed in conjunction with the performance evaluation. Community representatives identified the following needs: affordable housing, rehab of existing housing stock, specialized financing for nonprofit organizations, all of which are affected by declining economic conditions.

Housing Characteristics

According to data from the 2000 U.S Census, there were 681,144 housing units within the assessment area. The median housing value was \$109,168. The current housing market is facing challenges with increased incidences of foreclosure, loss of income, and declining home values.

Labor, Employment, and Economic Characteristics

Based on 2000 Labor Summary from U.S. Census, unemployment was 13.1 percent in the low-income census tracts, and 7.5 percent in the moderate-income census tracts. The middle- and upper-income census tracts reported unemployment percentages at 3.7 percent and 2.1 percent, respectively. The unemployment rate in the Indianapolis/Anderson CSA was 4.4 percent, which was slightly lower than the unemployment rate for the state of Indiana at 4.9 percent. According to the Bureau of Labor Statistics, unemployment rates for the Indianapolis MSA, Anderson MSA, and the state of Indiana were 4.7 percent, 7.2 percent and 5.5 percent, respectively, as of March 2008. The area's major employers provide jobs in the healthcare industry, pharmaceuticals, higher education, and manufacturing. Approximately half of the population is between the age of 25 and 64.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$54,945. The HUD-estimated median family income in 2008 was \$65,100 for the Indianapolis-Carmel MSA and \$54,100 for Anderson MSA.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report
Indianapolis - Anderson IN CSA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	27	7.9	17,236	4.1	4,889	28.4	79,544	18.8
Moderate-income	91	26.8	88,036	20.8	11,280	12.8	77,896	18.4
Middle-income	153	45.0	204,224	48.2	8,316	4.1	97,351	23.0
Upper-income	68	20.0	114,240	27.0	2,006	1.8	168,945	39.9
Unknown-income	1	0.3	0	0.0	0	0.0	0	0.0
Total Assessment Area	340	100.0	423,736	100.0	26,491	6.3	423,736	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	37,022	12,344	2.9	33.3	17,115	46.2	7,563	20.4
Moderate-income	162,793	75,174	17.6	46.2	70,460	43.3	17,159	10.5
Middle-income	322,901	212,831	49.9	65.9	90,433	28.0	19,637	6.1
Upper-income	158,428	126,584	29.6	79.9	24,714	15.6	7,130	4.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	681,144	426,933	100.0	62.7	202,722	29.8	51,489	7.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2,355	3.4	2,079	3.4	213	3.6	63	3.4
Moderate-income	11,552	16.9	10,188	16.8	1,015	17.1	349	18.6
Middle-income	33,440	48.8	29,489	48.6	2,984	50.2	967	51.6
Upper-income	21,111	30.8	18,896	31.1	1,727	29.0	488	26.1
Unknown-income	42	0.1	28	0.0	8	0.1	6	0.3
Total Assessment Area	68,500	100.0	60,680	100.0	5,947	100.0	1,873	100.0
Percentage of Total Businesses:			88.6		8.7		2.7	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	3	0.2	3	0.2	0	0.0	0	0.0
Moderate-income	48	2.5	46	2.4	2	14.3	0	0.0
Middle-income	1,454	76.8	1,447	77.0	7	50.0	0	0.0
Upper-income	389	20.5	384	20.4	5	35.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,894	100.0	1,880	100.0	14	100.0	0	0.0
Percentage of Total Farms:			99.3		0.7		0.0	

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INDIANAPOLIS/
ANDERSON, INDIANA**

LENDING TEST

The bank’s overall lending performance in this assessment area was good.

Lending Activity

The two major products reviewed were HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses. The bank’s lending penetration throughout the assessment area was good. In 2008, the bank ranked 36 of 536 lenders in this assessment area. Of the bank’s total HMDA-reportable loans, 2.7 percent were originated within this assessment area. In 2008, the bank ranked 16th of the 113 institutions subject to the CRA data reporting requirements in this assessment area. CRA reportable lending in this assessment area represents 1.9 percent of the bank’s total lending.

M&I Indianapolis/Anderson CSA HMDA-Reportable and CRA-Reportable Lending 2008 (Dollars are in Thousands)						
Loan Types	2008		2008 Aggregated Lending		Bank’s Loans as a Percentage of the Aggregate	
	#	\$	#	\$	#	\$
HMDA-Reportable Lending	373	118,777	67,352	10,158,290	0.6%	1.2%
CRA-Reportable Loans to Small Businesses	536	106,182	47,443	1,582,971	1.1%	6.7%
Total	909	224,959	114,795	11,741,261	0.8%	1.9%

Analysis of lending data, giving consideration to relevant demographic information, was used to evaluate the bank’s record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and the level of community development projects within this assessment area. Also taken into consideration was

that the bank was in this market for less than one year. The bank’s performance in this market did not carry significant weight in assigning the overall rating for the institution.

Geographic Distribution

The overall geographic distribution of HMDA-reportable loans, specifically home purchase and refinanced home loans, is adequate. The geographic distribution of loans to small businesses was good.

Home Purchase Loans

The bank originated 194 home purchase loans in 2008 representing 52.0 percent of all HMDA-reportable loans in this assessment area. The bank made four home purchase loans (2.1%) in low-income geographies and 29 loans (14.9%) in moderate-income geographies. It’s 2.1 percent of loans to individuals in low-income geographies is commensurate with the 2.9 percent owner occupancy rate in those geographies, and compares favorably to the aggregate of lenders 1.2 percent in low-income geographies. The data also represent activity for a period shorter than one year. The bank’s lending in moderate-income geographies was slightly above the aggregate of lenders’ 10.2 percent in moderate-income geographies.

M&I Indianapolis/Anderson CSA Home Purchase Loans 2008 (Dollars are in the Thousands)								
Tract Income Level	2008		Aggregated Lending*		Owner Occupancy Rate		Families By Tract Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	4	478	415	40,698	12,344	2.9	17,236	4.1
Moderate Income	29	2,192	3,466	293,340	75,174	17.6	88,036	20.8
Middle Income	102	11,424	17,274	2,203,251	212,831	49.9	204,224	48.2
Upper Income	59	13,247	12,933	2,402,627	126,584	29.6	114,240	27.0
Total	194	27,341	34,088	4,939,989	426,933	100.0	423,736	100.0

Sources: 2008 HMDA Data and 2000 Census Bureau.

Refinanced Home Loans

M&I made 148 refinanced loans in 2008. Refinanced home loans in this assessment area represent 39.7 percent of HMDA-reportable loans in 2008 for this assessment area. In 2008, the bank did not originate any refinanced loans in low-income geographies and seven loans, or 4.7 percent, in moderate-income geographies. This performance was adequate, but did not compare favorably with the aggregate of lenders' 1.4 percent and 10.4 percent of the refinanced loans in low- or moderate-income geographies, respectively. However, with only 2.9 percent owner occupancy rate in low-income areas, refinancing opportunities may be limited. At the time the bank acquired First Indiana, the strategy was business-banking and residential mortgage lending was outsourced. Since the merger, the bank hired mortgage lending staff and began originating loans directly.

M&I Indianapolis/Anderson CSA Home Refinance Loans 2008 (Dollars are in the Thousands)								
Tract Income Level	2008		Aggregated Lending		Owner Occupancy Rate		Families By Tract Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	0	0	434	35,653	12,344	2.9	17,236	4.1
Moderate Income	7	2,360	3,167	266,211	75,174	17.6	88,036	20.8
Middle Income	51	7,424	14,766	2,026,323	212,831	49.9	204,224	48.2
Upper Income	90	18,828	12,150	2,447,770	126,584	29.6	114,240	27.0
Total	148	28,612	30,517	4,775,957	426,933	100.0	423,736	100.0

Sources: 2008 HMDA Data and 2000 Census Bureau.

Loans to Small Businesses

In 2008, the bank ranked 16 of 113 reporting institutions in this assessment area. The bank originated 1.7 percent of its total loans to small businesses in this assessment area. It made 536 loans to small businesses within this assessment area in 2008; 16 or 3.0 percent were in low-income geographies and 70 or 13.1 percent in moderate-income geographies. The bank outperformed the aggregate of lenders' 11.6 percent of the loans in moderate-income geographies. The aggregated lenders originated 2.0 percent in low-income geographies.

