

PUBLIC DISCLOSURE

February 22, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

M&I BANK NORTHEAST

RSSD Number: 736942

301 W. Walnut
Greenbay, WI 54303

FEDERAL RESERVE BANK
OF CHICAGO

230 South LaSalle
Chicago, Illinois 60604

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

GENERAL INFORMATION

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **M&I Bank Northeast, Green Bay, Wisconsin**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **February 22, 2000**. The agency evaluates performance in assessment areas, as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S RATING: This institution is rated Outstanding.

M&I Bank Northeast has a strong record of serving its combined assessment area, based upon a review of its lending, qualified investments and services activity. The bank's efforts are accomplished through a strong level of overall lending, as evidenced by a loan-to-deposit ratio that has grown steadily and significantly since the previous examination. A substantial majority of the bank's loans are made in its combined assessment area. Lending in the low- and moderate-income census tracts within the combined assessment area is generally strong and consistent with aggregate lending activity. The bank's lending to borrowers of different income levels in both assessment areas is also generally strong and consistent with aggregate lending activity, while its lending to businesses and farms of different revenue sizes in both assessment areas is very strong. The bank also originates a significant number of community development loans. The bank's level of investments is strong based on its financial support to a coalition that develops affordable housing in Brown County and its support of other local organizations that promote community development. Banking products meet the needs of all segments of the community, and banking services are readily available to residents of the combined assessment area through conventional branches and ATMs, as well as other alternate delivery systems. Bank officers, employees, and directors provide a significant level of qualified community development services to local organizations. The examination revealed no patterns or practices intended to discriminate against or to discourage applications from any member of a protected class. No CRA-related complaints have been received since the previous examination.

The following table indicates the performance level of **M&I Bank Northeast, Green Bay, Wisconsin**, with respect to the lending, investment and service tests. Based on the component test ratings for large banks, the assigned composite rating is *Outstanding*.

M&I BANK NORTHEAST			
Performance Levels	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	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.*

DESCRIPTION OF INSTITUTION

M&I Bank Northeast, with total assets of \$1.23 billion as of March 31, 2000, is a wholly-owned subsidiary of Marshall & Ilsley Corporation, a multi-bank holding company located in Milwaukee, Wisconsin. The bank operates 16 offices, including its main office and 11 branches in Brown County, one branch in Outagamie County, two branches in Kewaunee County and one branch in Marinette County, all in northeast Wisconsin. One of the Brown County branches is a drive-up banking facility that supports the main office and does not accept loan applications. All of the other 15 branches are full-service facilities. The bank also maintains 14 full-service and six cash-dispensing automated teller machines (ATMs) within its combined assessment area.

The bank offers a full range of loan products including commercial, real estate, agricultural and consumer loans and lines of credit. The concentration of the bank's loan portfolio as of March 31, 2000 is in real estate secured loans, which represent 72.6% of the portfolio. The balance of the loan portfolio includes commercial loans (18.9%), consumer loans and credit card balances (4.3%), agricultural loans (3.1%) and other loans (1.1%). The bank participates in a number of government-assisted loan programs including those offered through the Small Business Administration (SBA), the Federal Housing Administration (FHA), the Veterans Administration (VA), the Wisconsin Housing and Economic Development Authority (WHEDA), the State of Wisconsin's Petroleum Environmental Cleanup Fund Act (PECFA), and other local programs in the Green Bay area. In addition, a variety of mortgage loan products are available to the bank's customers through its affiliate, M&I Mortgage Corp. There are no factors relative to the bank's financial condition, size or local economic conditions that would prevent the bank from meeting the community's credit needs.

Competition in the bank's combined assessment area is provided by many large regional institutions, including Firststar Bank, N.A.; Bank One, Wisconsin; Associated Bank Green Bay, N.A.; Norwest Bank Wisconsin, N.A.; and First Northern Savings Bank, S.A. There are also many local banks, thrift institutions and credit unions that compete with the bank in its combined assessment area. Specific competitors identified by bank management, and the communities in which they compete with the bank, are detailed in Table 1 below:

Table 1	
M&I BANK NORTHEAST'S COMPETITORS	
Bank Name/Headquarters	Location of Competing Branches
Firststar Bank, N.A./Cincinnati	Green Bay
Bank One, Wisconsin/Milwaukee	Green Bay, Allouez, De Pere, Seymour
Associated Bank Green Bay, N.A./Green Bay.	Green Bay, Allouez, De Pere, Ashwaubenon,
Norwest Bank Wisconsin, N.A./Milwaukee	Green Bay, Howard,
First Northern Savings Bank, S.A./Green Bay	Green Bay, De Pere, Peshtigo, Marinette,
Union State Bank/Kewaunee	Green Bay, Kewaunee
Baylake Bank/Sturgeon Bay	Green Bay, Kewaunee, Seymour
Peshtigo National Bank/Peshtigo	Peshtigo

The bank's CRA performance was most recently evaluated December 30, 1997 at which time it was rated satisfactory.

DESCRIPTION OF M&I BANK NORTHEAST'S ASSESSMENT AREAS

Description of the Bank's Combined Assessment Area

Bank management has defined two separate assessment areas – the first includes all of Brown County (the Green Bay Metropolitan Statistical Area (MSA)) and two adjoining middle-income census tracts in Outagamie County. The second assessment area will be referred to as the non-MSA assessment area; it includes all of Kewaunee County and four block numbering areas (BNAs) in Marinette County. The two assessment areas combined include a total of 51 census tracts and 10 BNAs. The population of one of the census tracts (#0211.00 in Brown County) consists of institutionalized individuals and will be excluded from further consideration in this evaluation. The remaining 60 geographies (census tracts or BNAs) include two low-, 10 moderate-, 39 middle-, and nine upper-income geographies.

The population of the combined assessment area is 237,587, based on 1990 census data. There has been substantial population growth since 1990; this growth will be detailed in the descriptions of each assessment area below.

The Green Bay MSA assessment area includes a significant urban area in and around the City of Green Bay; however, it becomes more rural in nature in the remainder of Brown County and in the two Outagamie County census tracts. Residents of the Green Bay MSA assessment area generally work within the MSA or commute to the nearby Fox Cities communities that include Appleton and Kaukauna. The non-MSA assessment area is generally rural in nature. The majority of residents in Kewaunee and Marinette Counties in the workforce generally work within the county in which they reside, although many Kewaunee County residents also commute to either Green Bay or Door County for additional employment opportunities. Similarly, some Marinette County residents find employment

opportunities in nearby Menominee in Michigan's Upper Peninsula. The economy in the combined assessment area is generally strong, based on a number of key measures including generally low unemployment rates, increasing median family income and strong housing prices.

Description of the Green Bay MSA Assessment Area

The Green Bay MSA assessment area includes all 48 census tracts in Brown County and two census tracts in Outagamie County, which is part of the Appleton-Oshkosh-Neenah MSA. The two census tracts in Outagamie County are contiguous to Brown County and represent just 2.7% of the population of the Appleton-Oshkosh-Neenah MSA based on 1990 census data. These two Outagamie County census tracts are being included in the Green Bay MSA assessment area rather than being evaluated as a separate assessment area for these reasons and since the tracts do not extend substantially beyond the boundaries of the Green Bay MSA.

The 50 census tracts in the Green Bay assessment area include two low-, 10 moderate-, 30 middle- and eight upper-income census tracts. The low- and moderate-income census tracts encompass Green Bay's central business district and surrounding neighborhoods. This assessment area also includes the Oneida Indian Reservation, which includes approximately 2,500 individuals, based on 1990 census data. The bank serves this assessment area through 12 offices and 15 ATMs in Brown County and one office and one ATM in Outagamie County. The bank's main office and supporting drive-up facility are located in a low-income census tract.

