

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 Marshall & Ilsley Bank, Milwaukee, Wisconsin**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **November 17, 1997**. The agency evaluates performance in assessment areas, as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION'S RATING: This institution is rated **Outstanding**.

M&I Marshall & Ilsley Bank generally promotes economic revitalization and growth, consistent with its size, financial capacity, location of its facilities and the current economic conditions of its assessment area.

The bank's lending performance is strong based on its loan-to-deposit ratio, a significant portion of its lending activity within its assessment area, and a reasonable distribution of lending within its assessment area and in low- and moderate-income geographies. In addition, a high level of bank lending qualifies as community development lending. The bank offers loan products that are considered innovative and flexible, designed to meet the needs of low- and moderate-income borrowers.

The bank's participation in qualified investments including grants is commendable. A review of the economic conditions of the bank's assessment area and discussions with community representatives revealed that the bank is involved in a large number of the available community development investment opportunities.

Banking services are provided to all segments of the bank's assessment area. These services are provided through its branch locations and also in various alternative delivery systems. Bank officers and staff provide technical assistance and are involved in many community development organizations in its assessment area.

The following table indicates the performance level of **M&I Marshall & Ilsley Bank, Milwaukee, 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.

PERFORMANCE LEVELS	M&I MARSHALL & ILSLEY BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

DESCRIPTION OF M&I MARSHALL & ILSLEY BANK'S ASSESSMENT AREA

The main bank is located in downtown Milwaukee, Wisconsin, with offices in Milwaukee, Waukesha and Ozaukee Counties. The bank has defined its community as the Milwaukee-Waukesha Primary Metropolitan Statistical Area (PMSA) that encompasses all of Milwaukee, Ozaukee, Washington and Waukesha Counties. There are a total of 392 census tracts in the bank's assessment area. Of these, 78 (19.90%) are designated as low-income, 68 (17.35%) are moderate-income, 169 (43.11%) are middle-income and 77 (19.64%) are upper-income. The largest communities within the assessment area include Milwaukee, West Allis, Waukesha, Wauwatosa, Brookfield and New Berlin.

The bank's delineated community has a population of 1,432,149, according to 1990 census data. The median family income for the assessment area is \$39,005, which compares to \$35,082 for the State of Wisconsin. Low- and moderate-income families represent 19.5% and 17.7%, respectively, of all families in the assessment area. 1990 census data also indicates that 12.8% of the population of the assessment area reside in low-income census tracts and an additional 13.6% reside in moderate-income census tracts.

The assessment area includes 562,031 housing units, of which 56.9% are owner-occupied, 38.8% are rental units and 4.3 % are vacant. One-to-four family residences represent 78.4% of the housing units in the assessment area. Housing units in low- and moderate-income census tracts comprise 11.71% and 14.56%, respectively, of all housing units within the assessment area. The assessment area median housing value is \$76,108; the median housing values vary based on the census tract income levels. The median value is \$31,665 in low-income tracts, \$43,455 in moderate-income tracts, \$68,922 in middle-income and \$106,615 in upper-income tracts.

The Milwaukee-Waukesha PMSA had an unemployment rate of 3.5% for September, 1997, compared to the State of Wisconsin unemployment rate of 3.1% and the national unemployment rate of 4.7%, according to the Wisconsin Department of Workforce Development. The 3.5% September, 1997, unemployment rate for the Milwaukee-Waukesha PMSA consists of two components: the unemployment rate was 5.4% within the City of Milwaukee, the rate for the remainder of the PMSA was 2.4%.

The assessment area has diverse employment opportunities, from large international companies to small businesses. The services sector of the local economy is the largest, followed by manufacturing and retail trade sectors. The Milwaukee area leads the nation in the production of precision manufacturing (such as the production of industrial controls, x-ray equipment and mining machinery) and in printing and publishing. The area is well-served by interstate highways, providing the labor force with mobility in obtaining employment throughout the area. The following chart illustrates some of the larger employers in the assessment area:

COMPANY	NUMBER OF EMPLOYEES	CITY/COUNTY	PRODUCT/SERVICE
A.O. Smith Automotive Products Co.	2,500	Milwaukee/Milwaukee	Manufactures car frames
Allen-Bradley Co., Inc.	3,500	Milwaukee/Milwaukee	Aircraft and nave instrumentation, computer processors and tele-communications products
Briggs and Stratton	3,650	Wauwatosa & West Allis/Milwaukee	Air-cooled gas engines and ferrous castings
Delco Electronics Corp.	1,200	Oak Creek/Milwaukee	Automotive electronic control modules
Delphi Automotive Systems	1,100	Oak Creek/Milwaukee	Catalytic Converters
The Falk Corp., division of Sundstrand Corp.	1,400	Milwaukee/Milwaukee	Mechanical and hydrostatic components
Master Lock Co.	1,500	Milwaukee/Milwaukee	Padlocks, door locks and security items
Leeson Electronics Corp.	900	Port Washington/Ozaukee	Electric motors
Serigraph, Inc.	1,085	West Bend/Washington	Commercial offset and screen printing
The West Bend Co.	1,500	West Bend/Washington	Electrical appliances and stainless steel cookware
GE Medical Systems	2,650	New Berlin and Waukesha/Waukesha	Medical equipment
Quad Graphics, Inc.	2,853	Pewaukee & Sussex/Waukesha	Commercial Printing
Briggs and Stratton Corp.	750	Menomonee Falls/Waukesha	Lawn and garden equipment; and engine equipment
Custom Products Corp.	700	Menomonee Falls/Waukesha	Precision and production equipment

DESCRIPTION OF INSTITUTION

M&I Marshall & Ilsley Bank, with \$5,604,604,000 in total assets as of September 30, 1997, is a subsidiary of Marshall & Ilsley Corporation, Milwaukee, Wisconsin, a multi-bank holding company. The bank has a total of 43 locations; 35 offices are located in Milwaukee

County, 6 are in Waukesha County and 2 are in Ozaukee County. Twenty-three branches have automated teller machines (ATMs) and 26 offer drive-through teller services. The bank also maintains a number of off-site ATMs within the assessment area. Consumers may apply for consumer credit products at 35 of the bank's branches. Three branches are located in low-income census tracts and eight branches are located in moderate-income census tracts.

Competition within the bank's assessment area is extensive and is derived from very large institutions as well as from a number of smaller local banks, thrifts, credit unions and mortgage companies. The largest institutions competing with the bank in this market include Firststar Bank Milwaukee, N.A.; Bank One, Wisconsin; Norwest Bank Wisconsin, N.A.; Mutual Savings Bank; Associated Bank Milwaukee, and Guaranty Bank, S.S.B. ; all are located in Milwaukee, Wisconsin.

