

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 Central State Bank, Oshkosh, Wisconsin**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **December 30, 1997**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.

INSTITUTION-S RATING: This institution is rated Satisfactory.

The bank's lending performance is strong, as evidenced by a loan-to-deposit ratio that compares favorably with its peer group; a significant majority of loans made in both assessment areas; a representative distribution of loans among borrowers of different income levels and businesses and farms of different revenue levels; and a generally strong level of community development lending. The bank's participation in qualified community investments and services was minimal; however, a review of local economic conditions and interviews with community representatives revealed that there are few such opportunities available within the assessment area. Banking services are accessible to all portions of the bank's assessment area and business hours and products meet the needs of the community; branch closings did not adversely affect the availability of services within each assessment area.

The following table indicates the performance level of **M&I Central State Bank, Oshkosh, Wisconsin**, with respect to the lending, investment and service tests. Based on the component test ratings for large banks, the assigned composite rating is **Satisfactory record of meeting community credit needs.**@

M&I Central State Bank			
Performance Levels	Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			
*Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.			

DESCRIPTION OF BOTH OF M&I CENTRAL STATE BANK-S ASSESSMENT AREAS

The bank has defined two separate assessment areas which include 41 contiguous geographies (39 census tracts and two block numbering areas (BNAs)) in Winnebago, Fond du Lac and Green Lake Counties. Winnebago County is one of three counties that comprise the Appleton-Oshkosh-Neenah Metropolitan Statistical Area (MSA 0460). The combined assessment area includes one low-income and six moderate-income census tracts.

The population of the combined assessment area is 149,503, according to 1990 census data. The aggregate median family income for this area is \$33,058, which compares to \$35,082 for the State of Wisconsin. Low- and moderate-income families constitute 16% and 19%, respectively, of all families within the combined assessment area. There are 59,188 housing units in the combined assessment area, of which 63% are owner-occupied, 32% are rental and 5% are vacant. One-to-four family residences represent 84% of the housing units in the combined assessment area. The housing stock in the combined assessment area has a median value of \$55,157, which compares to \$62,141 for the State of Wisconsin. The housing affordability index compares the median housing value to the median family income, which measures the affordability of housing; higher ratios indicate decreased affordability. The housing affordability index for the combined assessment area is 1.67, in comparison to the State of Wisconsin index of 1.77.

The combined assessment area contains a mixture of urban and agricultural communities. Strong commercial and residential development is occurring in the larger cities within the combined assessment area as well as in the nearby city of Appleton. A large portion of the assessment area remains rural, with dairy farming and cash crops being the principal agricultural activities. Overall, economic conditions in the combined assessment area are favorable.

DESCRIPTION OF THE WINNEBAGO COUNTY ASSESSMENT AREA

The bank-s Winnebago County assessment area contains 21 census tracts located in the central and southern portions of the county in MSA 0460. This assessment area includes one low-income, five moderate-income and 15 middle-income census tracts. The largest cities in this assessment area are Oshkosh and Omro. The bank-s main office and three other branch locations are located within this assessment area, as detailed in the table below:

Winnebago County Assessment Area			
County	MSA	Census Tract Nos.	Branch Locations
Winnebago	Appleton-Oshkosh-Neenah #0460	1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00 and 21.00	Oshkosh (3 offices), Pickett

The population of this assessment area is 75,112, according to 1990 census data. Median family income is \$33,052, which compares to \$37,202 for all families in MSA 0460 and to \$35,082 for

the State of Wisconsin. Low- and moderate-income families comprise 20% and 22%, respectively, of all families in the assessment area. The housing stock in this assessment area includes 29,451 units with a median housing value of \$56,981, in comparison to \$61,999 for MSA 0460 and \$62,141 for the State of Wisconsin. Of these units, 60% are owner-occupied, 34% are rental, and 6% are vacant; one-to-four family residences represent 85% of the available housing units. The housing affordability index for this assessment area is 1.72, in comparison to the State of Wisconsin index of 1.77.