The bank has a significant presence in the Green Bay MSA, as evidenced by the fact that it holds over 20% of the deposits held by all FDIC-insured financial institutions in this area as of June 30, 1999. Only one other financial institution holds a greater percentage of these deposits, and the bank's market share is greater than the market shares of the third and fourth largest deposit holders in the area combined.

The population of the Green Bay MSA assessment area was 203,325 as of the 1990 census. Recent population estimates, however, indicate that there has been significant population growth in this area through 1999. Brown County's population is estimated to have grown from 194,600 in 1990 to 220,800 in 1999, an increase of over 13%. Similarly, the population of the portion of Outagamie County included in the assessment area has increased 11% since 1990. The largest communities in this assessment area include Green Bay, De Pere and Aswaubenon in Brown County and Oneida and Seymour in Outagamie County.

The distribution of families based upon the median family income is detailed in Table 2 for this assessment area, Brown County and the State of Wisconsin (State).

Table 2							
M&I BANK NORTHEAST'S GREEN BAY MSA ASSESSMENT AREA							
POPULATION DISTRIBUTION BY MEDIAN FAMILY INCOME LEVEL							
	Median Family Income		Percentage of Families – Per 1990 Census Data				
	2000 Estimate (1)	1990 Census	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Below Poverty Level
Assessment Area	(2)	\$37,028	17.3	18.0	28.5	36.2	6.8
Brown County	\$58,000	\$37,121	17.1	17.9	28.6	36.4	6.7
State of Wisconsin	\$54,300	\$35,082	17.9	18.7	26.5	36.9	7.6
<p>(1) Department of Housing and Urban Development (HUD) estimate.</p> <p>(2) Although an actual estimate of median family income for 2000 is not available for the assessment area; it will likely approximate the \$58,000 shown for Brown County since Brown County represents over 95% of the population of the assessment area.</p>							

Table 2 illustrates that median family income in this assessment is approximately 5.5% higher than that of the State based on 1990 census data, and is likely to be similarly above the State's estimated 2000 median family income. The distribution of families in the assessment area among low-, moderate-, middle-, and upper-income categories and the percentage of families with incomes below the poverty level are consistent with percentages for the State overall. The growth in median family income in the assessment area since 1990 is 56%, which is also consistent with State levels. Moreover, much of this income growth in the assessment area has occurred in the past three years, as evidenced by a 21% increase since 1997. These figures are an indication of a strong economy in the assessment area.

Low unemployment rates are another indicator of a strong economy. The unemployment rate for the Green Bay MSA for May 2000 and May 1999 was unchanged at 2.3%. This rate compares favorably with the unemployment rates for the State and the United States overall of 3.1% and 3.9%, respectively, for May 2000 and 2.9% and 4.0%, respectively, for May 1999. It is also important to note that although the unemployment rate in the Green Bay MSA remained unchanged between 1999 and 2000, the labor force increased by almost 12,000. Brown County's (Green Bay MSA) May 2000 unemployment rate of 2.3% moreover is the eleventh lowest of 72 counties in Wisconsin.

Paper and allied products and health services are significant industries in the Green Bay MSA, while the finance, insurance and real estate industries have been experiencing the most growth. Major employers in this assessment area, each with more than 1,000 employees, include the following: Fort James Corp. (paper products), Humana Employers Health Insurance Co. (insurance), Wisconsin Public Service Corp. (gas and electric services), Oneida Tribe of Indians of Wisconsin (gaming operations), Shopko Stores Inc. (retail sales), St. Vincent Hospital (healthcare), Bellin Memorial Hospital (healthcare), Schneider National, Inc. (transportation services), American Medical Security, Inc. (insurance), and Proctor & Gamble Paper Products Co. (paper products).

The housing sector in the assessment area is also considered to be generally strong at this time based on housing prices and sales activity. The median sales price for homes sold in the Green Bay MSA during the first quarter of 2000 was \$110,600, a 6.0% increase over the same period in 1999 and 10.7% over the same period in 1998. The trend in median sales prices over the most recent three quarters, however, has been toward a slight decline in values in the range of \$2,000-\$4,000. The 456 homes sold during the first quarter of 2000 was the highest first quarter volume in the past four years, although the almost 2,400 homes sold in 1999 was 3.7% below the 1998 totals. These sales figures are considered to be generally strong, although they could be an indication that the housing sector of the economy in this assessment area is beginning to weaken.

The housing affordability index measures the relative affordability of housing in an area and is calculated by dividing the median housing value by the median family income; a higher index indicates decreased housing affordability. The housing affordability index in the Green Bay MSA assessment area using 1990 census data was 1.68, which compares to 1.77 for the State overall, indicating that housing is slightly more affordable in the Green Bay area than in the State.

Description of the Non-MSA Assessment Area

The non-MSA assessment area consists of 10 BNAs in two non-contiguous counties that will be considered together in this performance evaluation. One area consists of the six middle-income BNAs that comprise Kewaunee County; the other area includes one upper-income and three middle-income BNAs located at the southern tip of Marinette County. The bank serves this assessment area through two branches and two ATMs in Kewaunee County and one branch and two ATMs in Marinette County.

The bank holds almost 17% of the deposits in FDIC-insured institutions in Kewaunee County as of June 30, 1999, ranking the bank fourth in market share as of that date. The bank also holds approximately 8% of such deposits in Marinette County as of that same date, ranking it sixth in the county.

The population of the non-MSA assessment area is 34,352 based on 1990 census data; 18,878 individuals were in the Kewaunee County portion of the assessment area and 15,474 were in the Marinette County portion. Both areas have experienced moderate population growth since the 1990 census. Kewaunee County is estimated to have grown by approximately 6%, and the area in and around the city of Peshtigo, in which the bank's branch is located within Marinette County, is estimated to have grown about 7% since 1990. The largest communities in this assessment area include Algoma, Kewaunee, and Luxenburg in Kewaunee County and Peshtigo in Marinette County.

The distribution of families based upon the median family income is detailed in Table 3 for this assessment area, Kewaunee County, Marinette County and all non-metropolitan areas within the State.

Table 3							
M&I BANK NORTHEAST'S NON-MSA ASSESSMENT AREA							
POPULATION DISTRIBUTION BY MEDIAN FAMILY INCOME LEVEL							
	Median Family Income		Percentage of Families – Per 1990 Census Data				
	2000 Estimate (1)	1990 Census	Low- Income	Moderate- Income	Middle- Income	Upper- Income	Below Poverty Level
Assessment Area	N/A	\$31,833	17.3	17.4	25.1	40.2	7.7
Kewaunee County	\$48,600	\$32,618	16.6	17.6	23.9	41.9	7.2
Marinette County	\$40,400	\$27,918	22.4	20.1	24.7	32.8	9.4
All Non-Metropolitan Areas Within the State	\$46,700	\$30,290	17.6	19.4	25.5	37.5	7.9
<i>(1) Department of Housing and Urban Development (HUD) estimate</i>							

Table 3 illustrates that the assessment area median family income is approximately 5% higher than that of all non-metropolitan areas of the State, and that the distribution of families in the assessment area based on median family income is consistent with that of all non-metropolitan areas within the State. Table 3 also illustrates that Marinette County is generally less affluent than Kewaunee County based on a median family income that is 17%-20% below Kewaunee County and on a higher percentage of both families considered low- and moderate-income and families having incomes below the poverty level. The lower median family income of Marinette County, however, has a minimal impact on the median family income of the assessment area as a whole since only a small portion of Marinette County is included in the assessment area. The median family income in Kewaunee and Marinette counties is estimated to have grown by approximately 49% and 45%, respectively, since 1990. It is reasonable to believe that the median family income in the assessment area has increased at similar levels, as well. This income growth, however, is slightly slower than for all non-metropolitan areas of the State, which have experienced income growth rates estimated at 54%. This is an indication that the economy of the area is generally strong; however, it is not as strong as all non-metropolitan areas within the State as a whole.