Consumer loan products offered by the bank include installment, single-payment and student loans, as well as home equity and personal lines of credit. Consumer real estate loans include fixed-rate mortgages, adjustable rate mortgages (ARM) and variable-rate construction loans. Non-consumer loan products include commercial and industrial secured and unsecured loans, lines of credit, construction loans, business leases, farm credit products and commercial mortgages. The bank also participates in loan programs through the Small Business Administration (SBA) and the Wisconsin Housing and Economic Development Authority (WHEDA) programs. There are no factors relative to the bank's financial condition, size, or local economic conditions which would prevent the bank from meeting the community's credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank's 1996 and year-to-date 1997 (through June 30, 1997) small business and small farm lending and 1995, 1996 and year-to-date 1997 HMDA-reportable lending were reviewed to evaluate the bank's overall lending volume, geographic distribution of loans, distribution of lending by borrower income characteristics, community development lending and the use of innovative and flexible lending practices. M&I Mortgage Corp. (M&IMC) HMDA-reportable activity was included in the review of the bank's lending performance, as bank employees act as agents of the affiliate, in providing long-term mortgage loans.

Lending Volume

A review of the bank's September 30, 1997, Consolidated Report of Condition revealed a net loan-to-deposit ratio of 95.2%. The distribution, by loan type, is as follows:

LOAN TYPE	DOLLAR AMOUNT OUTSTANDING (000's)	PERCENT OF TOTAL LOANS
REAL ESTATE		
Construction	103,304	3.42
Residential (1-4)	466,530	15.43
Commercial	345,359	11.42
Multi-family	13,384	0.44
Farmland	5,921	0.20
CONSUMER		
Open-end Credit	47,511	1.57
All Other	370,113	12.24
COMMERCIAL AND INDUSTRIAL	1,258,070	41.61
AGRICULTURAL	4,083	0.14
DEPOSITORY INSTITUTIONS	6,866	0.23
STATE AND POLITICAL OBLIGATIONS	2,636	0.09
LEASES	128,452	4.25
OTHER	271,283	8.96

A review of the loan portfolio reveals the bank is primarily a commercial and industrial lender; commercial loans comprise 53.03% of the portfolio, followed by 1-4 family residential real estate and consumer lending which comprise 15.43% and 13.81%, respectively, of the bank's loan portfolio.

The bank's performance compared to peer is illustrated in the following chart, according to the September 30, 1997, Uniform Bank Performance Report (UBPR):

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS		
Construction/Development	3.50	2.88
1 - 4 Family Residential	15.69	22.89
Home Equity	2.83	2.57
Other Real Estate	12.34	13.8
Farmland	0.22	0.24
Multi-family	0.48	1.06
Commercial	11.65	11.85
TOTAL REAL ESTATE LOANS	31.53	43.97
LOANS TO INDIVIDUALS	14.64	19.12
CREDIT CARD LOANS	1.70	2.38
COMMERCIAL AND INDUSTRIAL LOANS	42.62	19.84
AGRICULTURAL LOANS	0.09	0.24
MUNICIPAL LOANS	0.09	0.48
OTHER LOANS*	7.71	1.53
*Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

The composition of the bank's loan portfolio is generally consistent with the lending portfolio of its peer banks, as the chart illustrates; the composition of the bank's loan portfolio also reflects the bank's strengths as a commercial lender and its sales of mortgage loans on the secondary market through the affiliated M&IMC.

The bank's net loan-to-deposit ratio of 82.73% is consistent with its peer level of 90.37%. The bank's average loan-to-deposit ratio for the last seven quarters is 88.09%, in comparison. The loan-to-deposit ratio is indicative of the loan demand in the community, according to bank management.

Seven-quarter loan to deposit ratios for the bank and selected local competitors are illustrated in the following chart:

SEVEN QUARTER AVERAGE LOAN TO DEPOSIT RATIOS FOR M&I MARSHALL & ILSLEY BANK AND ITS COMPETITORS		
Institution/Address	Asset Size (000's)	Loan to Deposit Ratio %
M&I Marshall & Ilsley Bank	5,605	88.09
Bank One, Wisconsin	8,894	119.54
Firststar Bank Milwaukee, N.A.	7,773	87.14
Mutual Savings Bank	1,800	82.93
Norwest Bank Wisconsin, N.A.	1,728	52.35
Associated Bank Milwaukee	753	85.83
Guaranty Bank, S.S.B.	484	113.65

The bank's referrals to the affiliated M&IMC are not reflected in its loan portfolio and thus are not considered in the calculation of the bank's average loan-to-deposit ratio. Mortgage loan referrals to M&IMC totaled \$87,007,000 for the period of January 1, 1996, to June 30, 1997.

Lending in Assessment Area

The bank's analysis of 1996 small business and small farm originations, and the analysis of 1995, 1996 and year-to-date 1997 HMDA-reportable mortgage loans were reviewed to evaluate the bank's lending within its assessment area. There were 1,739 small business and small farm loan originations in 1996. There were 2,416, 2,411, and 869 originations, respectively, for 1995, 1996, and year-to-date 1997 HMDA-reportable lending. The following chart illustrates the bank's small business, small farm and mortgage lending:

BUSINESS LOANS AND HMDA-REPORTABLE LOANS IN THE ASSESSMENT AREA NUMBER AND PERCENTAGE OF ORIGINATIONS						
Loan Type	1995		1996		1997*	
	#	%	#	%	#	%
Business	N/A	N/A	1,612	92.7	N/A	N/A
Mortgages	1,940	80.0	2,172	90.0	788	91.0
Total	1,940	80.0	3,784	91.1	788	91.0

*First six months

The bank's lending within its assessment area has grown to include a substantial majority of small business, small farm and HMDA-reportable lending in 1996 and year-to-date 1997.

Geographic Distribution

The bank's assessment area contains 392 census tracts, of which 78 and 68, are low- and moderate-income census tracts, respectively. In addition, there are 169 and 77 middle- and upper-income census tracts, respectively, within the assessment area.

Small Business/Farm Lending

The bank has 1996 small business or small farm lending activity in 277 (70.7%) of 392 census tracts. The following chart illustrates the bank's small business and small farm lending, by the income level of census tracts:

1996 SMALL BUSINESS/SMALL FARM LENDING ORIGINATIONS BY CENSUS TRACT INCOME LEVEL			
Census Tract Income Level	Number	% of Total	Amount (\$000's)
Low- (< 50%)	109	6.79	18,685
Moderate- (50%-80%)	184	11.44	22,891
Middle- (80%-120%)	751	46.70	112,753
Upper- (> 120%)	564	35.07	82,498
Total*	1,608	100.00	236,827

*Does not include four loans and two census tracts where no income information was available.