M&I Indianapolis/Anderson CSA CRA-Reportable Loans to Small Businesses 2008 (Dollars are in the Thousands)								
Tract Income Level	2008		Aggregated Lending		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	%	#	%
Low Income	16	2,996	943	38,176	2,355	3.4	2,079	3.4
Moderate Income	70	16,157	5,501	237,607	11,552	16.9	10,188	16.8
Middle Income	253	49,582	21,955	720,987	33,440	48.8	29,489	48.6
Upper Income	197	37,447	17,895	573,122	21,111	30.8	18,896	31.1
Tract Unknown			1,133	12,248	42	0.1	28	0.0
Total	536	106,182	47,443	1,582,971	68,500	100.0	60,680	100.0

Sources: 2008 CRA-Reportable Loans to Small Businesses Data and 2000 Census Bureau.

Distribution by Borrower Income and Revenue Size of the Business

The bank's borrower distribution was excellent for HMDA-reportable lending and excellent for small business lending in this assessment area.

Home Purchase Loans

In 2008, the bank originated 47 (24.2%) of its home purchase loans to low-income borrowers and 64 (33.0%) to moderate-income borrowers. The bank outperformed the aggregate of lenders who made 9.8 percent of the loans to low-income borrowers and 23.8 percent of the loans to moderate-income borrowers.

M&I Indianapolis/Anderson CSA Home Purchase Loans 2008 (Dollars are in the Thousands)								
Borrower Income Level	2008		Aggregated Lending		Owner Occupancy Rate		Families By Family Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	47	3,901	3,333	270,528	12,344	2.9	79,544	18.77
Moderate Income	64	5,975	8,125	892,993	75,174	17.6	77,896	18.38
Middle Income	38	4,497	7,256	997,749	212,831	49.9	97,351	22.97
Upper Income	40	12,271	9,997	2,104,834	126,584	29.6	168,945	39.85
Unknown Income	5	697	5,380	673,885				
Total	194	27,341	34,091	4,939,989	426,933	100.0	423,736	100.0

Sources: 2008 HMDA Data and 2000 Census Bureau.

Refinanced Home Loans

In 2008, the bank made 13 loans or 8.8 percent of its refinanced home loans to low-income borrowers and 29 loans or 19.6 percent to moderate-income borrowers. The bank outperformed the aggregate of lenders who made 6.5 percent to low-income borrowers and 17.2 percent to moderate-income borrowers.

M&I Indianapolis/Anderson CSA Refinanced Home Loans 2008 (Dollars are in the Thousands)								
Borrower Income Level	2008		Aggregated Lending		Owner Occupancy Rate		Families By Family Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	13	1,019	1,990	155,365	12,344	2.9	79,544	18.77
Moderate Income	29	3,265	5,235	558,640	75,174	17.6	77,896	18.38
Middle Income	37	4,735	6,314	841,592	212,831	49.9	97,351	22.97
Upper Income	60	17,786	11,125	2,335,948	126,584	29.6	168,945	39.85
Unknown Income	9	1,807	5,853	884,412				
Total	148	28,612	30,517	4,775,957	426,933	100.0	423,736	100.0

Sources: 2008 HMDA Data and 2000 Census Bureau.

Loans to Small Businesses

Of the businesses in this assessment area, 88.6 percent have revenues of \$1 million or less. In 2008, the bank originated 43.5 percent of its loans to small businesses with \$1 million or less in revenue. This is higher than the aggregate of all lenders' 26.6 percent to businesses with \$1 million or less in revenue.

Community Development Loans

The bank was a leader in making community development loans, and made use of innovative and/or flexible lending practices in serving assessment area credit needs. In 2008, the bank originated 22 community development loans totaling \$102.9 million in this assessment area. These loans are summarized in the following table.

Type of Community Development Loan	#	Total Dollars (in millions)
Economic Development	2	50.0
Revitalization/Stabilization	6	46.7
Affordable Housing	13	6.0
Community Development Services	1	0.2
Total	22	102.9

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was adequate. The bank funded \$1,273,395 in total investments during this evaluation period. These investments were made primarily to organizations that develop new housing or repair existing housing for low- and moderate-income individuals. Organizations that provide shelter and food for low- and moderate-income individuals or lead economic revitalization efforts were primary recipients of bank investments and donations.

SERVICE TEST

The bank's overall service performance in this assessment area was excellent.

Retail Services

Delivery services are readily accessible to essentially all portions of the bank's assessment area. As of December 31, 2008, the bank had a total of 31 branches within this assessment area, none in low-income, seven in moderate-income, 12 in middle-income, and 12 in upper-income census tracts. As of December 31, 2008, the bank had 30 full-service ATMs and two cash-dispensing ATMs. There are no branches or ATMs in low-income geographies and seven branches and one cash-dispensing ATM in moderate-income geographies. Low- and moderate-income geographies are served by bank branches located in neighboring middle- and upper-income geographies.

Community Development Services

The bank was a leader in providing community development services. More than 30 officers or employees spent over 475 hours devoted to financial literacy and technical assistance programs throughout this assessment area. Bank staff taught in local schools and served in leadership positions throughout the assessment area. The bank's efforts targeted community development organizations that help homeless people, provide services to low- and moderate-income children and families, and improve local housing stock.

NONMETROPOLITAN STATEWIDE AREA⁹

(Limited review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN RUSH COUNTY INDIANA

The bank's operations in this assessment area are similar to overall bank operations. Similar deposit and loan products are offered at all branches. This is a new assessment area for the bank as of February 2, 2008. HMDA-reportable lending activity in this assessment area accounts for less than one percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for less than one percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked third of five institutions in Rush County, Indiana, with 21.3 percent of the market share. As of December 31, 2008, the bank operated one branch in this assessment area, which accounted for 0.3 percent of all the branches in the combined assessment areas.

This assessment area is a nonmetropolitan area, which encompasses Rush County. There were a total of five census tracts in this assessment area and the population is 18,261 (2000 Census).

According to 2000 Census data, there were approximately 7,337 housing units within this assessment area. The median housing value was \$86,115, which was slightly lower than the state median housing value of \$92,500. The median family income for this assessment area was \$49,800, which was lower than the state median family income of \$50,261. The 2008 HUD-estimated median family income for the nonmetropolitan areas of Indiana was \$53,200.

Based on the 2000 Census, unemployment was approximately 3.7 percent within Rush County, compared to 4.9 percent in the state of Indiana. Bureau of Labor Statistics data

⁹The discussion of an institution's CRA performance within a nonmetropolitan statewide area is only required for institutions with branches in two or more states. A separate discussion of CRA performance within a nonmetropolitan statewide area for intrastate banks that have branches in metropolitan and nonmetropolitan areas is optional. Examiners may wish to discuss in greater detail, however, the assessment areas within the nonmetropolitan areas that were reviewed using a full-scope review for intrastate banks with branches in metropolitan and nonmetropolitan areas or for intrastate banks with branches only in nonmetropolitan areas.

reported unemployment rate in this MSA at 4.5 percent in 2007 and 6.1 percent in 2008, which was lower than the state unemployment rates of 4.6 percent in 2007 and 5.9 percent in 2008. The economy was based on the manufacture of air conditioning and energy-related components, auto supplies, electronics, and education supplies.

Additional demographic information for this assessment area, based on 2000 U.S Census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report Indiana Non-MSA (Rush County)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	921	18.0
Moderate-income	1	20.0	817	16.0	44	5.4	1,072	21.0
Middle-income	4	80.0	4,298	84.0	235	5.5	1,315	25.7
Upper-income	0	0.0	0	0.0	0	0.0	1,807	35.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5	100.0	5,115	100.0	279	5.5	5,115	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,324	753	14.7	56.9	499	37.7	72	5.4
Middle-income	6,013	4,378	85.3	72.8	1,293	21.5	342	5.7
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	7,337	5,131	100.0	69.9	1,792	24.4	414	5.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	177	26.8	159	26.2	12	41.4	6	26.1
Middle-income	483	73.2	449	73.8	17	58.6	17	73.9
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	660	100.0	608	100.0	29	100.0	23	100.0
Percentage of Total Businesses:				92.1		4.4		3.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	9	3.5	9	3.5	0	0.0	0	0.0
Middle-income	249	96.5	249	96.5	0	0.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	258	100.0	258	100.0	0	0.0	0	0.0
Percentage of Total Farms:				100.0		0.0		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN RUSH COUNTY INDIANA

The bank's performance in this assessment area was consistent with the state rating of high satisfactory for the lending test, and below the state rating of high satisfactory for the investment and service tests.