Unemployment rates in Kewaunee County declined from 2.6% for May 1999 to 2.0% for May 2000, which compares favorably with the State, which experienced an increase in unemployment from 2.9% to 3.1% during the same period. Marinette County has historically had higher unemployment rates than Kewaunee County and the State, as is evidenced by unemployment rates of 4.4% for May 1999 and 3.7% for May 2000. Nevertheless, the current unemployment rates in Marinette County, Kewaunee County, and the State are among the lowest rates noted in each of these areas in at least the past five years. Furthermore, Kewaunee County's unemployment rate of 2.0% for May 2000 is the fourth lowest of 72 counties in the State during that month. These low unemployment rates indicate a strong economy in the non-MSA assessment area.

Although both Kewaunee and Marinette Counties are generally more rural in nature than urban, non-

farm employment is nevertheless important to both economies. Manufacturing employment in Kewaunee County is significant, representing about one-third of the non-farm jobs in the county, while the service industry has been experiencing the most recent growth. The largest employers in Kewaunee County include Wisconsin Label Corp. (specialized printing services) and Algoma Hardwoods (wood/plywood products), each with over 250 employees. The economy of Marinette County is influenced by the paper industry, which provides many employment opportunities. The largest employers within Marinette County that are located within or near the assessment area include Badger Paper Mills, Inc. (paper production) and Marinette Marine Corporation (shipbuilding).

The housing sector of the local economy within the non-MSA assessment area is generally strong, especially in Kewaunee County, although limited information is available for analysis. Home sales in Kewaunee County grew from 99 in 1997 to 154 in 1998, and declined to 90 homes sold through the first three quarters of 1999. This is a small number of sales compared to many counties in the State; however, the small number is due to the relatively small population in the county and the generally rural nature of the community. The median sales price has grown steadily during this period from \$60,000 in the first quarter of 1997 to \$92,000 in the third quarter of 1999 despite the low number of houses sold. Information about home sales volume and median sales prices was not available for Marinette County. The housing affordability index, based on 1990 census data, for this assessment area was 1.48, which compares favorably with the housing affordability index of 1.53 for Kewaunee County, 1.49 for Marinette County, and 1.65 for all non-metropolitan areas of the State.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's performance under the lending, investment, and service tests of the CRA is described in the following sections.

LENDING TEST

The assessment of M&I Bank Northeast's performance includes its overall lending activity; assessment area lending concentration; geographic distribution of lending; distribution of lending to borrowers of different income levels; community development lending; lending to small businesses and small farms and product innovation and flexibility. The bank's performance under the lending test was evaluated through a review of its quarterly consolidated reports of condition, its Uniform Bank Performance Reports (UBPRs) and internal analyses of its 1998 and 1999 Home Mortgage Disclosure Act (HMDA)-reportable and CRA-reportable lending activity. Bank management and community representatives were also interviewed to identify community development lending opportunities in its combined assessment area. Loan documents and other bank records were reviewed to identify and evaluate its lending activities in meeting the credit needs of its community and in providing community development loans.

Lending Volume

A review of the bank's loan-to-deposit ratios for the most recent nine quarters, as reported in the UBPRs for this period, revealed that the ratio has experienced steady and significant growth, increasing from 67.3% as of March 31, 1998 to 84.9% as of March 31, 2000. Discussions with bank management indicate that the loan-to-deposit ratio was low at the start of this period as a result of the October 1, 1997 acquisition of a regional financial institution by the bank's parent company. The bank added approximately \$206 million in deposits from the acquired institution while adding only \$39 million in acquired loans, which caused a decline in its loan-to-deposit ratio at that time. Efforts made by the bank since then to increase lending have been successful, with the result that the loan-to-deposit ratio of 84.9% at March 31, 2000 now compares favorably with the bank's nationwide peer group and with its local competitors. Table 4 summarizes this comparative loan-to-deposit information.

Table 4		
M&I BANK NORTHEAST		
LOAN-TO-DEPOSIT RATIO OF THE BANK,		
ITS LOCAL COMPETITORS AND ITS NATIONWIDE PEER GROUP		
Institution	Assets at 03-31-00 (Millions)	Loan-to-Deposit Ratio at 03-31-00
Bank One, Wisconsin	\$8,492.0	131.1%
Firststar Bank, N.A.	\$42,885.8	101.2%
Associated Bank Green Bay, N.A.	\$2,233.0	98.2%
M&I Bank Northeast	\$1,230.2	84.9%
Union State Bank	\$50.9	82.9%
Nationwide Peer Group	N/A	82.9%
Norwest Bank Wisconsin, N.A.	\$1,889.1	63.0%
<i>N/A – Not applicable</i>		

The bank's loan-to-deposit ratio as of March 31, 2000 reflects management's commitment and willingness to meet the credit needs of its community. Furthermore, the bank offers its customers a variety of mortgage loan products through its affiliate, M&I Mortgage Corp., in addition to those loans retained in its loan portfolio. These secondary market loans, which are not reflected in the loan-to-deposit ratio shown above, are significant in both number and dollar amount. Secondary market lending included 1,211 loans totaling \$121,685,575 in 1998, 388 loans totaling \$42,565,269 in 1999 and 64 loans totaling \$6,422,376 for the five months ended May 31, 2000. The decline in this mortgage loan volume at the affiliate is due to increasing interest rates and a shift by borrowers from long-term fixed rate mortgages offered by the affiliate to adjustable rate mortgages (ARMs) and other products offered by the bank.

A review of the bank's loan portfolio as of March 31, 2000 reveals that the bank has a high concentration in loans secured by real estate, representing 72.6% of the outstanding loan balances as of

that date. Loans secured by residential real estate (39.5%) and loans secured by commercial properties (20.7%) are the most significant loan types in this category. The bank's loan portfolio also includes commercial and industrial, agricultural, and consumer loans, as well as other miscellaneous loan types. The composition of the bank's loan portfolio as of March 31, 2000 is detailed in Table 5.

Loan Type	\$	%
Real Estate Loans:		
Construction/land development	8,855	1.3
Secured by farmland	26,968	3.9
Revolving open-end (1-4 family)	28,278	4.1
Residential (1-4 family)	274,299	39.5
Multi-family	22,011	3.1
Commercial	143,626	20.7
Total real estate loans	504,037	72.6
Agricultural loans	21,260	3.1
Commercial and industrial loans	131,315	18.9
Credit cards	6,482	0.9
Consumer loans	23,722	3.4
States and political subdivisions	7,229	1.0
All other (excludes consumer loans)	789	0.1
Total all loans	694,834	100.0

Table 5 illustrates that the bank originates a variety of loan types to meet the different needs of the businesses, farmers, consumers, governmental bodies and others within its combined assessment area. The diversified loan portfolio, combined with the mortgage loans made through its affiliate and its growing loan-to-deposit ratio, indicate a strong commitment by bank management to meet the credit needs of its community.

Lending in the Combined Assessment Area

Analysts at its parent company routinely prepare analyses of the bank's HMDA- and CRA-reportable lending. These analyses were utilized to evaluate the bank's lending within its combined assessment area. The analysis of HMDA-reportable lending activity includes both the bank's own mortgage lending and the secondary market mortgage lending of M&I Mortgage Corp. based on applications referred by the bank. Table 6 summarizes the bank's 1998 and 1999 lending in its combined assessment area.