Further analysis reveals that there is lending activity in 36 of 78 (46.2%) low-income, 45 of 68 (66.2%) moderate-income, 127 of 169 (75.2%) middle-income and 69 of 77 (70.15%) upper-income census tracts. The bank's lending exceeds 1996 small business aggregate lending levels; 5.50% of the aggregate number of small business loans were made in low-income census tracts and 6.84% were in moderate-income tracts.

Mortgage Lending

A review of the combined bank and M&IMC 1996 and year-to-date 1997 HMDA-reportable lending data, revealed lending activity in 324 (82.7%) and 242 (61.73%) of 392 census tracts, respectively. The following chart illustrates the HMDA-reportable lending by the census tract income level:

ORIGINATIONS FOR M&I MARSHALL & ILSLEY BANK AND M&IMC IN THE ASSESSMENT AREA BY CENSUS TRACT INCOME LEVEL						
Census Tract Income Level	1996			1997(thru 6/30 97)		
	# of origination s*	% of total +	\$ Amount (\$000's)	# of origination s*	% of total +	\$ Amount (\$000's)
Low-(< 50%)	69	3.18	1,966	37	4.69	713
Moderate-(50%-80%)	174	8.02	5,340	60	7.61	2,295
Middle-(80%-120%)	951	43.85	55,747	355	45.99	29,244
Upper- (> 120%)	975	44.95	115,654	337	42.71	53,803
Total	2,169	100.00	178,707	789	100.00	86,035

*Does not include loans or census tracts where income information was unavailable.

+ Percentage is based on the numbers of loans in different income classifications of census tracts.

Further analysis of 1996 mortgage lending reveals that there is penetration in 31 of 78 (39.7%) low-income, 55 of 68 (80.9%) moderate-income, 161 of 169 (95.3%) middle-income and 77 of 77 (100.00%) upper-income census tracts. An analysis of year-to-date 1997 mortgage lending activity reveals that there is lending activity in 19 of 78 (24.36%) low-income, 27 of 68 (39.7%) moderate-income, 126 of 169 (74.5%), and 70 of 77 (90.9%) upper-income census tracts.

The bank's lending in low- and moderate-income census tracts is consistent with 1996 aggregate mortgage lending levels; 3.48% and 8.81% of the total number of mortgage loans, respectively, were made in low- and moderate-income tracts.

Two factors significantly impact mortgage lending levels within low- and moderate-income tracts. First, the owner-occupancy rates of low- and moderate-income census tracts are 4.7% and 10.2%, respectively, of the total number of owner-occupied housing units in the assessment area. This limits the opportunities for the bank to originate loans in low- and moderate-income census tracts. In addition, discussions with management concluded that lack of penetration in certain tracts are in areas served by other affiliates of Marshall & Ilsley Corporation. The assessment areas of several of the affiliates overlap, and certain census tracts with limited or no activity are in proximity to branches of other affiliates. Overall, the bank's record of originations and lending in low- and moderate-income census tracts is deemed reasonable.

Borrower Characteristics

The bank's analysis of 1996 small business and small farm lending, and 1995, 1996 and year-to-date 1997 HMDA-reportable lending was reviewed to assess the bank's lending to businesses of different revenue sizes and borrowers of different income levels.

The bank's analysis of 1996 small business and small farm originations indicates that there were 1,612 small business loan originations in the assessment area; of these, 1,001 (62.1%) were to small businesses with annual revenues less than \$1 million. These originations also represent 32.9% (\$77,325,00 of \$235,077,000) of the total dollar amount of originations. The bank's lending exceeds the 1996 aggregate small business origination lending data; this data indicates that 52.24% of the total number of small business loans were made to small businesses with revenues of less than \$1 million.

The following chart illustrates the bank's HMDA-reportable lending to borrowers of different income levels:

HMDA-REPORTABLE ORIGINATIONS FOR M&I MARSHALL & ILSLEY BANK AND M&IMC IN ASSESSMENT AREA								
Applicant Income	1995		1996		1997*		Total	
	#	%	#	%	#	%	#	%
Low- (< 50%)	138	7.0	114	5.0	47	6.0	299	6.0
Moderate- (50%-80%)	296	15.0	267	12.0	142	18.0	705	14.0
Middle- (80%-120%)	524	27.0	495	23.0	208	26.0	1,227	25.0
Upper- (> 120%)	982	51.0	1,296	60.0	390	50.0	2,668	55.0
Total	1,940	100.0	2,172	100.0	787	100.0	4,899	100.0

*Lending activities through 6/30/97

Bank mortgage lending to low- or moderate-income individuals represents 6.0% and 14.0% of total HMDA-reportable lending, respectively, as the preceding chart illustrates. This activity is generally consistent with the percentage of low- and moderate-income families in the assessment area of 19.5%, based upon 1990 census data. Bank lending is also consistent with 1996 aggregate mortgage lending data; 6.15% and 16.37%, respectively, of all purchase, refinancing and home improvement loans were made to low- and moderate-income borrowers.

Community Development Lending

The bank actively participates in community development lending. There have been a significant number of opportunities for the bank to participate in qualified community development loans, based upon discussions with bank management and interviews conducted with community representatives. The number of these opportunities has decreased due to difficulties encountered by a number of non-profit housing developers.

The following chart details a portion M&I Marshall & Ilsley Bank's community development lending since the previous examination:

M&I MARSHALL & ILSLEY BANK COMMUNITY DEVELOPMENT LOANS		
Program/ Organization	Loan Amount	Community Development Purpose
Housing Partnership Corporation	\$263,083	Loan participation in a consortium consisting of 17 local lending institutions, Wisconsin Electric Power Company (WEPCO) and the City of Milwaukee, providing acquisition and rehabilitation financing for residential and multi-family properties located in the City of Milwaukee. The loan fund is managed by the Wisconsin Partnership for Housing Development, Inc. (WPFHD), a not-for-profit organization based in Madison.
North Milwaukee State Bank	\$793,500	Three loan participations. One for \$189,000 for capital improvements for Neighborhood House, a housing organization. The second for \$100,000, Holy Redeemer Church for Capital improvements. The third for \$504,500 for HR Housing, a subsidiary of Holy Redeemer Church; the loan proceeds are to be used for bridge financing for equity investors purchasing low-income tax credit investments.
Wells Street Associates III	\$40,131	Loan for working capital to a non-profit, community-based housing development organization, assisting in the revitalization of deteriorated neighborhoods in the City of Milwaukee and engaging in the development and management of low- and moderate-income housing.
The Village Church Adult Day Care Center, Inc.	\$49,000	Loan for working capital to a not-for-profit organization, providing community-based programs designed to meet the needs of functionally impaired older adults.
Trans Center for Youth, Inc.	\$25,000	Loan for working capital to a non-profit organization, addressing the current and emerging needs of urban youths by operating Trans Center Group Foster Home, a halfway-house for boys leaving higher risk institutions, and Shalom High School, which works with drop-