The bank made two donations totaling \$5,125 in this assessment area which is considered adequate. The bank did not have any qualified community development services in this assessment area.

SUMMARY OF LIMITED SCOPE REVIEWS*

Assessment Area	Lending Test	Investment Test	Service Test
Rush County Indiana	Consistent	Below	Below

* Assessment areas evaluated as limited reviews were assessed on their consistency with the state-wide rating.

STATE OF KANSAS

CRA RATING FOR KANSAS¹⁰: SATISFACTORY

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: Low Satisfactory.

The Service Test is rated: Low Satisfactory.

Major factors supporting the rating:

- Lending levels reflect adequate responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans and small business loans reflects adequate penetration throughout the assessment area;
- The distribution of borrowers reflects adequate penetration among customers of different income levels;
- The distribution of lending reflects adequate penetration among businesses of different sizes;
- The bank did not make any community development loans in this assessment area;
- The bank made an adequate level of qualified investments;
- Service delivery systems are accessible to essentially all portions of the assessment areas and to individuals of different income levels; and
- The bank provides an adequate level of community development services.

SCOPE OF EXAMINATION

Full examination procedures were used to evaluate the Pittsburg assessment area, a non metropolitan area consisting of Cherokee and Crawford counties. The Kansas City assessment area was evaluated as a multistate MSA. The scope of the examination is consistent with the overall scope of the examination described in the institution summary. The bank entered this market in April 2006.

¹⁰For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN KANSAS

The bank's operations in the Pittsburg, Kansas assessment area are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.05 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.2 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, the bank was ranked first of 20 institutions in this assessment area with 14.3 percent of the market share. As of December 31, 2008, the bank operated two branches in this assessment area, which accounted for 0.6 percent of all the branches in the combined assessment areas.

Pittsburg is the largest town in this assessment area. There were a total of 17 census tracts in this assessment area. According to the 2000 Census, there were approximately 60,847 people living within this assessment area.

Three community representatives were interviewed, but did not identify specific types of credit needs. Two contacts discussed factors that are having a negative impact on growth in both the housing and business sectors of the local economy. The area was heavily used for lead and zinc mining and a number of environmental concerns need to be addressed before development can occur. These added construction costs contribute to slow area growth.

Housing Characteristics

According to 2000 Census data, there were approximately 27,252 housing units within this assessment area. The median housing value was \$52,210. The current housing market is facing challenges with rising interest rates, increased incidence of foreclosure, loss of income, and declining home values. Crawford County has a wide range of housing from affordable to high priced. The average selling price for a house in the city of Pittsburg is \$76,223, in the Pittsburg suburban area is \$106,000, and in rural Pittsburg is \$133,308.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from the Census, unemployment was approximately 5.1 percent within this MSA. Unemployment was 8.0 percent in the moderate-income census tracts. The middle- and upper-income census tracts reported unemployment percentages of 4.6 percent and 4.7 percent, respectively. Based on Bureau of Labor Statistics data, the 2008 unemployment rate in Cherokee County was 5.0 percent and 5.1 percent in Crawford County, which was higher than the state unemployment rate of 4.4 percent. The area has experienced the same economic downturn as the rest of the country. In 2008, a major employer closed its plant which had 600 jobs; this closure is expected to have a significant economic impact on the area.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$39,262.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following table:

Combined Demographics Report

State of Kansas

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,274	20.7
Moderate-income	3	17.6	2,289	14.5	401	17.5	3,187	20.2
Middle-income	13	76.5	12,203	77.2	1,080	8.9	3,822	24.2
Upper-income	1	5.9	1,312	8.3	129	9.8	5,521	34.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	17	100.0	15,804	100.0	1,610	10.2	15,804	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	4,468	2,086	12.5	46.7	1,877	42.0	505	11.3
Middle-income	20,238	13,382	80.0	66.1	4,665	23.1	2,191	10.8
Upper-income	2,546	1,266	7.6	49.7	1,103	43.3	177	7.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	27,252	16,734	100.0	61.4	7,645	28.1	2,873	10.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	609	24.6	526	24.3	57	28.1	26	24.8
Middle-income	1,667	67.4	1,471	67.9	121	59.6	75	71.4
Upper-income	199	8.0	170	7.8	25	12.3	4	3.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,475	100.0	2,167	100.0	203	100.0	105	100.0
	Percentage of Total Businesses:			87.6		8.2		4.2
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	6	2.4	5	2.0	1	50.0	0	0.0
Middle-income	238	94.4	237	94.8	1	50.0	0	0.0
Upper-income	8	3.2	8	3.2	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	252	100.0	250	100.0	2	100.0	0	0.0
	Percentage of Total Farms:			99.2		0.8		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN KANSAS

LENDING TEST

The bank's overall lending performance in the state of Kansas was rated low satisfactory. This state evaluation is based on the bank's performance in one assessment area located in Pittsburg, Kansas, a nonmetropolitan assessment area consisting of Cherokee and Crawford counties.

Lending data was analyzed giving consideration to relevant demographic information to evaluate the bank's record of lending to borrowers from census tracts with different income levels (geographic distribution), individuals and businesses with different income or revenue levels (borrower distribution) and community development projects within this assessment area. Also taken into consideration was the limited amount of time the bank served this market. The bank's performance in this market did not carry significant weight in assigning the overall rating for the institution.

Lending Activity

The bank's lending activity in this assessment area was adequate. The two categories of loans reviewed were HMDA-reportable loans, specifically home purchase and refinanced home loans, and loans to small businesses. The bank's lending penetration throughout the assessment area was adequate. In 2008, the bank ranked 12th of 121 lenders subject to HMDA reporting requirements in this assessment area. Of the bank's total HMDA-reportable loans, 0.05 percent were originated in this assessment area.

M&I State of Kansas HMDA-Reportable and CRA-Reportable Lending 2007 & 2008 (Dollars are in Thousands)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	#
HMDA-Reportable Lending	33	1,645	28	1,514	61	3,159	3,020	258,581	2.0
CRA-Reportable Loans to Small Businesses	59	6,365	50	6,434	109	12,799	2,680	60,835	4.1
Total	92	8,010	78	7,948	170	15,958	5,700	319,416	3.0

The bank's lending activity was analyzed, giving consideration to applicable demographic and aggregated lending data found in the following tables, to evaluate the bank's lending in census tracts of different income levels (geographic distribution), individuals and businesses of different incomes/revenue levels (borrower distribution), and for community development purposes.

Geographic Distribution

The overall geographic distribution of HMDA-reportable loan residential real estate lending was poor. HMDA-reportable loans were categorized into home purchase and refinanced home loans. Each was analyzed separately. The distribution of loans to small businesses was adequate.

Home Purchase Loans

Lending between 2007 and 2008 remained static in this assessment area. The bank originated seven loans in 2007 and eight loans in 2008. These loans represent 21.2 percent of HMDA-reportable loans in 2007 and 28.6 percent in 2008.

Based on the data in the following table, the bank originated 15 HMDA-reportable loans over the two-year period under review. There was one loan for \$50,000 made to a borrower in a moderate-income census tract. This represents 6.7 percent of its lending

over the two-year review period. The bank's performance was poor. However, it is mitigated by the relatively short period of time in which the bank has operated in the market (April 2006) and the fact that the top five market leaders, Community National Bank, Countrywide Home Loans, Commerce Bank, N.A., Countrywide Bank, FSB, and JP Morgan Chase Bank, N.A., originated 30.2 percent of all HMDA-reportable loans.