Table 6 M&I BANK NORTHEAST LENDING ACTIVITY WITHIN THE ASSESSMENT AREA			
Loan Year and Type	Total Number of Loans	Loans Made Within the Assessment Area	
		Number	Percent
1998 HMDA-reportable loans (1)	3,285	2,707	82.4
1999 HMDA-reportable loans (1)	2,276	1,805	79.3
1998 CRA-reportable small business loans	750	664	88.5
1999 CRA-reportable small business loans	711	612	86.1
1998 CRA-reportable small farm loans	559	413	73.9
1999 CRA-reportable small farm loans	538	392	72.9
Totals	8,119	6,593	81.2
<i>(1) Includes the bank's mortgage loans as well as those of M&I Mortgage Corp. based on applications referred by the bank.</i>			

Table 6 indicates that a majority of the bank's reportable loans are originated within its combined assessment area. This is consistent for 1998 and 1999 HMDA- and CRA-reportable lending and for all such lending as a whole. This level of lending is indicative of a strong effort by the bank in providing various loans to meet the credit needs of its customers in its combined assessment area.

Geographic Distribution

The focus of this analysis is to determine the level of the bank's lending within low- and moderate-income census tracts within its combined assessment area. The only low- and moderate-income census tracts in the bank's combined assessment area are located in the Green Bay MSA. The remaining portions of the combined assessment area consist of middle- and upper-income census tracts or block numbering areas. Accordingly, the geographic distribution of the bank's lending will be reviewed only within the Green Bay MSA assessment area. Small farm lending will not be analyzed; however, since the low- and moderate-income census tracts in the bank's assessment area are urban areas.

The bank's internal reports of HMDA-reportable mortgage loans and CRA-reportable small business loans were reviewed and analyzed to evaluate its lending performance in low- and moderate-income census tracts. Table 7 summarizes the bank's 1998 and 1999 HMDA-reportable lending activity, compared to the aggregate of the lending activity of all other HMDA reporters in the Green Bay MSA assessment area, based on the income designation of the census tracts.

Table 7 M&I BANK NORTHEAST GEOGRAPHIC DISTRIBUTION OF HMDA-REPORTABLE LOANS IN THE GREEN BAY MSA ASSESSMENT AREA			
Census Tract Income Designation	Census Tracts in the Assessment Area	M&I Bank Northeast's HMDA Loans	Aggregate HMDA Lending Data (1)

			1998		1999		1998		1999	
	#	%	#	%	#	%	#	%	#	%
Low-income	2	4.0	14	0.6	14	0.9	60	0.4	66	0.6
Moderate-income	10	20.0	312	13.1	247	15.6	2,191	13.4	1,657	16.1
Middle-income	30	60.0	1,505	63.2	996	63.0	10,452	63.8	6,412	62.5
Upper-income	8	16.0	551	23.1	325	20.5	3,680	22.4	2,137	20.8
Totals	50	100.0	2,382	100.0	1,582	100.0	16,383	100.0	10,272	100.0

(1) Includes loans made by all HMDA-reportable lenders in the Green Bay MSA assessment area excluding M&I Bank Northeast.

Table 7 indicates that the percentages of the bank’s 1998 and 1999 HMDA-reportable loans made in low- and moderate-income census tracts in this assessment area are consistent with the lending of the aggregate of all HMDA-reporters in this assessment area in both years. The low number of such loans in the two low-income census tracts is nevertheless consistent with the demographic characteristics of these tracts. First, there are relatively few residential properties in the low-income census tracts, in part since these areas include Green Bay’s central business district, which is commercial and industrial in nature. This is supported by 1990 census data, which shows that 77% of the 1,500 housing units in this area are rentals and only 240 housing units are owner-occupied. Second, the number of residents living in this area and their income characteristics further minimize the opportunities for mortgage lenders to lend in this area. Only 489 families reside in these two census tracts, with 63% of them designated as low-income and 18% designated as moderate-income. In addition, 34% have incomes below the poverty level. Third, the moderate-income census tracts also have demographic characteristics that may inhibit the demand for mortgage loans. For example, 41% of the housing units are rentals, 31% of the families residing in these areas are low-income, 24% of the families are moderate-income, and over 15% have incomes below the poverty level. The bank’s lending activity in the low- and moderate-income census tracts within the assessment area is considered to be generally strong, based on the demographic characteristics of these areas.

Table 8 summarizes the bank's 1998 and 1999 CRA-reportable small business loans in the Green Bay MSA assessment area, as well as comparative aggregate lending data for 1998, based on the income designation of the census tracts.

Table 8 M&I BANK NORTHEAST GEOGRAPHIC DISTRIBUTION OF CRA-REPORTABLE SMALL BUSINESS LOANS IN THE GREEN BAY MSA ASSESSMENT AREA								
Census Tract Income Designation	Census Tracts in the Assessment Area		M&I Bank Northeast’s Small Business Loans				Aggregate Small Business Lending Data For 1998 (1)	
			1998		1999			
	#	%	#	%	#	%	#	%
Low-income	2	4.0	24	4.0	28	5.0	139	5.0

Moderate-income	10	20.0	81	13.3	69	12.2	346	12.4
Middle-income	30	60.0	408	67.2	365	64.7	1,712	61.5
Upper-income	8	16.0	94	15.5	102	18.1	588	21.1
Totals	50	100.0	607	100.0	564	100.0	2,785	100.0
<i>(1) Includes loans made by all CRA-reportable lenders in the Green Bay MSA assessment area, excluding M&I Bank Northeast. Aggregate lending data for 1999 was not available.</i>								

The information in Table 8 reveals that the percentages of the bank’s 1998 and 1999 small business-reportable loans made in low- and moderate-income census tracts in the Green Bay MSA assessment area are generally consistent with the lending of the aggregate of all reporting small business lenders in these census tracts in 1998. A review of additional information revealed that the dollar amount of these loans totaled \$2,998,000 and \$4,848,000 in the low-income census tracts in 1998 and 1999, respectively, and \$7,179,000 and \$11,167,000 in the moderate-income census tracts in 1998 and 1999, respectively. In summary, the bank originated over \$10 million in small business loans in low- and moderate-income tracts in 1998 and increased its lending volume to over \$16 million in 1999. This level of small business lending in low- and moderate-income census tracts is considered strong.

Borrower Characteristics

The bank’s internal analyses of its HMDA- and CRA-reportable lending activity were also used to evaluate the bank’s performance in lending to borrowers of different income levels and to businesses and farms of different revenue sizes in both of its assessment areas. A small business loan is defined in the regulation as a commercial loan with an original amount of \$1 million or less and a small farm loan is an agricultural loan with an original amount of \$500,000 or less. In addition, lending to those small businesses and small farms with gross annual revenues of \$1 million or less is analyzed.

Green Bay MSA Assessment Area

The bank’s 1998 and 1999 HMDA-reportable lending activity, compared to the aggregate of all HMDA reporters in the Green Bay MSA assessment area for each year is summarized in Table 9.

Table 9 M&I BANK NORTHEAST – GREEN BAY MSA ASSESSMENT AREA LENDING TO BORROWERS OF DIFFERENT INCOMES HMDA-REPORTABLE LOANS										
Borrower Income Designation	Families in the Assessment Area (1)		M&I Bank Northeast’s HMDA Loans				Aggregate HMDA Lending Data (2)			
			1998		1999		1998		1999	
	#	%	#	%	#	%	#	%	#	%
Low-income	9,128	17.3	129	5.4	107	6.8	849	5.8	851	8.6
Moderate-income	9,503	18.0	443	18.6	350	22.1	2,729	18.4	2,147	21.8
Middle-income	15,100	28.5	809	33.9	538	34.0	5,472	37.0	3,379	34.3

Upper-income	19,179	36.2	1,003	42.1	588	37.1	5,743	38.8	3,474	35.3
Totals	52,910	100.0	2,384	100.0	1,583	100.0	14,793	100.0	9,851	100.0
<p>(1) 6.8% of the families in the Green Bay MSA assessment area have incomes below the poverty level based on 1990 census data.</p> <p>(2) Aggregate lending includes loans made by all HMDA-reportable lenders in the Green Bay MSA assessment area, excluding M&I Bank Northeast's loans.</p>										