M&I MARSHALL & ILSLEY BANK COMMUNITY DEVELOPMENT LOANS		
Program/ Organization	Loan Amount	Community Development Purpose
		outs from the Milwaukee Public School system.
Milwaukee Indian Health Board, Inc.	\$350,000	Loan for improvements and expansion of current facilities to a non-profit corporation operating as Rainbow Community Health Centers, providing primary medical care, comprehensive dental care, psychological, alcohol and drug counseling, prenatal care, and anonymous HIV testing and counseling for any low-income members of the community.
Hmong/American Friendship Association, Inc.	\$15,000	Loan for working capital to a not-for-profit organization that provides resettlement and job placement assistance to Laotian, Hmong and other refugees in order to help them provide for their own needs while preserving the cultural aspects of their lives.
Guest House of Milwaukee, Inc.	\$20,000	Loan for working capital to a non-profit agency, with a primary mission of providing temporary, nighttime emergency shelter for homeless men and women, as well as meeting their basic needs of food, clean clothing, showers, and medical attention. They offer social services aimed at helping homeless people make a successful transition to self-sufficiency.
Southside Milwaukee Emergency Shelter, Inc.	\$75,000	Loan for constructing an addition to the existing commercial space of a non-profit corporation, established as a church-based shelter for homeless people on the south side of Milwaukee. The shelter provides dormitory-style housing for men, women and families. In addition, the shelter also runs 24-hour day care, a health clinic, a clothing and furniture bank, and provides three meals daily for the family residents. Criteria for use of the facility focus on a housing crisis, and each individual or family must demonstrate progress towards establishing a source of income, with the ultimate goal of obtaining housing for themselves.
United Migrant Opportunity Services, Inc. (UMOS)	\$68,000	Loan for purchasing a commercial building for expansion of a non-profit corporation, providing services to migrant and seasonal farm workers and other at-risk or under-served targeted populations throughout the state of Wisconsin. UMOS operates twelve permanent offices throughout the state, as well as a number of seasonal Head Start and day care centers.
Westside Conservation Corporation	\$85,000	Loan for the purchase and rehabilitation of an apartment complex whose tenants are enrolled in a YWCA welfare-to-work program for single women with families.
The Youth	\$50,000	Loan for working capital to a not-for-profit organization that has

M&I MARSHALL & ILSLEY BANK COMMUNITY DEVELOPMENT LOANS		
Program/ Organization	Loan Amount	Community Development Purpose
Leadership Academy, Inc.		developed a leadership program for African-American boys in grades 3-8, primarily low- and moderate-income individuals, with the goal of helping the boys develop the leadership characteristics that enhance their ability to develop self-esteem and a positive attitude.
Community Housing and Preservation Corporation (CHPC)	\$700,000	Loan for purchasing, rehabilitating, and selling residences to low-income families. A not-for-profit organization formed by the City of Milwaukee to promote community development in the city, CHPC uses grant funds from the Community Development Block Grant (CDBG) funding to finance projects providing low-cost housing for low- and moderate-income families.
Esperanza Unida, Inc.	\$75,000	Loan for working capital. Established primarily to assist the unemployed in the local Hispanic community. EUI has established a number of programs that sell products or services to the public, and at the same time, teach marketable job skills to enrollees, including auto mechanics, auto body repair, auto parts sales, used car sales, day care and welding. They also have a housing rehabilitation program; units are purchased, rehabilitated and then sold.
Day Care Services for Children, Inc.	\$98,000	Loan for working capital. A not-for-profit organization providing day care services for children of low-income families.
ESHAC, Inc. (formerly East Side Housing Action Council)	\$30,000	Loan to provide working capital for ESHAC's Neighborhood Improvement Program (NIP). A not-for-profit corporation, serving the needs of the Riverwest and near northeast side of Milwaukee. Services provided by the organization include housing rehabilitation, low-income housing, housing counseling and referrals. The organization also promotes neighborhood watch groups and other block clubs.
Community Housing Initiative, Inc.	\$50,000	Loan participation in the Waukesha County Lenders Consortium. A non-profit corporation, promoting the development and maintenance of affordable housing for low- and moderate-income families in Waukesha County.
South Community Organization, Inc.	\$171,397	Loan to purchase four residential properties in low-income areas to be rented to low- and moderate-income individuals with the option to purchase. The primary source of funding for the non-profit organization is CDBG funding.
Merrill Park Neighborhood Association, Inc.	\$7,500	Loan for working capital to a non-profit organization providing anti-drug and community development programs. Funding is obtained through government grants.

M&I MARSHALL & ILSLEY BANK COMMUNITY DEVELOPMENT LOANS		
Program/ Organization	Loan Amount	Community Development Purpose
Children's Outing Association	\$150,000	Loan for working capital to a non-profit organization providing camping, youth employment, child care and neighborhood services to inner-city youths.
Highland Community School, Inc.	\$15,000 \$52,000	Loan for working capital and to purchase additional real estate for expansion to a private school providing Montessori education for economically and culturally diverse children.
Journey House, Inc.	\$25,000	Loan for working capital to a not-for-profit community-based organization providing social services aimed at increasing individual skills in three main areas: recreation, education, and community organizing. The target areas for services are Walker's Point and Clarke Square neighborhoods.
South Side Guadalupe Dental Clinic, Inc.	\$12,500	Loan for working capital to a dental clinic providing services to Medicaid patients. Primary funding is generated from non-profit and government grants.
United Methodist Children's Service of Wisconsin, Inc.	\$40,000	Loan for working capital to a non-profit agency serving the physical, emotional and developmental needs of children and their families residing in the state. Programs are focused at teenage parents and their children and single parent families.
Walker's Point Development Corporation	\$225,000	Loan for working capital to a non-profit community development organization promoting redevelopment and maintenance of housing of low- and moderate-income areas of Milwaukee.
Milwaukee Housing Assistance Corporation	\$50,000 \$150,000	Loans for working capital and construction and rehabilitation of residential properties in low- and moderate-income areas in Milwaukee.
Berland and Heffernan, Inc.	\$35,000	Loan to purchase and rehabilitate a residence in a moderate-income neighborhood for resale.
BDL Partnership (A Wisconsin General Partnership)	\$1,350,000	Loan to construct a 50,000 square foot commercial building in Calumet Woods Business Park in the City of Milwaukee.
R.S. Properties, LLC	\$166,000	Loan for purchasing and rehabilitating real estate used as a home for developmentally disabled adults. R.S. Properties, LLC holds real estate leased to Community Connection, LLC, an operator of community-based residential facilities. Community Connection specializes in operating small facilities of 8 beds or less used to house individuals with developmental disabilities and mental illnesses.