M&I State of Kansas Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	1	50	0	0	1	50	233	14,215	2,086	12.5	2,289	14.5
Middle	6	391	7	528	13	919	978	78,042	13,382	80.0	12,203	77.2
Upper	0	0	1	47	1	47	165	18,801	1,266	7.6	1,312	8.3
Total	7	441	8	575	15	1,016	1,376	111,058	16,734	100.0	15,804	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

The bank's volume of refinance loans decreased slightly from 19 loans in 2007 to 16 loans in 2008, a decrease of 15.8 percent. Refinanced loans represent 57.4 percent of HMDA-reportable loans in this assessment area.

In 2007, the bank made 15.8 percent (three loans) of its refinanced home loans in moderate-income geographies. This is above the owner occupancy rate of 12.5 percent and the rate at which families are present within the moderate-income census tracts (14.5%) and the level of lending achieved by the aggregated lenders 12.6 percent.

In 2008, the bank made 18.8 percent (three loans) of its refinanced home loans in moderate-income census tracts. The number of loans originated to borrowers in moderate-income census tracts remained the same, at three, for both 2007 and 2008; the increase in the percentage of loans originated in moderate-income geographies reflects the decrease in the overall number of refinanced home loans originated 2008, rather than a real increase in lending to borrowers in moderate-income geographies.

M&I State of Kansas Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	3	73	3	86	6	159	171	11,112	2,086	12.5	2,289	14.5
Middle	12	626	13	784	25	1,410	1,072	86,702	13,382	80.0	12,203	77.2
Upper	4	228	0	0	4	228	113	15,060	1,266	7.6	1,312	8.3
Total	19	927	16	870	35	1,797	1,356	112,874	16,734	100.0	15,804	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

M&I ranked eighth of 29 reporting institutions in this assessment area. The bank originated 0.20 percent of its small business loans in this assessment area. Of the businesses located in this assessment area, 24.6 percent are located in moderate-income geographies.

In 2007, M&I originated 16.9 percent (10 loans) of its loans to small businesses in moderate-income geographies, which is less than the percentage of businesses in these areas. The bank underperformed the aggregate of lenders 18.5 percent of loans in moderate-income geographies. In 2008, the bank made 14.0 percent (seven loans) of its loans to small businesses in moderate-income geographies. This is less than the percentage of businesses in the moderate-income geographies and less than the aggregate of lenders' 16.2 percent. Between 2007 and 2008, M&I's small business loans decreased by 15.3 percent overall; in moderate-income census tracts, loans declined by 30.0 percent. The bank's overall performance was adequate.

M&I State of Kansas CRA-Reportable Loans to Small Businesses 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	10	1,300	7	992	17	2,292	469	16,840	609	24.6	526	24.3
Middle	46	4,935	41	5,372	87	10,307	1,767	37,833	1,667	67.4	1,471	67.9
Upper	3	130	2	70	5	200	287	4,974	199	8.0	170	7.8
Unknown							157	1,188				
Total	59	6,365	50	6,434	109	12,799	2,680	60,835	2,475	100.0	2,167	100.0

Sources: 2007 & 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The borrower distribution was adequate for HMDA-reportable lending, and for small business lending in this assessment area.

Home Purchase Loans

In 2007 and 2008 combined, the bank made one loan or 6.7 percent of its loans to low-income borrowers and two loans or 13.3 percent of its loans to moderate-income borrowers. The bank underperformed the aggregate of lenders' 10.8 percent of the loans to low-income borrowers and 21.9 percent to moderate-income borrowers.

M&I State of Kansas Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	1	34	1	34	148	7,367	0	0	3,274	20.7
Moderate	2	112	0	0	2	112	301	19,409	2,086	12.5	3,187	20.2
Middle	2	169	2	136	4	305	304	24,048	13,382	80.0	3,822	24.2
Upper	1	50	4	360	5	410	438	45,939	1,266	7.6	5,521	34.9
Unknown	2	110	1	45	3	155	185	14,295				
Total	7	441	8	575	15	1,016	1,376	111,058	16,734	100.0	15,804	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

In 2007, M&I originated 10.5 percent (two loans) of its refinanced home loans to low-income borrowers and 15.8 percent (three loans) to moderate-income borrowers. The bank's performance was above the aggregate of lenders' 6.2 percent to low-income borrowers and below the aggregate of lenders' 19.6 percent to moderate-income borrowers. In 2008, the bank did not originate any refinanced loans to low- or moderate-income borrowers. The bank's performance was below the aggregate of lenders' 7.5 percent to low-income borrowers and 15.5 percent to moderate-income borrowers. This performance was adequate.

M&I State of Kansas Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	2	55	0	0	2	55	93	3,488	0	0	3,274	20.7
Moderate	3	107	0	0	3	107	239	13,529	2,086	12.5	3,187	20.2
Middle	1	87	1	144	2	231	329	25,022	13,382	80.0	3,822	24.2
Upper	4	374	6	546	10	920	516	54,450	1,266	7.6	5,521	34.9
Unknown	9	304	9	180	18	484	179	16,385				
Total	19	927	16	870	35	1,797	1,356	112,874	16,734	100.0	15,804	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

The percentage of businesses in this assessment area with revenues of \$1 million or less is 87.6 percent. In 2007, M&I originated 57.6 percent of its loans to small businesses with \$1 million or less in revenue. The bank outperformed the aggregate of all lenders' 40.5 percent of the small business loans to businesses with revenues of \$1 million or less. In 2008, the bank originated 50.0 percent of its small business loans to businesses with revenues of \$1 million or less, again the bank outperformed the aggregate of lenders' 34.6 percent of the loans to small businesses with revenues of \$1 million or less. This performance was adequate.

M&I CRA Reportable Loans to Small Businesses 2007 and 2008 (Dollars are in Thousands)										
Borrower Revenue Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses	
	#	\$	#	\$	#	\$	#	\$	#	%
Loans to Businesses with Revenues of \$1mm or less	34	2,588	25	1,897	59	4,485	1,017	24,024	2,167	87.6
Loans to Businesses with Revenues Over \$1mm	13	3,217	11	3,540	24	6,757	1,663	36,811	203	8.2
Unknown Revenue	12	560	14	997	26	1,557			105	4.2
Total	59	6,365	50	6,434	109	12,799	2,680	60,835	2,475	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Community Development Loans

The bank did not make any community development loans.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was low satisfactory. M&I funded \$38,580 in total investments within this assessment area during this evaluation period. These contributions were made to organizations that provide community development services to low- and moderate-income individuals. The bank also invested \$201,237 in mortgage-backed securities that benefited Kansas geographies outside the bank's assessment area.

SERVICE TEST

The bank's overall service performance in this assessment area was low satisfactory.

Retail Services

Delivery services are readily accessible to essentially all portions of the assessment area. As of December 31, 2008, M&I had two branches within this assessment area, both located in moderate-income census tracts. The branches in this assessment area represent 0.6 percent of all the bank's offices. As of December 31, 2008, the bank had four full-service ATMs in this assessment area: two located in moderate-income and two in upper-income census tracts. The bank had one cash-dispensing ATM in this assessment area located in a middle-income census tract. ATMs in moderate-income geographies account for 40.0 percent of the ATMs in this assessment area.

The bank did not open or close any branches in this assessment area since the previous evaluation. Services are tailored to the convenience and needs of the assessment area, including low- and moderate-income geographies or individuals.

Community Development Services

The bank provides an adequate level of community development services. Bank officers participate on the board of two organizations:

- Pittsburg Industrial Development Board, an organization focused on attracting new businesses and providing assistance to existing businesses for expansion and relocation.
- Colonial Fox Theatre Foundation, the organization is focused on revitalizing the theatre and reopening it for public events. The theatre is located in a moderate-income census tract.

STATE OF MISSOURI

CRA RATING FOR MISSOURI¹¹: SATISFACTORY

The Lending Test is rated: High Satisfactory.

The Investment Test is rated: Low Satisfactory.

The Service Test is rated: High Satisfactory.