The preceding table indicates that the bank's 1998 and 1999 HMDA-reportable lending as a percentage of total originations, is generally consistent with aggregate lending levels for each year. Low-income families represent over 17% of the population of the assessment area, yet bank lending and that of the aggregate of all reporting lenders has not been consistent with the proportion of low-income families within the assessment area. There are three factors impacting lending levels. First, almost 7% of the population of this assessment area have incomes below the poverty level, which limits their opportunities for home ownership since they often lack the resources for both the down payment and the higher costs of home ownership. Second, those low-income families with incomes above the poverty level often have similar difficulties, although to a lesser extent than those families with incomes below the poverty level, in saving for a down payment and in being able to afford the costs of home ownership. Third, median housing prices in the Green Bay area during 1998 and 1999 have been in the range of \$104,000 to \$114,000. Based on the median family income in the Green Bay MSA in 1998 and 1999 of \$50,900 and \$54,100, respectively, a low-income family earning no more than \$25,000 to \$27,000 would have increased difficulty in being able to afford many homes in this assessment area due to high and increasing home prices. For these reasons, the bank's HMDA-reportable lending to borrowers of different incomes in this assessment area is considered generally strong.

The bank's 1998 and 1999 small business and small farm-reportable lending in the Green Bay MSA assessment area and sorted based on the size of the original loan amount and on the gross annual revenues of the borrower, is summarized in Table 9.

Table 10								
M&I BANK NORTHEAST – GREEN BAY ASSESSMENT AREA								
CRA-REPORTABLE SMALL BUSINESS AND SMALL FARM LOANS								
Original Loan Amount (1)	Small Business Loans				Small Farm Loans			
	1998		1999		1998		1999	
	#	\$	#	\$	#	\$	#	\$
<=\$100,000	420	17,058	339	14,649	183	6,616	183	8,058
> \$100,000-\$250,000	105	17,976	112	18,700	27	3,907	20	3,206
> \$250,000-\$1,000,000 (2)	82	41,370	113	54,267	5	1,659	8	2,679
Totals	607	76,404	564	87,616	215	12,182	211	13,943
Borrower's Gross Annual Revenues								
<=\$1,000,000	476	50,197	456	59,860	210	11,295	207	13,608
> \$1,000,000	131	26,207	108	27,756	5	887	4	335
Totals	607	76,404	564	87,616	215	12,182	211	13,943
(1) A small business loan is defined as a loan with an original amount of \$1 million or less and a small farm loan is defined as a loan with an original amount of \$500,000 or less.								
(2) The maximum size of loans in this category is \$500,000 for small farm loans.								

Table 10 indicates that the bank is meeting the needs of small businesses and small farms through the origination of a significant number and dollar amount of small business and small farm loans. The bank originated almost 1,600 small business and small farm loans for a total of \$190 million for both years combined. In addition, the majority of these loans (60%-69% for small businesses and 85%-87% for small farms, based on the number of loans made) were originated in amounts of \$100,000 or less, amounts for which the smallest businesses and farms have the greatest need. Table 10 also demonstrates that the bank's small business and small farm lending performance is even stronger when the revenue of the borrower is considered. Approximately 78%-80% of the number and 66%-68% of the dollar amount of small business loans are made to businesses with gross annual revenues of \$1 million or less. Bank lending to small farms is even stronger, as evidenced by 98% of the number and 92%-98% of the dollar amount of small farm loans were made to farms with gross annual revenue of \$1 million or less.

The analyses above indicate that the bank's performance in the Green Bay MSA assessment area in lending to borrowers of different income levels and to businesses and farms of different revenue sizes is strong.

Non-MSA Assessment Area

The bank's 1998 and 1999 HMDA-reportable loans in the non-MSA assessment area compared with the aggregate of all 1998 HMDA-reporters in this assessment area, are summarized in Table 11.

Table 11 M&I BANK NORTHEAST – NON-MSA ASSESSMENT AREA LENDING TO BORROWERS OF DIFFERENT INCOMES HMDA-REPORTABLE LOANS								
Borrower Income Designation	Families in the Assessment Area (1)		M&I Bank Northeast’s HMDA Loans				1998 Aggregate HMDA Loans (2)	
	#	%	1998		1999		#	%
			#	%	#	%		
Low-income	1,605	17.3	14	4.4	13	5.9	59	4.9
Moderate-income	1,620	17.4	62	19.3	39	17.6	197	16.5
Middle-income	2,333	25.1	93	29.0	68	30.6	396	33.1
Upper-income	3,733	40.2	152	47.3	102	45.9	544	45.5
Totals	9,291	100.0	321	100.0	222	100.0	1,196	100.0
<i>(1) 7.7% of the families in the Non-MSA assessment area are below the poverty level based on 1990 census data.</i> <i>(2) Aggregate lending includes loans made by all HMDA-reportable lenders in the Non-MSA assessment area, excluding M&I Bank Northeast’s loans. Aggregate lending data for 1999 in this assessment area was not available at this time.</i>								

The data in Table 11 indicates that the bank’s HMDA-reportable lending to low- and moderate-income borrowers in the non-MSA assessment area, as a percentage of the bank’s total HMDA lending, is comparable to or exceeds the lending percentages of all lenders in the aggregate for 1998 in this assessment area. The aggregate of all reporting lenders including the bank, has not made loans to low-income borrowers in proportion to their representation in the assessment area population. The reasons for this are similar to those noted in the discussion of the Green Bay MSA assessment area. Low-income families, especially those with incomes below the poverty level, have a difficult time saving for a down payment and having the resources to afford the higher costs of owning a home. Increasing housing values also make home ownership more difficult for low-income individuals and families. The bank’s lending performance in making HMDA-reportable loans in this assessment area is deemed to be generally strong.

The bank’s 1998 and 1999 small business and small farm-reportable lending in the non-MSA assessment area, sorted based on the size of the original loan amount and on the gross annual revenues of the borrower, is summarized in Table 12.

Table 12 M&I BANK NORTHEAST – NON-MSA ASSESSMENT AREA CRA-REPORTABLE SMALL BUSINESS AND SMALL FARM LOANS								
Original Loan Amount (1)	Small Business Loans				Small Farm Loans			
	1998		1999		1998		1999	
	#	\$	#	\$	#	\$	#	\$
<=\$100,000	46	1,684	42	1,689	167	5,357	141	4,516
> \$100,000-\$250,000	6	1,047	5	838	28	4,127	35	4,936
> \$250,000-\$1,000,000 (2)	5	2,787	1	300	3	1,274	5	2,085
Totals	57	5,518	48	2,827	198	10,758	181	11,537
Borrower's Gross Annual Revenues								
<=\$1,000,000	50	2,979	45	2,287	191	9,202	174	9,704
> \$1,000,000	7	2,539	3	540	7	1,556	7	1,833
Totals	57	5,518	48	2,827	198	10,758	181	11,537
(1) A small business loan is defined as a loan with an original amount of \$1 million or less and a small farm loan is defined as a loan with an original amount of \$500,000 or less.								
(2) The maximum size of loans in this category is \$500,000 for small farm loans.								

Table 12 indicates that the bank has originated 484 small business and small farm loans totaling over \$30.5 million in this assessment area combined in 1998 and 1999. The vast majority of these loans (396 of 484 loans or 81.8%) were in amounts of \$100,000 or less. Furthermore, 95.0% (460 of 484) of these loans were made to those businesses and farms with revenues of \$1 million or less. In addition, a community representative contacted in Kewaunee County stated that the bank is a highly regarded and experienced agricultural lender in the county. These factors represent a strong performance by the bank in providing loans to small businesses and farms and indicate the bank's responsiveness to their borrowing needs.