M&I MARSHALL & ILSLEY BANK COMMUNITY DEVELOPMENT LOANS		
Program/ Organization	Loan Amount	Community Development Purpose
Roberson Family Day Care, Inc.	\$15,000	Loan for leasehold improvements on a new facility providing day care services for low-income families.
Neighborhood Housing Services	\$125,000	Loan to promote affordable housing in low- and moderate-income areas.
Lincoln Neighborhood Redevelopment Corporation	\$150,000	Loan to promote affordable housing in low- and moderate-income areas.
YMCA of Metropolitan Milwaukee, Inc.	\$2,000,000 \$441,000	Loans for working capital and purchasing real estate. The working capital line will be repaid with proceeds from a fund drive. The real estate, consisting of three houses for Youth Village Milwaukee, will house seventh and eighth grade boys and girls attending Urban Day School. The project is aimed at youth intervention and providing alternative educational and job training skills to at-risk youths.

M&I Marshall & Ilsley Bank merged with Security Bank, S.S.B. in October, 1997. The following chart details a portion of the community development lending of Security Bank, S.S.B. within the assessment area:

Program/ Organization	Loan Amount	Community Development Purpose
Housing Partnership Corporation	\$10,000,000	Loan participation in a consortium consisting of 17 local lending institutions, Wisconsin Electric Power Company (WEPCO) and the City of Milwaukee, providing acquisition and rehabilitation financing for residential and multi-family properties located in the City of Milwaukee. The loan fund is managed by the Wisconsin Partnership for Housing Development, Inc. (WPFHD), a not-for-profit organization based in Madison.
Neighborhood Housing Services (NHS)	\$110,000	Loan to promote affordable housing in low- and moderate-income areas.
Waukesha Lenders Consortium	\$50,000	Loan participation in the Waukesha County Lenders Consortium. A non-profit corporation, promoting the development and maintenance of affordable housing for low- and moderate-income

Program/ Organization	Loan Amount	Community Development Purpose
		families in Waukesha County.

In addition to the above loans, Security Bank, S.S.B. records indicate participation in community based lending initiatives by originating 1,139 loans totaling \$58,830,601.

The bank provides innovative products and has flexible lending standards designed to assist and meet the credit needs of low- and moderate-income individuals and families. The bank participates in the M&I Neighborhood Home Loan Program (NHLP). This program allows applicants to access several types of loans, including long-term fixed rate, adjustable rate, and balloon mortgages. These mortgages have a maximum loan-to-value of 97%, and are available for single and multi-family residences. The bank also participates in the HOME program sponsored by the Wisconsin Housing and Economic Development Authority (WHEDA). This program provides mortgage loans for low- and moderate-income individuals and families. The following chart illustrates the bank's involvement in both programs in 1996 and year-to-date 1997:

M&I MARSHALL & ILSLEY BANK PARTICIPATION IN NHLP AND WHEDA LOAN PROGRAMS				
Program	1996		Year-to-date 1997	
	Originations	\$ Amount	Originations	\$ Amount
NHLP	14	554,000	9	388,000
WHEDA	96	4,665,000	35	1,784,000
Total	110	5,219,000	44	2,172,000

In addition, the bank has two home equity line of credit (HELC) products targeted to low- and moderate-income individuals. The first product is a 100% loan-to-value HELC. This HELC allows borrowers to access this line at the time of a home purchase closing for minor repairs associated with purchasing a home, to obtain additional money for closing costs or to increase the down payment. The second product is similar to a conventional HELC. A feature has been added that allows a consumer to convert all or a portion of the line to a fixed rate installment loan for up to a term of five years. This option is unique in that it can be exercised multiple times on a single line of credit.

CONCLUSION

The bank's overall lending performance is considered *outstanding*. The following factors were considered in determining the bank's performance rating. The bank's loan-to-deposit ratio is considered adequate; its loan-to-deposit ratio is higher than that of a number of its local competitors. A large majority of the bank's lending activity is within its assessment area. The geographic distribution of lending within the assessment area and lending to businesses of different sizes and borrowers of different income levels is reasonable, given the demographic characteristics of the area. The bank's community development lending is considered exceptional, based upon the total number and dollar amount of lending. Discussions with community representatives substantiate this fact by stating that the bank meets the credit needs of the communities they serve, and that the bank is involved strategically in a significant number of community development initiatives. Finally, the bank participates in loan programs that are innovative and responsive to the assessment area's credit needs.

INVESTMENT TEST

The bank's investment portfolio, including grants and donations that contribute to local community development efforts were reviewed. Investments were also reviewed for innovativeness and responsiveness to the community development needs within the bank's assessment area. Interviews with bank management and community representatives revealed

that there are a number of opportunities for the bank to participate in qualified investments within the assessment area. However, a significant number of community development programs and organizations in the assessment area have undergone significant changes due to number of financial and managerial difficulties.

Degree to Which Investments Are Not Provided by Private Investors

The bank provides a high level of investment including deposits, tax credits, grants and donations, which support the community organizations in the bank's assessment area. The bank has made a number of grants totaling \$82,250 in 1996 and \$93,750 in 1997. The grants are made through the M&I Foundation to support projects that benefit low- and moderate income households or target significant population segments such as the disabled, women and racial minorities. The Foundation considers projects involving housing and neighborhood development activities, economic and small business development, community facilities improvements and community-based education. The following chart illustrates the organizations benefiting from the grants and the dollar amount of each grant:

M&I FOUNDATION GRANTS			
Organization	Type	\$ Amount (1996)	\$ Amount (1997)
Milwaukee Neighborhood Housing Services (NHS)	Housing in low- and moderate-income areas	15,000	15,000
Esperanza Unida	Economic development in low-and moderate-income areas	10,000	10,000
Hope House	Housing for low- and moderate-income individuals	10,000	0
Cross Lutheran Church	Economic development and housing for low- and moderate-income individuals and in low- and moderate-income tracts	8,500	8,500
Local Initiatives Support Corporation (LISC)	Community development in low and moderate areas.	25,000	25,000
Womens Business (WBIC)	Small business and community development	10,000	0
Habitat for Humanity	Housing for low- and moderate-income individuals and in low- and moderate-income tracts	0	5,250
Neighborhood Renewal Foundation - Walnut Street Initiative	Housing for low- and moderate-income tracts	0	5,000

M&I FOUNDATION GRANTS			
Organization	Type	\$ Amount (1996)	\$ Amount (1997)
Greater Milwaukee Committee (GMC-Job)	Economic development in assisting job placement for low- and moderate-income individuals.	0	5,000
Nativity Jesuit School	Special school designed for Latino boys in low- and moderate-income areas.	0	5,000
Council for Spanish Speak	Community and economic development and housing in low- and moderate-income areas.	0	5,000
GMC-Health Clinic	Medical services for low- and moderate-income individuals	0	10,000

The bank has also made donations through New Opportunities For Home Ownership In Milwaukee (NOHIM); NOHIM is a collaboration of local lenders and local community-based home buyer counseling agencies. Its mission is to increase home ownership for low- and moderate-income families. The bank has paid fees for counseling agencies totaling \$10,500 in 1996 and \$20,650 in 1997.