The major factors that support the rating are the following:

- Lending levels reflect good responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans for home purchase was adequate and home refinancings was excellent;
- The geographic distribution of small business lending reflects good penetration throughout the assessment area;
- The distribution of borrowers reflects adequate penetration among customers of different income levels;
- The distribution of lending reflects good penetration among businesses of different sizes;
- The bank was a leader in making community development loans in this assessment area;
- The bank made an adequate level of qualified investments;
- Service delivery systems are accessible to essentially all portions of the assessment area and to individuals of different income levels; and
- The bank provided an adequate level of community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the St. Joseph assessment area. The Kansas City assessment area was evaluated as a multistate MSA. The scope of the examination is consistent with the overall scope of the examination described in the institution summary. The bank entered this market in April 2006.

¹¹For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MISSOURI

M&I's operations in the St. Joseph MSA are consistent with overall bank operations. Similar deposit and loan products are offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.2 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.4 percent of the bank's total small business activity. Based on the FDIC Deposit Market Share Report of June 30, 2008, M&I was ranked eighth of 26 institutions in the St. Joseph MSA with 4.1 percent of the market share. As of December 31, 2008, the bank operated two branches in this assessment area, which accounted for 0.6 percent of all the branches in the combined assessment areas.

This assessment area consists of the St. Joseph MSA which includes Andrew and Buchanan Counties. There were a total of 30 census tracts in this assessment area. According to the 2000 Census, there were approximately 102,490 people living in the MSA.

Three community representatives were interviewed, and the identified affordable housing and poverty as key challenges facing the community.

Housing Characteristics

According to 2000 Census data, there were 43,236 housing units within this assessment area. The median housing value was \$75,132. The current housing market is facing challenges with rising interest rates, increased incidence of foreclosure, loss of income, and declining home values. The median age of the local housing stock, which consists of older single-family units is 43 years, with 40.8 percent built before 1950.

Labor, Employment, and Economic Characteristics

Based on the 2000 Labor Summary from the Census, unemployment was approximately 5.4 percent within this MSA. The unemployment rate was 8.8 percent in the moderate-income census tracts, 4.8 percent in middle-income and 5.3 percent in upper-income census tracts. Based on Bureau of Labor Statistics data, the 2007 and 2008 unemployment rate in Buchanan County was 4.4 percent and 5.1 percent, respectively. In Andrew County, it was 3.9 percent and 4.6 percent for 2007 and 2008, respectively.

This compared favorably to the state unemployment rate of 5.1 percent in 2007 and 6.1 percent in 2008. The primary employers are government, service and manufacturing industries. In recent years, weak demand for manufacturing skills has resulted in rising unemployment and a negative labor force growth rate.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$43,173, which is lower than the state median family income of \$46,044. The HUD-estimated median family income was \$50,900 in 2007 and \$50,100 in 2008; for the State of Missouri 2007 and 2008 estimated median family income was \$54,400 and \$55,700, respectively.

Additional demographic information for this assessment area, based on 2000 census and 2008 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

MO St. Joseph MSA 41140

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,824	18.1
Moderate-income	5	16.7	3,032	11.3	553	18.2	4,797	18.0
Middle-income	18	60.0	15,033	56.3	1,252	8.3	6,337	23.7
Upper-income	7	23.3	8,654	32.4	381	4.4	10,761	40.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	30	100.0	26,719	100.0	2,186	8.2	26,719	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	6,459	2,528	9.1	39.1	2,872	44.5	1,059	16.4
Middle-income	23,765	16,138	58.3	67.9	5,923	24.9	1,704	7.2
Upper-income	13,012	9,007	32.5	69.2	3,362	25.8	643	4.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	43,236	27,673	100.0	64.0	12,157	28.1	3,406	7.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	692	620	19.0	61	20.3	11	13.6	
Middle-income	1,553	1,373	42.6	144	47.8	36	44.4	
Upper-income	1,404	1,274	38.5	96	31.9	34	42.0	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	3,649	3,267	100.0	301	100.0	81	100.0	
	Percentage of Total Businesses:			89.5		8.2	2.2	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0	0.0	0	0.0	
Moderate-income	0	0	0.0	0	0.0	0	0.0	
Middle-income	229	228	70.9	1	50.0	0	0.0	
Upper-income	94	93	29.1	1	50.0	0	0.0	
Unknown-income	0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	323	321	100.0	2	100.0	0	0.0	
	Percentage of Total Farms:			99.4		0.6	0.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSOURI

LENDING TEST

The bank's overall lending performance in the state of Missouri was high satisfactory. This state evaluation is based on M&I's performance in one assessment area located in the St. Joseph MSA. In addition to relevant demographic information, the bank's limited amount of time within this market was taken into consideration in evaluating performance.

Lending Activity

The bank's lending activity in this assessment area was good. The two major products reviewed were HMDA-reportable loans and loans to small businesses. In 2008, M&I ranked 16th of 181 lenders in this assessment area. Of the bank's total HMDA-reportable loans, 0.2 percent originated in this assessment area.

M&I State of Missouri HMDA-Reportable and CRA-Reportable Lending 2007 & 2008 (Dollars are in Thousands)									
Loan Category	2007		2008		Total Bank Lending 07-08		Aggregate Lending 07-08		Bank's Loans as Percentage of Aggregate
	#	\$	#	\$	#	\$	#	\$	#
HMDA-Reportable Lending	59	5,289	67	9,717	126	15,006	7,976	813,158	1.6
CRA-Reportable Loans to Small Businesses	59	10,161	68	13,374	127	23,535	5,594	200,523	2.3
Total	118	15,450	135	23,091	253	38,541	13,570	1,013,681	1.9

The bank's lending activity was analyzed, giving consideration to applicable demographic and aggregated lending data found in the following tables, to evaluate the bank's lending to census tracts of different income levels (geographic distribution), individuals and businesses of different income/revenue levels (borrower distribution), and for community development purposes.

Generally, the bank originates loans on multifamily properties as a means of helping to address affordable housing challenges in the communities it serves. These loans are categorized as community development loans. A discussion about loans originated since the previous evaluation has been included under the applicable sections. Community development loans, including those that meet affordable housing needs, are discussed in the section entitled Community Development Lending.

Geographic Distribution

The geographic distribution of HMDA-reportable loans was adequate for home purchase loans, excellent for home refinancings loans and adequate for loans to small businesses. There are no low-income geographies in this assessment area.

Home Purchase Loans

Lending between 2007 and 2008 increased in this assessment area. The bank originated 16 loans in 2007 and 32 loans in 2008, an increase of 100.0 percent. Home purchase loans represent 27.1 percent of the HMDA-reportable loans in 2007 and 47.8 percent in 2008.

Based on data in the following table, in 2007, the bank originated one or 6.3 percent of its loans in moderate-income census tracts. The bank's rate of originations within the moderate-income census tracts was less than the owner occupancy rate of 9.1 percent, the rate at which families are present within the moderate-income census tracts (11.3%) and the aggregate of lenders' 8.3%.

In 2008, the bank originated one or 3.1 percent of its home purchase loans in moderate-income census tracts. The bank's rate of originations within the moderate-income census tracts was less than the owner occupancy rate of 9.1 percent, the rate at which families are present within the moderate-income census tracts (11.3%) and the aggregate of lenders' 7.7 percent. The bank's overall performance was adequate.

M&I State of Missouri Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-09		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	1	20	1	55	2	75	267	15,795	2,528	9.1	3,032	11.3
Middle	5	851	21	2570	26	3,421	1,863	158,187	16,138	58.3	15,033	56.3
Upper	10	1,572	10	2085	20	3,657	1,171	162,451	9,007	32.5	8,654	32.4
Total	16	2,443	32	4,710	48	7,153	3,301	336,433	27,673	100.0	26,719	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

Lending between 2007 and 2008 decreased in this assessment area. The bank originated 30 loans in 2007 and 21 loans in 2008, a decrease of 30.0 percent. The decrease in lending was in moderate- and middle-income census tracts, while the lending in upper-income census tracts increased between 2007 and 2008. Refinanced loans represented 50.9 percent of the HMDA-reportable loans in 2007 and 31.3 percent in 2008.

Based on data in the following table, in 2007, M&I originated five or 16.7 percent of its loans in moderate-income census tracts. The bank's rate of originations within the moderate-income census tracts exceeded the owner occupancy rate of 9.1 percent, the rate at which families are present within the moderate-income census tracts (11.3%) and the aggregate of lenders' 9.2 percent.