Innovative or Flexible Lending Practices and Community Development Lending

The bank offers a wide selection of loan products to consumers, small businesses and farms. In addition, a number of other mortgage loan products are available through M&I Mortgage Corp. Originations through this affiliate totaled 1,661 since January 1, 1998. A community representative contacted during the examination indicated that the bank is involved in programs designed to revitalize the downtown area, with On Broadway, Inc. being the most significant of these programs. Included in the HMDA-reportable loans and CRA-reportable small business and small farm loans analyzed in this report are certain loans which merit special mention due to the specific purpose of the particular loan or lending programs.

- The bank participates in certain state and national government assistance programs, which has resulted in the following loan originations since January 1, 1998:
 - **Small Business Administration** – seven loans totaling \$266,200
 - **Federal Housing Administration** – nine loans totaling \$795,000
 - **Federal Veterans Administration** – 37 loans totaling \$3,411,000
 - **State Veterans Administration** – 66 loans totaling \$6,673,000
 - **Wisconsin Housing and Economic Development Authority** – 78 loans totaling \$5,202,000 under its “HOME” program for first-time home buyers and 23 loans totaling \$296,000 under its “CROP” programs for farmers
 - **Petroleum Environmental Cleanup Fund Act** – 15 loans totaling \$780,000
- The bank participates in a number of local housing assistance and loan programs that encourage home ownership by low- and moderate-income individuals and families and/or that target specific low- and moderate-income neighborhoods within Green Bay:
 - The “Neighborhood Home Loan Program” (NHLP), a specific product offered only by M&I Banks, is designed to provide low- and moderate-income households access to home ownership. Its features include a choice of mortgage types (3/1 ARM, 3/3 ARM, 5/1 ARM or a five-year balloon mortgage), combined with low down payment requirements (3%-5%), no private mortgage insurance, and no cash reserve requirements. Qualified households must have income which does not exceed HUD’s (Housing and Urban Development) median income adjusted for family size. The bank has originated 93 loans totaling \$6,525,000 since January 1, 1998 under this program.
 - The Green Bay Bankers Association Loan Program, a partnership with the Mayor’s Neighborhood Resources Board, encourages ownership of 1- and 2-family residences by low- and moderate-income households in targeted neighborhoods in Green Bay. Banks participating in this program offer below-market interest rates on a 5/1 ARM loan with 5% down payment. As little as 2% of the down payment must come from buyer’s funds, and there may be grants or gifts for the balance of the down payment and closing costs. The bank has committed \$1,000,000 to this program for the past several years, although the bank’s annual originations under this program have not reached these annual commitment amounts. The bank provided evidence of one loan for \$74,100 originated in 1998 under this program.
 - The bank extends mortgage loans to low- and moderate-income individuals who are the recipients of down payment and closing cost assistance under programs offered by Neighborhood Housing Services of Green Bay, Inc. (NHS) and the Brown County Housing Authority (BCHA). NHS’ “First Time Home Buyers Program” provides down payment and closing cost assistance of \$2,500 to \$5,000 to households earning 80% or less of the HUD median family income for the area. The assistance is provided in the form of a zero-interest loan

secured by a second mortgage on the subject property, with no monthly payments and repayment in full occurring only when the borrower sells or moves. NHS' "2/1 Program" provides low- and moderate-income first-time home buyers with a grant equal to 2% of the purchase price for the down payment and an interest-free loan equal to 1% of the purchase price for additional down payment and/or closing costs. The loan is repaid at a rate of \$25 per month. The subject properties for both of these NHS programs must be single-family or duplex residences located in certain targeted redevelopment areas in Green Bay and must be occupied as the borrower's principal residence. The BCHA "Down Payment and Closing Cost Assistance Program", which is administered by Integrated Community Services, is very similar to the NHS First Time Home Buyers Program with the primary difference being that the subject property can be located anywhere in Brown County under the BCHA program. The bank provided evidence that it originated four loans totaling \$270,000 under the NHS programs and one loan for \$119,700 under the BCHA program.

- The bank has originated certain other loans that merit additional consideration due to their community development purpose:
 - The bank made a \$60,000 loan in 1999 to the local chapter of a national non-profit organization whose mission is to improve the quality of living for low- and moderate-income families through a variety of initiatives. Loan proceeds were used for the purchase and rehabilitation of a single-family residence in a moderate-income census tract in Green Bay. This loan has an outstanding balance of \$59,600 as of February 15, 2000.
 - The bank originated a \$350,000 loan in 1999 to renovate a commercial building located in a targeted low-income census tract in Green Bay. This lending is a component of the bank's participation in the On Broadway, Inc. program. The entire loan amount remains outstanding as of February 15, 2000.
 - The bank extended a \$105,000 loan in 1998 for building improvements for several adjoining properties in a targeted low-income census tract in Green Bay. This is also part of the On Broadway, Inc. program. The loan balance was \$95,900 as of February 15, 2000.
 - The bank has extended several loans to a Green Bay non-profit organization that provides administrative services for housing and other social services programs under contract with various governmental agencies.
 - 1) A real estate loan with a balance of \$1.88 million as of February 15, 2000 was extended to purchase and remodel a building in a targeted low-income census tract in Green Bay. The building houses the organization's offices, has additional commercial rental space available for tenants, and is located in the On Broadway, Inc. redevelopment area.

- 2) A \$700,000 loan was extended in 1999 to remodel space for new tenants in the building described above and in another building located in another low-income census tract in Green Bay. The balance outstanding as of February 15, 2000 is \$620,000.
- 3) A \$750,000 line of credit, originated in 1997 with annual renewals, is used to meet short-term cash needs of the organization. \$400,000 is outstanding as of February 15, 2000.
- 4) A \$100,000 line of credit is available to this organization to be used to cover overdrafts on its checking account. There is no balance currently outstanding on this line of credit.

CONCLUSION

The bank's overall lending performance is considered to be strong. The bank's loan-to-deposit ratio has grown steadily over the past two years and is now at a high level that is competitive with its peer group. The bank's 84.9% loan-to-deposit ratio at March 31, 2000 and the diversification of its loan portfolio at that date among real estate, consumer, commercial, agricultural, municipal and other loan types reflect management's commitment to meeting the various credit needs of its community. The vast majority of the bank's lending has been originated within its two assessment areas. Bank lending in low- and moderate-income census tracts within its assessment area is generally strong when compared with aggregate lending levels and the limited mortgage lending opportunities that exist in the low-income census tracts. Lending to borrowers of different incomes is generally strong, and lending to businesses and farms of different revenue sizes in both assessment areas is deemed to be very strong. The bank's participation in various loan programs that promote community development by providing low- and moderate-income families the opportunities to become homeowners and by helping to redevelop low- and moderate-income geographies in its combined assessment area is strong in consideration of the opportunities that are available in the community.

INVESTMENT TEST

The bank's investment portfolio, donations, and grants were reviewed to assess its performance under the investment test. Consideration was given to the nature of each investment and its responsiveness to the community development needs and opportunities available within its combined assessment area. Interviews with bank management and with community representatives indicate that community investment opportunities exist in the City of Green Bay due to the presence of low- and moderate-income census tracts; such opportunities are less prevalent in the non-MSA assessment area.

The bank holds a 24.56% partnership interest in Brown County Affordable Housing, LLC, a consortium of four banks and Wisconsin Public Service to provide funding for the development of affordable rental housing for low- and moderate-income individuals and families in Brown County. Equity funds provided by the partners in this venture were combined with mortgage loan proceeds from a separate lender, a subordinated loan from the City of Green Bay, and an equity investment from the

managing general partner and used to acquire and rehabilitate a number of scattered site rental units in properties within Green Bay. An eligible tenant must have income that does not exceed 60% of the county median family income. The bank has an investment in this partnership of \$260,987 at the present time, an increase of \$182,919 since the previous examination.