The bank has also made a \$100,000 investment in a certificate of deposit at Columbia Savings and Loan, a minority-owned financial institution located in a low-income census tract. This certificate matured on January 1, 1998, and was renewed by the bank.

Responsiveness to Available Opportunities

The bank's current level of qualified investments reflects the available opportunities within the assessment area. Discussion with bank management and community representatives, and a review of the bank's overall lending performance indicate that the bank is responsive to the community development needs of the community.

The following table illustrates M&I Marshall & Ilsley Bank's investments made through 1997:

M&I MARSHALL & ILSLEY BANK'S INVESTMENT ACTIVITY		
Organization	Original Investment (\$)	Remaining Investment (\$)
Housing Equity Fund (HEF)	600,000	224,569
Assisi Homes Limited Partnership II	369,017	0
Milwaukee Housing Assistance Corp. - 2912	300,000	0

N/k/a Community Development Corporation of Wisconsin		
Walker's Point - Schaeffer Block Building*	71,000	0
Total Equity Investments	1,340,017	224,569
* Walker's Point is considered a historic tax credit to rehabilitate commercial property in addition to creating rental units in low- and moderate-income areas. (Not Section 42 Housing)		

Additional investments to be included in a review of the bank's investment activity are those investments made by Security Bank, S.S.B., which merged with M&I Marshall & Ilsley Bank in October 1997. Those investments consist of \$5,525,000 to the Housing Equity Fund and \$1,811,021 to Kenosha Seniors Limited Partnership- Glenwood Crossings (outside of the bank's assessment area).

The total investments made in 1996 and year-to-date 1997 is \$8,676,038, including the investments acquired through the Security Bank, S.S.B. merger. All investments made in the above-mentioned organizations are considered low-income housing tax credit projects.

These investment activities are considered complex and innovative investments due to the nature of tax credit financing. Investments in tax credit projects involve a long-term investment and continuous monitoring of the projects to ensure that the renters still meet the income requirements. The bank will forfeit any tax credits received, if during the investment period, the project fails to maintain the requirements stated in the agreement.

CONCLUSION

The bank's performance under the investment test is considered *outstanding*. The bank makes significant use of complex and innovative investments to support community development initiatives. The bank has a high level of investments, based on volume and dollar amount, in consideration of the available opportunities in the assessment area. Interviews with community representatives revealed that there are a number of opportunities in which financial institutions may invest, and that the bank invests in a significant number of the available opportunities.

SERVICE TEST

The bank's systems for delivering retail banking and community development services were reviewed for range and accessibility, innovativeness and responsiveness, and alternative systems used for delivering those services. In addition, the distribution of the bank's branches, record of opening and closing branch offices and community development service

activity were reviewed.

Retail Banking Services

M&I Marshall & Ilsley Bank is a full-service bank with 43 branches and 70 ATMs located within its assessment area. In addition, there are a total of over 200 ATMs located within the State of Wisconsin operated by M&I affiliates; bank customers can use any of these without a service charge. The bank provides loans to consumers, organizations, businesses, and government entities in accordance with uniform nondiscriminatory standards. In addition, the bank offers various checking and interest-bearing accounts as well as cash management and investment services.

Distribution of Branches Among Geographies

The following chart illustrates the bank's branch and drive-up facility locations, the income levels of communities in which they are located, as well as the days and hours of service:

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
Airport 5300 S. Howell Avenue Milwaukee	Milwaukee 217.00	Middle	Lobby:	7:00am - 3:00pm	Monday - Friday
Bay View 2701 S. Kinnickinnic Avenue Milwaukee	Milwaukee 179.00	Moderate	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
			Drive-Up:	8:30am - 5:00pm 8:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
Bluemound 7635 W. Bluemound Road Milwaukee	Milwaukee 127.00	Middle	Lobby:	9:00am - 5:00pm 9:00am - 6:30pm 8:30am - 12:00pm	Monday - Thursday Friday Saturday
			Drive-Up:	8:30am - 5:30pm 8:30am - 6:30pm 8:30am - 12:00pm	Monday - Thursday Friday Saturday
Brookfield 16570 W. Bluemound Road Brookfield	Waukesha 2011.01	Upper	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
			Drive-Up:	7:30am - 6:00pm 8:30am - 12:00pm	Monday - Friday Saturday
Brookfield Supermarket Branch 17295 W. Capitol Drive Brookfield	Waukesha 2008.02	Upper	Lobby:	10:00am - 7:00pm 9:00am - 3:00pm 10:00am - 2:00pm	Monday - Friday Saturday Sunday
Calhoun Ruby Isle**	Waukesha	Upper	Lobby:	9:00am - 5:00pm	Monday - Thursday