In 2008, M&I originated three or 14.3 percent of the refinanced home loans in moderate-income census tracts. The bank's rate of originations within the moderate-income census tracts was less than the owner occupancy rate of 9.1 percent, the rate at which families are present within the moderate-income census tracts (11.3%) and the aggregate of lenders' 8.6% percent. Overall performance relative to refinanced home loans was excellent.

M&I State of Missouri Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Tract Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	5	136	3	115	8	251	341	23,286	2,528	9.1	3,032	11.3
Middle	17	1,229	7	733	24	1,962	2,236	208,163	16,138	58.3	15,033	56.3
Upper	8	1,060	11	1,251	19	2,311	1,411	204,016	9,007	32.5	8,654	32.4
Unknown							1	140				
Total	30	2,425	21	2,099	51	4,524	3,989	435,605	27,673	100.0	26,719	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

In 2008, M&I ranked 13th of 39 reporting institutions in this assessment area. The bank originated 127 loans to small businesses within this assessment area, which represents 0.4 percent of its total small business loans. The bank originated seven loans to small businesses in moderate-income geographies in 2007 and seven loans in 2008.

Based on the data in the following table, in 2007, the bank originated 11.9 percent of its loans to small businesses in moderate-income geographies, which is less than the percentage of businesses in these areas (19%). The bank underperformed the aggregate of lenders' 14.1 percent of loans in moderate-income geographies. In 2008, M&I originated 10.3 percent of its loans to small businesses in moderate-income geographies. This is less than the aggregate of lenders' 14.3 percent and is less than the percentage of businesses in moderate-income geographies. The bank's lending to businesses in moderate-income census tracts did not decrease by number between the 2007 and 2008. The decrease in the percentage of loans reflects an increase in the volume of loans originated overall. Overall performance was considered adequate.

M&I State of Missouri CRA Reportable Loans to Small Businesses 2007 & 2008 (Dollars are in the Thousands)												
Tract Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Moderate	7	1,743	7	1,169	14	2,912	792	27,164	692	19.0	620	19.0
Middle	27	4,148	33	7,932	60	12,080	2,248	77,376	1,553	42.6	1,373	42.0
Upper	25	4,270	28	4,273	53	8,543	2,396	94,735	1,404	38.5	1,274	39.0
Unknown							158	1,248				
Total	59	10,161	68	13,374	127	23,535	5,594	200,523	3,649	100.0	3,267	100.0

Sources: 2007 and 2008 CRA Data and 2008 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The borrower distribution was adequate for HMDA-reportable lending and good for small business lending in this assessment area.

Home Purchase Loans

In 2007, M&I did not make any home purchase loans to low-income borrowers and one loan or 6.3 percent of its loans to moderate-income borrowers. The bank's performance was below the aggregate of lenders' 10.7 percent to low-income borrowers and 25.2 percent to moderate-income borrowers. In 2008, M&I originated four loans or 12.5 percent of its loans to low-income borrowers and two loans or 6.3 percent to moderate-income borrowers. The bank's performance was above the aggregate of lenders' 8.6 percent for low-income borrowers and below the aggregate of lenders' 24.5 percent for moderate-income borrowers.

M&I State of Missouri Home Purchase Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	0	0	4	211	4	211	325	19,267	0	0.0	4,824	18.1
Moderate	1	30	2	142	3	172	822	63,920	2,528	9.1	4,797	18.0
Middle	2	300	4	370	6	670	729	73,110	16,138	58.3	6,337	23.7
Upper	11	2,006	21	3,868	32	5,874	1,092	148,148	9,007	32.5	10,761	40.3
Unknown	2	107	1	119	3	226	333	31,988				
Total	16	2,443	32	4,710	48	7,153	3,301	336,433	27,673	100.0	26,719	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Refinanced Home Loans

In 2007, M&I made two, or 6.7 percent, of refinanced loans to low-income borrowers and two loans or 6.7 percent to moderate-income borrowers. This is below the aggregate of lenders' 7.8 percent of refinanced home loans to low-income borrowers and 19.9 percent to moderate-income borrowers. In 2008, the bank originated two, or 9.5 percent, of its refinanced home loans to low-income borrowers and one loan or 4.8 percent to moderate-income borrowers. The bank compared favorably to the aggregate of lenders' 5.8 percent of loans to low-income borrowers and below the aggregate of lenders' 17.1 percent for moderate-income borrowers.

M&I State of Missouri Refinanced Home Loans 2007 & 2008 (Dollars are in the Thousands)												
Borrower Income Level	2007		2008		Bank's Total 2007-08		Aggregate Lenders 2007-08		Owner Occupancy Rate		Families by Family Income Level	
	#	\$	#	\$	#	\$	#	\$	#	%	#	%
Low	2	135	2	153	4	288	275	15,753	0	0.0	4,824	18.1
Moderate	2	127	1	85	3	212	743	56,630	2,528	9.1	4,797	18.0
Middle	3	211	2	259	5	470	934	87,495	16,138	58.3	6,337	23.7
Upper	10	1,618	6	1,183	16	2,801	1,508	215,980	9,007	32.5	10,761	40.3
Unknown	13	334	10	419	23	753	529	59,747				
Total	30	2,425	21	2,099	51	4,524	3,989	435,605	27,673	100.0	26,719	100.0

Sources: 2007-2008 HMDA Data and 2000 Census Data.

Loans to Small Businesses

Approximately 89.5 percent of the businesses in the assessment area have revenues of \$1 million or less. M&I originated 52.8 percent of its loans to small businesses with \$1 million or less in revenue. The bank outperformed the aggregate of all lenders' 38.9 percent in this category. The bank originated 92.1 percent of its small business loans in amounts less than or equal to \$100,000. Loan amounts of \$100,000 or less are considered most beneficial to small businesses.

Community Development Loans

M&I was a leader in making community development loans during this evaluation period. The bank originated two loans totaling \$45 million. The funds were used for economic development expansion of a local company that created jobs in a moderate-income census tract in the assessment area.

For 2007 and 2008 combined, the bank originated one loan totaling \$129,000 for multi-family properties in moderate-income census tracts within the St. Joseph MSA. This property provided nine units of housing within a moderate-income area in the assessment area.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was low satisfactory. The bank funded over \$50,000 in total donations during this evaluation period.

SERVICE TEST

The bank's overall service performance in this assessment area was high satisfactory.

Retail Services

Delivery services are accessible to all portions of assessment area. As of December 31, 2008, the bank had two branches within this assessment area, both located in upper-income census tracts. Branches in this assessment area represent 0.6 percent of all the

bank's branches. There are no full-service ATMs in this assessment area; however, there are two cash-dispensing ATMs located in upper-income census tracts. The bank monitors the areas served by its branches; the latest branch study shows that both branches provide loan and deposit services to individuals in moderate-income geographies.

Community Development Services

The bank provided an adequate level of community development services.

Three employees spent over 132 hours devoted to technical assistance for five organizations that provided community development services to low- and moderate-income individuals throughout this assessment area.

STATE OF OKLAHOMA

CRA RATING FOR OKLAHOMA: SATISFACTORY

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: Low Satisfactory.

The Service Test is rated: Low Satisfactory.

Major factors supporting the rating are as follows:

- Lending levels reflect adequate responsiveness to assessment area credit needs;
- The geographic distribution of HMDA-reportable loans reflects excellent penetration, and loans to small businesses reflect adequate penetration throughout the assessment area;
- The distribution of borrowers reflects good penetration among customers of different income levels;
- The distribution of lending reflects adequate penetration among businesses of different sizes;
- The bank made an adequate level of community development loans in this assessment area;
- The bank had an adequate level of qualified investments;
- Service delivery systems are accessible to all segments of the assessment areas, and to individuals of different income levels; and
- The bank provided few community development services.