In January 1999, the bank entered into a \$20,000 participation in a \$100,000 interest-free unsecured one year advance to the Green Bay chapter of a national faith-based organization whose mission is to empower and revitalize low- and moderate-income people in urban and rural areas. These funds are then lent by this organization to eligible individuals for small business and other needs.

The bank has been providing commercial office space in a bank-owned building at no charge for a three-year period (1998-2000) to a community-based non-profit redevelopment group organized to promote the economic revitalization and historic preservation of the Broadway District in a low-income census tract near downtown Green Bay. The economic value of this donated rent approximates \$34,000.

The bank has also made donations to a number of organizations that either promote community development or provide services and other assistance to low- and moderate-income individuals. These grants and donations are summarized in Table 13.

TABLE 13				
M&I BANK NORTHEAST'S QUALIFIED COMMUNITY DEVELOPMENT DONATIONS				
Type of Organization	Amount of Donation			Description
	1998	1999	2000*	
Economic development organization	2,415	2,415		A public-private partnership that encourages economic development through job creation by helping new businesses get started, helping existing businesses to grow, and recruiting businesses to relocate to Green Bay.
Youth services	10,000	10,000	10,000	Reaches out to boys and girls from high-risk socioeconomic backgrounds by providing role models and mentoring programs.
Housing revitalization	2,250	2,250		A nationwide organization that seeks to preserve and revitalize houses and communities to assure that low-income people can live in warmth, safety and independence.
Economic development organization	3,623	3,623		A community-based organization that seeks to preserve and strengthen the economic viability of the downtown area, a low-income area, through a variety of initiatives.
Family services	100			Provides assistance to families in need within this moderate-income neighborhood.
Faith-based community services organization		2,415		An inter-denominational ministry program that provides various services to homeless families, unwed mothers and others in need.
National housing services organization	2,949	2,415		A non-profit partnership of residents, local government and the business community that is dedicated to the revitalization of residential and commercial districts.
Emergency and temporary shelter	1,208	1,208		An emergency and temporary shelter for homeless adult men and women in Green Bay.
Economic development organization	194	3,743		A community-based non-profit redevelopment group organized to promote the economic revitalization and historic preservation of the Broadway District in a low-income census tract.
Faith-based community services organization	15,000			A national faith-based organization with a mission to empower and revitalize low- and moderate-income people in urban and rural areas.

* Through May 31, 2000

In addition to the donations identified above, the bank has contributed over \$20,000 in 1998 and 1999 to the Brown County United Way, which provides financial support to many organizations within the community, including some that specifically serve the needs of low- and moderate-income individuals. A specific allocation of the bank's contributions to these community organizations is not available.

CONCLUSION

The bank's performance under the investment test is considered to be strong. Its financial investment in the Brown County Affordable Housing, LLC is significant and its financial support of other local organizations that serve the needs of low- and moderate-income individuals in the Green Bay MSA assessment area is commendable. Brown County has a significant number of investment opportunities due to the presence of two low-income and 10 moderate-income census tracts; a review of the bank's investment activities and discussions with community representatives indicate that the bank's efforts are consistent with the level of opportunities available in the area.

SERVICE TEST

The distribution of the bank's branches, its record of opening and closing branch offices, alternate delivery systems, and community development service activity were reviewed. The products and services provided by the bank were also evaluated for range, accessibility, innovativeness and responsiveness.

Retail Banking Services

M&I Bank Northeast maintains 15 full-service offices, one limited-service office, and 20 ATMs within its two assessment areas. The bank provides a wide range of deposit and loan products to consumers, businesses, farms and other organizations in its combined assessment area. Additional mortgage loan products are available through the bank's affiliate, M&I Mortgage Corp. All M&I affiliated banks, including M&I Bank Northeast, offer the following products, to help meet the needs of low- and moderate-income individuals and small business and small farm owners:

- The *basic checking* account features a no minimum balance requirement and low monthly fees for low volume check writers.
- The *small business checking* account offers affordable monthly fees for businesses, non-profit organizations and clubs that have low monthly account activity.
- The *small business checking with interest* account is an affordable account that pays interest to sole proprietors and qualified non-profit organizations that have low monthly activity in their accounts.
- The *100% home equity line of credit* allows homeowners to access all of the equity in their residences, which can benefit low-and moderate-income homeowners by giving them access to reasonably priced credit to meet their various financial needs.
- The *M&I turbo mortgage refinance* product allows homeowners to quickly and inexpensively

refinance an existing mortgage loan at competitive rates with no application fees or points.

Distribution of Branches Among Geographies

The bank's branch office locations, hours of operation and ATMs are summarized in Table 14.

TABLE 14				
M&I BANK NORTHEAST'S BANK FACILITIES, ATMS, AND HOURS OF OPERATION				
Branch Name, Address and ATM Location	County Census Tract/BNA Income Designation	Hours of Operation		
		Lobby		Drive-Up
De Pere 802 George Street De Pere, WI 54115 ATM Location: Off-site	Brown 0103.00 Middle-income	M-Th 9:00 am – 5:00 pm Friday 9:00 am – 6:00 pm Saturday 9:00 am – Noon	M-Th 8:30 am – 5:30 pm Friday 8:30 am – 6:00 pm Saturday 9:00 am – Noon	
Denmark 100 Wisconsin Avenue Denmark, WI 54208 ATM Location: On-site	Brown 0206.00 Middle-income	M-Th 9:00 am – 5:00 pm Friday 9:00 am – 7:00 pm	M-Th 8:00 am – 5:00 pm Friday 8:00 am – 7:00 pm Saturday 9:00 am – Noon	
Green Bay Ashwaubenon 2700 Oneida Street Green Bay, WI 54304 ATM Location: On-site – 2 ATMs	Brown 0213.03 Middle-income	M-Th 8:30 am – 5:00 pm Friday 8:30 am – 6:00 pm Saturday 8:30 am – Noon	M-Th 7:00 am – 5:30 pm Friday 7:00 am – 6:00 pm Saturday 8:30 am – Noon	
Green Bay Central 310 West Walnut Green Bay, WI 54303 ATM Location: 1 On-site and 1 off-site (at the Brown County Arena)	Brown 0008.00 Low-income	M-Fri 9:00 am – 5:00 pm	N/A	
Green Bay Copps East (2) 1819 East Main Street Green Bay, WI 54302 ATM Location: On-site	Brown 0020.01 Upper-income	M-Fri 9:00 am – 7:00 pm Saturday 9:00 am – 4:00 pm	N/A	
Green Bay Copps West (2) 1291 Lombardi Access Road Green Bay, WI 54304 ATM Location: On-site	Brown 0213.01 Middle-income	M-Fri 9:00 am – 7:00 pm Saturday 9:00 am – 4:00 pm	N/A	
Green Bay East 2223 East Main Street Green Bay, WI 54302 ATM Location: On-site – 2 ATMs	Brown 0020.02 Middle-income	M-Th 9:00 am – 5:00 pm Friday 9:00 am – 6:00 pm Saturday 9:00 am – Noon	M-Th 7:30 am – 5:30 pm Friday 7:30 am – 6:00 pm Saturday 8:30 am – Noon	
Green Bay Cardinal 945 Cardinal Lane Green Bay, WI 54313 ATM Location: On-site	Brown 0205.01 Middle-income	M-W, Fr 9:00 am – 5:00 pm Thursday 9:00 am – 6:00 pm	M-W, Fr 7:30 am – 5:30 pm Thursday 7:30 am – 6:00 pm Saturday 8:30 am – Noon	
Green Bay Military 201 South Military Avenue Green Bay, WI 54303 ATM Location: On-site – 2 ATMs	Brown 0004.01 Middle-income	M-Th 9:00 am – 5:00 pm Friday 9:00 am – 6:00 pm	M-Th 8:30 am – 5:30 pm Friday 8:30 am – 6:00 pm Saturday 8:30 am – Noon	