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
2225 N. Calhoun Road Brookfield	2012.00		Drive-Up:	9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 6:00pm 9:00am - 12:00pm	Friday Saturday Monday - Friday Saturday
Center Street Drive Thru** 7100 W. Center Street Milwaukee	Milwaukee 58.00	Middle	Drive-Up:	8:30am - 5:30pm 8:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
Cudahy 5656 S. Packard Avenue Cudahy	Milwaukee 1804.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 5:00pm 8:00am - 7:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Cudahy** 4677 S. Packard Avenue Cudahy	Milwaukee 1803.00	Moderate	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 5:00pm 8:00am - 6:30pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
East Town 433 E. Wisconsin Avenue Milwaukee	Milwaukee 153.00	Middle	Lobby:	11:00am - 4:00pm	Monday - Friday
Elm Grove 900 Elm Grove Road Elm Grove	Waukesha 201.00	Upper	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 7:30am - 6:00pm 8:30am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Fox Point 8740 N. Port Washington Road Fox Point	Milwaukee 352.00	Upper	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 7:30am - 6:00pm 8:00am - 1:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Glendale Auto Bank 231 W. Silver Spring Drive Glendale	Milwaukee 602.00	Upper	Drive-Up:	7:30am - 6:00pm 8:00am - 1:00pm	Monday - Friday Saturday
Hawthorne Village 7700 W. Portland Avenue Wauwatosa	Milwaukee 913.00	Upper	Lobby:	9:00am - 12:00pm	Tuesday & Thursday
King Drive 2410 N. Martin Luther King Milwaukee	Milwaukee 105.00	Low	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
Layton Avenue** 7600 W. Layton Avenue Milwaukee	Milwaukee 1202.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 6:00pm 8:00am - 7:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
				9:00am - 12:00pm	Saturday
Luther Manor 4535 N. 92nd Street Milwaukee	Milwaukee 901.00	Middle	Lobby:	9:00am - 12:00pm	Monday, Wednesday and Friday
Mason Paying and Receiving 422 E. Mason Street Milwaukee	Milwaukee 144.00	Middle	Lobby:	8:00am - 5:00pm 8:00am - 6:00pm	Monday - Thursday Friday
Mayfair 10529 W. North Avenue Wauwatosa	Milwaukee 904.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 5:30pm 9:00am - 12:00pm 8:00am - 5:30pm 8:00am - 6:30pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Mequon 1555 W. Mequon Road Mequon	Ozaukee 6603.02	Upper	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Milwaukee South** 2701 W. National Avenue Milwaukee	Milwaukee 159.00	Moderate	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
New Berlin 15445 W. National Avenue New Berlin	Waukesha 2015.01	Upper	Lobby: Drive-Up:	9:00am - 7:00pm 9:00am - 5:00pm 9:00am - 3:00pm 8:00am - 6:00pm 8:30am - 1:00pm	Monday - Friday Saturday Sunday Monday - Friday Saturday
North & Swan** 9210 W. North Avenue Wauwatosa	Milwaukee 907.00	Upper	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
North Avenue** 4534 W. North Avenue Milwaukee	Milwaukee 91.00	Low	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday
North Water 770 N. Water Street Milwaukee	Milwaukee 144.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 6:00pm 8:00am - 6:30pm 8:00am - 1:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Northridge 9001 N. 76th Street Milwaukee	Milwaukee 1.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 5:30pm 9:00am - 12:00pm 8:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Northridge Mall 7700 W. Brown Deer Road	Milwaukee	Middle	Lobby:	8:30am - 3:00pm 8:30am - 5:00pm	Monday - Thursday Friday

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
Milwaukee	1.00			8:30am - 12:00pm	Saturday
Oak Creek 8561 S. Howell Avenue Oak Creek	Milwaukee 1602.01	Middle	Lobby:	10:00am - 7:00pm 9:00am - 3:00pm 10:00am - 2:00pm	Monday - Friday Saturday Sunday
Oklahoma Avenue** 6645 W. Oklahoma Avenue Milwaukee	Milwaukee 198.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 5:30pm 8:00am - 6:30pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Park Plaza 11270 W. Park Place Milwaukee	Milwaukee 2.00	Middle	Lobby:	11:00am - 3:00pm	Monday - Friday
Silver Spring 8300 W. Silver Spring Drive Milwaukee	Milwaukee 15.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 7:30am - 6:00pm 7:30am - 7:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
South Milwaukee 1001 Marquette Avenue South Milwaukee	Milwaukee 1706.00	Moderate	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 5:00pm 8:00am - 7:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Southridge 5454 S. 76th Street Greendale	Milwaukee 1402.00	Upper	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 6:00pm 8:00am - 7:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Southridge Mall 5300 S. 76th Street Greendale	Milwaukee 1402.00	Upper	Lobby:	8:30am - 3:00pm 8:30am - 5:00pm 8:30am - 12:00pm	Monday - Thursday Friday Saturday
St. John-s Tower 1840 N. Prospect Avenue Milwaukee	Milwaukee 109.00	Upper	Lobby:	9:00am - 1:00pm	Tuesday and Thursday
Thiensville 200 Green Bay Road Thiensville	Ozaukee 6601.00	Middle	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm 8:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Walker-s Point 414 W. National Avenue Milwaukee	Milwaukee 155.00	Moderate	Lobby:	9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday

BRANCH LOCATION	COUNTY/ CENSUS TRACT	INCOME LEVEL	HOURS OF OPERATION		
			Lobby:	Drive-Up:	
Waukesha 2110 E. Moreland Boulevard Waukesha	Waukesha 2029.00	Middle	Lobby: 9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Drive-Up: 8:00am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Wauwatosa 7501 W. North Avenue Wauwatosa	Milwaukee 909.00	Middle	Lobby: 9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Drive-Up: 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
West Allis 7000 W. Greenfield Avenue West Allis	Milwaukee 1003.00	Middle	Lobby: 9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Drive-Up: 8:30am - 5:30pm 8:30am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
West Allis Highway 100** 2555 S. 108th Street West Allis	Milwaukee 101.00	Middle	Lobby: 9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Drive-Up: 8:00am - 6:00pm 8:00am - 7:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday
Whitefish Bay 177 E. Silver Spring Drive Whitefish Bay	Milwaukee 701.00	Upper	Lobby: 9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm		Monday - Thursday Friday Saturday
Wisconsin Avenue 2120 W. Wisconsin Avenue Milwaukee	Milwaukee 148.00	Low	Lobby: 9:00am - 5:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Drive-Up: 8:00am - 6:00pm 9:00am - 6:00pm 9:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Thursday Friday Saturday

**Formerly Security Bank, S.S.B. offices

M&I Marshall & Ilsley Bank does not have any branches located in Washington County; affiliate banks do have branches in Washington County. The bank has activity in Washington County, as many residents of the county work and bank in the City of Milwaukee.