SCOPE OF EXAMINATION

Full review examination procedures were used to evaluate the Tulsa assessment area, which was the only assessment area in this state. The scope of the examination is consistent with the overall scope of the examination described in the institution summary. The bank entered this market after the merger with Gold Bank, but has since left this market with the sale of the three branches on November 19, 2007. The scope period for this assessment area was January 1, 2007 through November 19, 2007. The bank's performance in this market did not carry significant weight in assigning the overall rating for the institution.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OKLAHOMA

The bank's operations in the Oklahoma assessment area were consistent with overall bank operations. Similar deposit and loan products were offered at all branches. HMDA-reportable lending activity in this assessment area accounts for 0.1 percent of the bank's total HMDA-reportable activity. Small business lending activity accounts for 0.5 percent of the bank's total small business lending activity. Based on the FDIC Deposit Market Share Report of June 30, 2007, the bank was ranked 17th of 64 institutions in the Tulsa MSA with 1.6 percent of the market share.

This assessment area encompasses the Tulsa MSA, which includes Creek, Osage, Rogers, Tulsa, and Wagoner Counties. There were a total of 250 census tracts in this assessment area. According to the 2000 Census, there were approximately 803,235 people living within the assessment area.

There is a need for affordable housing, public housing, and Section 8 housing in this assessment area, as well as small business development lending.

Housing Characteristics

According to 2000 Census data, there were approximately 341,415 housing units within this assessment area. Approximately 61.8 percent of the housing units were owner-occupied, 30.6 percent were rental units, and the remaining 7.6 percent were vacant. The median housing value was \$81,918. The current housing market is facing challenges with rising interest rates, increased incidence of foreclosure, and declining home values.

Labor, Employment, and Economic Characteristics

According to the 2000 Labor Summary from the Census, the unemployment rate was 4.7 percent within this MSA, 9.7 percent in the low-income census tracts, 8.0 percent in the moderate-income census tracts, 4.1 percent in middle-income census tracts and 3.2 percent in upper-income census tracts. Based on Bureau of Labor Statistics data, the 2007 unemployment rate in this MSA was 3.9 percent. The primary employers are professional and business service, education, health care, government, retail and manufacturing industries.

Income Characteristics

According to the 2000 Census, the median family income for this assessment area was \$46,551, which is higher than the state median family income of \$40,709. The HUD-adjusted median family income was \$52,500 in 2007.

Additional demographic information for this assessment area, based on 2000 census and 2007 Dun & Bradstreet data, is listed in the following tables:

Combined Demographics Report

Assessment Area: OK Tulsa MSA 46140

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	7	2.8	3,612	1.7	1,483	41.1	41,658	19.2
Moderate-income	57	22.8	43,165	19.9	7,563	17.5	39,069	18.0
Middle-income	107	42.8	102,560	47.3	7,702	7.5	46,817	21.6
Upper-income	79	31.6	67,361	31.1	2,025	3.0	89,154	41.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	250	100.0	216,698	100.0	18,773	8.7	216,698	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	7,013	2,093	1.0	29.8	3,968	56.6	952	13.6
Moderate-income	76,192	37,144	17.6	48.8	31,131	40.9	7,917	10.4
Middle-income	160,909	101,779	48.2	63.3	47,260	29.4	11,870	7.4
Upper-income	97,301	70,101	33.2	72.0	22,056	22.7	5,144	5.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	341,415	211,117	100.0	61.8	104,415	30.6	25,883	7.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	422	1.3	354	1.2	55	1.8	13	1.6
Moderate-income	7,531	22.9	6,392	22.0	942	30.2	197	24.4
Middle-income	13,950	42.4	12,426	42.9	1,158	37.1	366	45.3
Upper-income	11,018	33.5	9,823	33.9	963	30.9	232	28.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	32,921	100.0	28,995	100.0	3,118	100.0	808	100.0
	Percentage of Total Businesses:			88.1		9.5		2.5
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	1	0.2	1	0.2	0	0.0	0	0.0
Moderate-income	84	20.1	84	20.4	0	0.0	0	0.0
Middle-income	238	57.1	236	57.4	2	33.3	0	0.0
Upper-income	94	22.5	90	21.9	4	66.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	417	100.0	411	100.0	6	100.0	0	0.0
	Percentage of Total Farms:			98.6		1.4		0.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OKLAHOMA

LENDING TEST

The bank’s overall lending performance in the state of Oklahoma was low satisfactory. This state evaluation is based on the bank’s performance in one assessment area located in the Tulsa MSA.

Lending Activity

The bank’s lending activity in this assessment area was adequate. The two major products reviewed were HMDA-reportable loans and loans to small businesses. The bank’s lending penetration throughout the assessment area was excellent for HMDA-reportable loans, and adequate for loans to small businesses. In 2007, M&I ranked 99th of 455 lenders in this assessment area. Of the bank’s total HMDA-reportable loans, 1.0 percent originated in this assessment area. In 2007, M&I ranked 19th of the 86 institutions subject to the CRA data reporting requirements in this assessment area. CRA reportable lending in this assessment area represents 0.5 percent of the bank’s total lending.

M&I State of Oklahoma HMDA-Reportable and CRA-reportable Lending 2007 (Dollars are in Thousands)						
Loan Types	2007		2007 Aggregated Lending		Bank’s Loans as a Percentage of the Aggregate	
	#	\$	#	\$	#	\$
HMDA-Reportable Lending	27	7,285	40,938	4,873,476	0.1	0.1
CRA-Reportable Loans to Small Businesses	178	34,592	34,138	1,038,756	0.5	3.3
Total	205	41,877	75,076	5,912,232	0.3	0.7

Geographic Distribution

The overall geographic distribution of HMDA-reportable loans, specifically home purchase and refinanced home loans, was good. The distribution of loans to small

businesses was adequate.

Home Purchase Loans

M&I made 15 home purchase loans in 2007, which represent 55.5 percent of HMDA-reportable loans made in this assessment area.

In 2007, the bank had no home purchase loans in low-income geographies and five loans or 33.3 percent of its loans in moderate-income geographies. In comparison, the aggregate of lenders made 0.5 percent of the home purchase loans in low-income geographies and 10.1 percent in moderate-income geographies.

M&I State of Oklahoma Home Purchase Loans 2007 (Dollars are in the Thousands)								
Tract Income Level	2007		Aggregated Lending		Owner Occupancy Rate		Families By Tract Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	0	0	121	8,027	2,093	1.0	3,612	1.7
Moderate Income	5	157	2,543	189,041	37,144	17.6	43,165	19.9
Middle Income	1	42	10,632	1,100,004	101,779	48.2	102,560	47.3
Upper Income	9	3,873	11,868	1,749,416	70,101	33.2	67,361	31.1
Total	15	4,072	25,164	3,046,488	211,117	100.0	216,698	100.0

Sources: 2007 HMDA Data and 2000 Census Bureau.

Refinanced Home Loans

The bank made 11 refinanced home loans in 2007, which represent 40.7 percent of HMDA-reportable loans originated in this assessment area.

In 2007, the bank had no loans in low-income geographies and five, or 45.5 percent, of its loans in moderate-income geographies. In comparison, the aggregate of lenders made 0.8 percent of the refinanced home loans in low-income geographies and 12.8 percent in moderate-income geographies.

M&I State of Oklahoma Refinanced Home Loans 2007 (Dollars are in the Thousands)								
Tract Income Level	2007		Aggregated Lending		Owner Occupancy Rate		Families By Tract Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	0	0	98	7,111	2,093	1.0	3,612	1.7
Moderate Income	5	1,130	1,625	117,342	37,144	17.6	43,165	19.9
Middle Income	2	324	5,761	577,782	101,779	48.2	102,560	47.3
Upper Income	4	1,729	5,221	784,236	70,101	33.2	67,361	31.1
Total	11	3,183	12,705	1,486,471	211,117	100.0	216,698	100.0

Sources: 2007 HMDA Data and 2000 Census Bureau.

Loans to Small Businesses

In 2007, M&I made 178 loans to small businesses within this assessment area. Loans in this assessment area represent 0.5 percent of the bank's total loans to small businesses. None of these loans were to businesses located in low-income geographies, and 33 or 18.5 percent were to businesses in moderate-income geographies. In comparison, the aggregate of lenders made 0.9 percent of the loans in low-income geographies and 17.4 percent in moderate-income geographies.