TABLE 14 M&I BANK NORTHEAST'S BANK FACILITIES, ATMS, AND HOURS OF OPERATION			
Branch Name, Address and ATM Location	County Census Tract/BNA Income Designation	Hours of Operation	
		Lobby	Drive-Up
Green Bay Packerland 2614 West Mason Street Green Bay, WI 54303 ATM Location: On-site	Brown 0003.01 Middle-income	M-Th 8:30 am – 5:00 pm Friday 8:30 am – 6:00 pm Saturday 8:30 am – Noon	M-Th 7:00 am – 5:30 pm Friday 7:00 am – 7:00 pm Saturday 8:30 am – Noon
Green Bay South Auto Bank (1) 412 Howard Street Green Bay, WI 54303 ATM Location: None	Brown 0008.00 Low-income	N/A	M-Fri 8:30 am – 5:00 pm Saturday 8:30 am – Noon
Wrightstown 101 High Street Wrightstown, WI 54180 ATM Location: On-site	Brown 0214.00 Middle-income	M-Th 8:30 am – 5:00 pm Friday 8:30 am – 6:00 pm	M-Th 8:00 am – 5:00 pm Friday 8:00 am – 6:00 pm
Seymour 205 South Main Street Seymour, WI 54165 ATM Location: Off-site (Coonen Shell)	Outagamie 0131.00 Middle-income	M-W 8:30 am – 4:30 pm Thursday 8:30 am – 6:00 pm Friday 8:30 am – 5:00 pm	M-W, Fr 8:00 am – 5:00 pm Thursday 8:00 am – 6:00 pm Saturday 8:30 am – 11:30 am
Peshtigo 120 North Emery Avenue Peshtigo, WI 54157 ATM Location: 1 On-site and 1 off-site (at The Store)	Marinette 9611.00 Middle-income	M-Fri 8:30 am – 5:00 pm	M-W, Fr 8:00 am – 5:00 pm Thursday 8:00 am – 6:00 pm Saturday 8:30 am – 11:30 am
Casco 123 Main Street Casco, WI 54205 ATM Location: On-site	Kewaunee 9604.00 Middle-income	M-Th 8:30 am – 4:30 pm Friday 8:30 am – 7:00 pm	M-Th 8:00 am – 5:30 pm Friday 8:00 am – 7:00 pm Saturday 9:00 am – Noon
Kewaunee 1334 Ellis Street Kewaunee, WI 54216 ATM Location: On-site	Kewaunee 9605.00 Middle-income	M-Th 8:30 am – 4:00 pm Friday 8:30 am – 6:00 pm Saturday 9:00 am – Noon	M-W 8:30 am – 4:00 pm Thursday 8:30 am – 5:00 pm Friday 8:30 am – 6:00 pm Saturday 9:00 am – Noon
(1) This location is the drive-up facility that supports the Green Bay Central office; it does not accept loan applications.			
(2) These branches are located inside Copps supermarkets.			

Fourteen of the 20 ATMs are full service machines, while the other six provide cash dispensing services. Table 14 indicates that the various branch locations provide reasonable hours of operation for customers to conduct banking activity six days per week. The absence of Saturday lobby hours at the Green Bay Central office is due to its location in a commercial area on the edge of downtown Green Bay; consumer activity on a Saturday is minimal and the nearby Auto Bank facility provides consumers with access to their accounts on Saturdays. None of the Green Bay offices is located in any of the 10 moderate-income census tracts in the area, although the Military, East, and Copps East locations serve residents and businesses located in moderate-income census tracts.

Record of Opening and Closing Offices

The bank has closed two locations since the previous examination. The branch office in Marinette was closed in October 1998, which should not have an adverse effect on the community for several reasons.

First, the bank still maintains an office about five miles away in Peshtigo, where its Marinette customers can continue to bank. Second, the bank's share of total FDIC-insured deposits in the city of Marinette was only 5.6% at June 30, 1998, indicating that the branch closing would affect only a small percentage of individuals who were customers of the bank at that location. Third, the residents of the City of Marinette have access to banking services from four other financial institutions in town; these four institutions together hold 94.4% of the FDIC-insured deposits as of June 30, 1998.

The bank also closed its loan production office in Sturgeon Bay. Residents in Sturgeon Bay have access to loans from four other financial institutions within Sturgeon Bay. There is no impact to residents of the area related to deposit services since the bank's Sturgeon Bay office did not accept deposits. Thus, the bank's closing of this location should have had no detrimental effect on the community.

There have been no branch openings since the previous examination.

Alternative Systems for Delivering Retail Banking Services

The bank is a member of the M&I family of affiliated banks throughout Wisconsin. Bank customers may use any of the over 200 branch offices and over 200 ATM locations to conduct many banking transactions, including making deposits to and withdrawals from deposit accounts, making loan payments, and obtaining cash from an ATM without a fee. Customers may also use "MiLine", a 24-hour automated voice response system, to obtain information about their accounts, including transferring funds between accounts. Another M&I service, "MiDirect", allows customers and non-customers to speak with a bank representative 24 hours a day to inquire about deposit, loan and other products and services; apply for a loan; place stop payments on checks and conduct certain other banking activities. Bank customers with personal computers can use "MiWeb" to access their accounts electronically to conduct the same activities that are available on MiLine, as well as to access a bill payment service and online money management tools.

Community Development Services

The bank has provided community development services and support for a number of organizations within its combined assessment area. Bank officers, employees, and directors volunteer their time and services to these organizations in leadership roles and other capacities. A number of employees participate in "adopt-a-class" programs with two schools located in low- and moderate-income census tracts, by providing assistance to instructors, serving as role-models for at-risk students, organizing and directing programs, and providing other services. A number of employees and officers serve with the Christmas in April organization, with one of the officers serving as a director. Another of the bank's

officers is very involved in serving on committees and providing other services to Neighborhood Housing Services of Green Bay and Habitat for Humanity, and a member of the bank's board of directors sits on the loan committee for a local Certified Development Company (CDC) to help small businesses get started or expand. One bank officer serves as the treasurer for the United Way of Kewaunee County. Another bank officer serves as a director of a housing shelter for the elderly in Kewaunee County, another as a board member of a clinic for low-income families and another as a volunteer for a homeless shelter in Brown County. The former president of the bank served as the president of On Broadway, Inc. Many employees and officers are involved in programs and other activities sponsored by Big Brothers Big Sisters, Boys and Girls Club, and the Salvation Army. Two other bank representatives provide instruction to high school students on basic aspects of personal finance, such as how to handle a checking account, under the Personal Economics Program (PEP) sponsored by the State. Several officers serve as board members, officers or committee members for various economic or business development associations within the bank's combined assessment area. The bank routinely co-sponsors home buying seminars with Neighborhood Housing Services of Green Bay to target low- and moderate-income families who qualify for down payment and closing cost assistance programs.

CONCLUSION

The bank's performance under the service test is considered strong. The bank provides a variety of delivery systems that make its products and services readily accessible to residents of its combined assessment area. The bank offers an array of products and services to consumers, businesses, farms and other entities. The hours of operation for its branch offices are reasonable, and community development services provided are generally strong. The closing of one branch and one loan production office since the previous examination has not had an adverse effect on the residents of the combined assessment area.

GENERAL

The bank is in compliance with the substantive portions of antidiscrimination laws and regulations, including the Equal Credit Opportunity and Fair Housing Acts. A significant portion of consumer loan underwriting has been centralized, which has been reviewed in a recent separate examination of centralized loan underwriting functions. The bank has developed standards, policies and practices in compliance with the regulations and has applied them in a consistent manner. Interviews with community representatives revealed no evidence of prohibited discriminatory lending activity.