Record of Opening and Closing Offices

The bank closed seven branch locations since the previous examination, none of which was located in a low- or moderate-income census tract. Discussions with management indicated that the branches were closed after the bank conducted extensive traffic studies at branches in close proximity to each other. These studies indicated that nearby branch locations were capable of servicing the customers of the branches that were subsequently closed. Additionally, the bank relocated two offices to provide easier access for customers. The following tables detail the locations and effective dates of the branch openings and closings:

BRANCH CLOSINGS			
Branch Location	County	Census Tract	Effective Date
2323 North Mayfair Road Milwaukee	Milwaukee	903.00	January 4, 1997
12400 West New Berlin Avenue Milwaukee	Waukesha	2014.02	March 8, 1997
7139 North Port Washington Road Glendale	Milwaukee	601.00	March 8, 1997
10930 Port Washington Road Mequon	Ozaukee	603.02	May 31, 1996
3750 North 92nd Street Milwaukee	Milwaukee	54.00	May 31, 1996
6300 West Brown Deer Road Brown Deer	Milwaukee	501.00	August 17, 1997
6700 West State Street Wauwatosa	Milwaukee	912.00	May 31, 1996

BRANCH OPENINGS			
Branch Location	County	Census Tract	Effective Date
15445 West National Avenue New Berlin	Waukesha	2015.01	November 25, 1996
10529 West North Avenue Wauwatosa	Milwaukee	904.00	January 4, 1997

Alternative Systems for Delivering Retail Banking Services

In an effort to make banking services accessible to essentially all portions of the assessment area, the bank has a total of 70 full-service ATMs within the assessment area. The bank's affiliates operate an additional 194 ATMs within the state, which are accessible to customers of M&I affiliate banks. Additionally, the bank offers Mi LINE, a 24-hour, toll-free telephone hotline which provides access to customer deposit accounts or loan information, and M&I Direct, which also provides account access through the use of a personal computer. The Mortgage Assistance Helpline, an on-call program to provide after-hours information for real estate salespersons (Monday through Friday from 5:00pm to 9:00pm), is another service offered by the bank.

Community Development Services

The following are examples of community development services provided by the bank:

- C Community Development Corp of Wisconsin (CDCW) is a not-for-profit developer of affordable housing units. A bank officer provides technical expertise in his position as a member of the board of directors.
- C Ezekiel Community Development Corporation, an affiliate of MICAHA, a coalition of 35 inner-city Milwaukee churches, plans to develop 100 single-family homes within five years. As a member of the board, a bank officer provides technical expertise in the development process.
- C South Community Organization (SCO) purchases and rehabilitates properties for either resale or investment as part of the Southside Housing Cooperative. In his capacity as a board member, an officer of the bank provides advice on real estate lending.
- C Milwaukee LISC is a public-private partnership providing technical assistance and seed capital for neighborhood-based housing and economic development projects. As a member of the advisory and credit committees, a bank officer provides financial and banking expertise for program development.
- C Lincoln Neighborhood Redevelopment Corporation (LNRC), a bank-sponsored CDC created by Merchants & Manufacturers Bancorporation, Inc., administers the Lincoln Fund for small business loans and an affordable housing product for purchase loans. Two bank officers participate in the underwriting and approval of loan requests for the organization.
- C Housing Partnership Corporation (HPC) is a multi-lender partnership providing affordable housing. A bank officer serves on the loan committee, providing expertise on real estate lending.
- C New Opportunities for Home Ownership in Milwaukee (NOHIM) oversees and governs the collaborative efforts of Milwaukee lenders and community-based home buying counseling agencies in an effort to increase access to home mortgages for low- and moderate-income residents. A bank officer serves as a member of the standards and fees committee of the organization.
- C Waukesha County Lenders Consortium (WCLC) is a public-private partnership sponsoring affordable rental and purchase housing development in Wisconsin's fastest growing county. As a member of the consortium, a bank officer provides financial advice to the organization.
- C Housing Equity Fund (HEF) is a multi-investor limited partnership created to purchase

- low-income housing tax credits. A bank officer provides technical assistance as a member of the investment committee.
- C Milwaukee Redevelopment Corporation (MRC) is a public-private partnership created to sponsor and undertake urban renewal projects such as the Wisconsin Center. A bank officer, in his role as a board member, provides technical expertise for the program.
- C Greater Milwaukee Committee (GMC) sponsors various projects and has been the leader of initiatives including the creation of the Milwaukee Education Trust which was responsible for reforming the Milwaukee Public School System; sponsoring the Milwaukee Chapter of LISC by committing \$1 million in private sector support to match national resources; and sponsoring an initiative to provide community-based health care services. Financial expertise is provided by an officer of the bank, as a member of the organization.
- C Milwaukee Economic Development Corporation (MEDC) serves the four-county Milwaukee metropolitan area, using SBA financing, TIF proceeds and public sources to finance business start-ups and expansions. A bank officer serves as president, providing financial expertise for the successful operation of the organization.
- C United Community Center (UCC) operates programs including an alternative school, a health clinic, meal programs, day care, and affordable housing to income-eligible households in the Walker's Point neighborhood. An officer of the bank serves on the board of directors, providing financial advice to the organization.
- C NeighborWorks - Neighborhood Housing Services (NHS) Milwaukee works in 14 low- and moderate-income neighborhoods in Milwaukee to upgrade housing conditions through a combination of grants and low interest loans. Three bank officers provide technical expertise by serving as members of the advisory committee, board of directors and loan committee.
- C Urban Economic Development Association (UEDA) is an organization consisting of not-for-profit community-based organizations involved in small business financing and job creation. A bank officer serves on the board of directors of this organization.
- C HOPE House/Southside Emergency Shelter offers services to homeless families and individuals, health care services, educational programs, and protective payee services. A bank officer provides technical and financial guidance by serving as a member of the board of directors.

In addition, Security Bank, S.S.B. obtained grants from the Federal Home Loan Bank-Affordable Housing Projects. This program allowed the bank to advance funds for projects that targeted low- and moderate-income individuals and low- and moderate-income tracts.

Bank community development service efforts include the applications to the Federal Home Loan Bank for funding, processing of individual applications from those interested in the programs and monitoring the use of the grant funds. All funds advanced, consistent with program guidelines, were reimbursed by the Federal Home Loan Bank. Security Bank, S.S.B. obtained grants totaling \$1,514,301 from the Federal Home Loan Bank- Affordable Housing Projects.

CONCLUSION

The bank's performance under the service test is considered *outstanding*. The bank's delivery systems, including affiliate branches and electronic delivery systems, are easily accessible to all geographies within the assessment area. The bank has branches located in both low- and moderate-income census tracts. In addition, the bank provides an high level of community development services for all segments of the assessment area, which demonstrates the bank's attentiveness to the community development needs of the community. The bank officers and staff provide technical expertise and are otherwise involved in many community development organizations.

GENERAL

The bank is in compliance with the substantive provisions of the antidiscrimination laws and regulations, including the Equal Credit Opportunity Act (ECOA) and Fair Housing Act. Management has developed and implemented policies and procedures supporting nondiscrimination in lending. Bank lending standards are in compliance with the regulations and applied in a consistent manner. A significant portion of loan underwriting has been centralized. A review of bank underwriting conducted concurrent with this examination, supplemented an earlier review of centralized loan underwriting functions. The credit applications reviewed during this examinations represented a sample of applications for which the credit decision was made by bank lending personnel.