M&I State of Oklahoma CRA-Reportable Loans to Small Businesses 2007 (Dollars are in the Thousands)								
Tract Income Level	2007		Aggregated Lending		Businesses		Businesses with Revenues of \$1mm or Less	
	#	\$	#	\$	#	%	#	%
Low Income	0	0	305	8,781	422	1.3	354	1.2
Moderate Income	33	7,043	5,939	219,465	7,531	22.9	6,392	22.0
Middle Income	56	8,495	12,465	333,812	13,950	42.4	12,426	42.9
Upper Income	89	19,054	14,127	465,282	11,018	33.5	9,823	33.9
Tract Unknown			1,302	11,416				
Total	178	34,592	34,138	1,038,756	32,921	100.0	28,995	100.0

Sources: 2007 CRA-Reportable Loans to Small Businesses and 2007 Dunn & Bradstreet Data.

Distribution by Borrower Income and Revenue Size of the Business

The borrower distribution was poor for HMDA-reportable lending, and good for small business lending in this assessment area.

Home Purchase Loans

In 2007, the bank made no loans to low-and moderate-income borrowers, compared to the aggregate of lenders' 6.0 percent of the loans to low-income borrowers and 16.9 percent to moderate-income borrowers. Low-income families comprise 19.2 percent of the families in the assessment area and moderate-income families comprise 18.0 percent of the families in the assessment area, with 8.7 percent of the families living below the poverty level.

M&I State of Oklahoma Home Purchase Loans 2007 (Dollars are in the Thousands)								
Borrower Income Level	2007		Aggregated Lending		Owner Occupancy Rate		Families By Family Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	0	0	1,512	102,572	2,093	1.0	41,658	19.2
Moderate Income	0	0	4,256	372,020	37,144	17.6	39,069	18.0
Middle Income	0	0	5,766	599,021	101,779	48.2	46,817	21.6
Upper Income	6	3,338	11,100	1,696,794	70,101	33.2	89,154	41.1
Unknown Income	9	734	2,530	276,081				
Total	15	4,072	25,164	3,046,488	211,117	100.0	216,698	100.0

Sources: 2007 HMDA Data and 2000 Census Bureau.

Refinanced Home Loans

In 2007, the bank made no refinanced home loans to low-income borrowers and one loan to a moderate-income borrower (9.1%), compared to the aggregate of lenders' 5.1 percent to low-income borrowers and 14.3 percent to moderate-income borrowers.

M&I State of Oklahoma Refinanced Home Loans 2007 (Dollars are in the Thousands)								
Borrower Income Level	2007		Aggregated Lending		Owner Occupancy Rate		Families By Family Income Level	
	#	\$	#	\$	#	%	#	%
Low Income	0	0	647	38,136	2,093	1.0	41,658	19.2
Moderate Income	1	40	1,822	143,295	37,144	17.6	39,069	18.0
Middle Income	0	0	2,769	267,940	101,779	48.2	46,817	21.6
Upper Income	4	1,711	5,955	852,402	70,101	33.2	89,154	41.1
Unknown Income	6	1,432	1,512	184,698				
Total	11	3,183	12,705	1,486,471	211,117	100.0	216,698	100.0

Sources: 2007 HMDA Data and 2000 Census Bureau.

Loans to Small Businesses

Approximately 88.1 percent of the businesses in this assessment area have revenues of \$1 million or less. In 2007, the bank originated 59.0 percent of its loans to small businesses with \$1 million or less in revenue. This compares favorably with the aggregate of all lenders' 38.3 percent of the loans to small businesses with \$1 million or less in revenue.

Community Development Loans

The bank provided an adequate level of community development lending. In 2007, the bank originated two community development loans totaling \$719,700 in this assessment area. These loans were made to entities providing affordable housing in two moderate-income census tracts.

INVESTMENT TEST

With respect to the investment test, the bank's performance in this assessment area was adequate. The bank made \$706,000 in total investments during this evaluation period. These investments represent two mortgage-backed securities. The securities are

collateralized with mortgages to low- and moderate- income borrowers within this assessment area.

SERVICE TEST

The bank's overall service performance in this assessment area was low satisfactory.

Retail Services

Delivery services were accessible to essentially all portions of the bank's assessment area. The bank had three branches within this assessment area: one in moderate-income and two in upper-income census tracts. The branches in this assessment area represent 0.8 percent of all the bank's branches. Branches in low- and moderate-income geographies represent 33.3 percent of the branches in this assessment area. The bank had no full-service ATMs in this assessment area; however, it had two cash-dispensing ATMs, both located in upper-income census tracts.

Community Development Services

The bank provided few, if any, community development services in this assessment area.

APPENDIX A
SCOPE OF EXAMINATION TABLE

M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin		
SCOPE OF EXAMINATION		
PRODUCTS REVIEWED & TIME PERIOD REVIEWED	January 1, 2007 to December 31, 2008 for HMDA-reportable, small businesses, small farm loans, community development loans, services and investments.	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED -
M&I Community Development Corporation Wauwatosa, Wisconsin	Holding company subsidiary	Investments
M&I Foundation Milwaukee, Wisconsin	Holding company subsidiary	Investments

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION		
ASSESSMENT AREA	TYPE OF EXAMINATION	OTHER INFORMATION
Multistate Assessment Areas Minneapolis/St. Paul/Bloomington, MN - WI MA 33460 Duluth, MN - WI - MA 20260 Kansas City, MO - KS - MA 28140	Full-scope review Full-scope review Full-scope review	New Assessment Area as of April 1, 2006
Wisconsin Milwaukee/Racine/Waukesha CSA (MA 33340 & 39540) Madison MA 31540 Appleton/Oshkosh/Neenah CSA (MA 11540 & 36780) Eau Claire MA 20740 Fond du Lac MA 22540 Green Bay MA 24580 Janesville MA 27500 LaCrosse MA 29100 Lake County IL/Kenosha County WI MD 29404 Sheboygan MA 43100 Wausau MA 48140 Nonmetropolitan Northwest Wisconsin Region Nonmetropolitan Northeast Wisconsin Region Nonmetropolitan Southwest Wisconsin Region	Full-scope review Full-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review Full-scope review Limited-scope review Limited-scope review	
Arizona Phoenix/Mesa/Scottsdale MA 38060 Prescott MA 39140 Tucson MA 46060	Full-scope review Limited-scope review Limited-scope review	
Florida Sarasota/Bradenton/Venice MA 42260 (2007) & 14600 (2008) Orlando/Kissimmee MA 36740 Cape Coral/Fort Myer MA 14980 Naples/Marco Island MA 34940 Punta Gorda MA 39460 Tampa/St. Petersburg/Clearwater MA 45300	Full-scope review Full-scope review Limited-scope review Limited-scope review Limited-scope review Limited-scope review	New Assessment Area as of April 1, 2006 New Assessment Area as of June 1, 2007 New Assessment Area as of August 7, 2006 New Assessment Area as of August 7, 2006 New Assessment Area as of April 1, 2006 New Assessment Area as of April 1, 2006
Indiana Indianapolis/Anderson CSA (MA26900 & 11300) Nonmetropolitan Indiana	Full-scope review Limited-scope review	New Assessment Area as of February 2, 2008 New Assessment Area as of February 2, 2008

Kansas Nonmetropolitan Kansas (Cherokee & Crawford Counties)	Full-scope review	New Assessment Area as of April 1, 2006
Missouri St. Joseph MA 41140	Full-scope review	New Assessment Area as of April 1, 2006
Oklahoma Tulsa MA 46140	Full-scope review	New Assessment Area as of April 1, 2006. Branches sold as of November 19, 2007.

APPENDIX B

SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Minneapolis/St. Paul/ Bloomington MN - WI	High Satisfactory	Outstanding	Outstanding	Outstanding
Duluth MN - WI	High Satisfactory	Outstanding	Outstanding	Outstanding
Kansas City MO - KS	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
State of Wisconsin	High Satisfactory	Outstanding	Outstanding	Outstanding
State of Arizona	High Satisfactory	Outstanding	Outstanding	Outstanding
State of Florida	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
State of Indiana	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Kansas	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State of Missouri	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
State of Oklahoma	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

CRA APPENDIX C

GLOSSARY

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

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

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental 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 (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or

- b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

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

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or

more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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