The Winnebago County unemployment rate was 3.0% for February, 1998, compared to 3.4% for MSA 0460 and 4.0% for the State of Wisconsin. These unemployment rates are lower than February, 1997, levels of 3.2%, 3.6% and 4.4%, respectively, even as the total labor force increased. Large employers in this assessment area include the Bemis Companies, Oshkosh Truck Corp., the Oshkosh Area School District, Winnebago County, and Mercy Medical Center, all located in Oshkosh.

Economic conditions in Winnebago County are favorable as evidenced by its growing population, expanding work force, declining unemployment and increasing median family income.

DESCRIPTION OF THE BANK'S NON-METROPOLITAN ASSESSMENT AREA:

The second of the bank's two assessment areas contains 20 contiguous geographies, 18 census tracts in Fond du Lac County and two BNAs in Green Lake County. This assessment area includes one moderate-income, 14 middle-income and five upper-income census tracts/BNAs. The largest cities in this assessment area include Fond du Lac, Ripon and Waupun. The bank maintains six branches and one mortgage loan production office in this assessment area, as detailed in the table below:

Non-MSA Assessment Area			
County	MSA	Geography Nos.	Branch Locations
Fond du Lac	N/A	401.00, 402.00, 403.00, 404.00, 405.00, 406.00, 407.00, 408.00, 409.00, 410.00, 411.00, 412.00, 413.00, 414.00, 415.00, 416.00, 417.00, 418.00	Fond du Lac (2 offices)*, Brandon, Ripon (2 offices), Rosendale, Fairwater
Green Lake	N/A	9804.00, 9806.00	N/A
* Includes a mortgage loan production office		N/A - Not applicable	

The population of this assessment area is 74,391, according to 1990 census data. Median family income is \$33,068, which compares to \$30,290 for the non-metropolitan portions of the State of Wisconsin. Low- and moderate-income families comprise 13% and 16%, respectively, of all families in the assessment area. The housing stock includes 65% owner-occupied, 29% rental and 6% vacant dwellings; one-to-four family residences represent 83% of the available housing units. The housing stock in the assessment area includes 29,737 units, with a median housing value of

\$53,215, in comparison to \$50,092 for the non-metropolitan portion of the state. The housing affordability index for this assessment area is 1.61, in comparison to the State of Wisconsin index of 1.77.

The unemployment rate for Fond du Lac and Green Lake Counties combined was 4.3% for February, 1998, compared to 4.0% for the State of Wisconsin. These unemployment rates are significantly lower than those levels, 4.8% and 4.4%, respectively, noted a year earlier. Large employers in this assessment area include Mercury Marine (Fond du Lac), Agnesian Health Care (Fond du Lac), Giddings & Lewis Automation Control (Fond du Lac), Raytheon Appliances Commercial Laundry (Ripon) and the Wisconsin State Prison (Waupun).

Economic conditions in this assessment area are favorable as evidenced by an increase in population, a decline in unemployment and increasing median family income.

DESCRIPTION OF INSTITUTION

M&I Central State Bank, with assets of \$407.1 million at December 31, 1997, is a wholly-owned subsidiary of Marshall & Ilsley Corporation, a multi-bank holding company located in Milwaukee, Wisconsin. The bank maintains ten full-service branches and one mortgage loan production office in Winnebago and Fond du Lac Counties. In addition, the bank operates 17 automated teller machines (ATMs) in Winnebago, Fond du Lac and Green Lake Counties.

Loan products offered by the bank include a variety of consumer, real estate, business and agricultural loans. Consumer loan products include installment, single-payment, and student loans as well as credit card, home equity and personal lines of credit. Real estate loans include conventional fixed-rate mortgages, adjustable-rate mortgages (ARM) and construction loans, including a wide variety of mortgage products offered by the affiliated, M&I Mortgage Corp. Business loan products include term loans, single-payment loans, operating lines of credit and commercial real estate mortgages. Agricultural loan products include loans to acquire and improve farm properties, operating loans and lines of credit, and loans for crops, livestock, and machinery. The bank offers government-sponsored loans for consumers, businesses and farms through the Wisconsin Housing and Economic Development Authority (WHEDA), the Small Business Administration (SBA), and the Federal Housing Administration (FHA). The bank also participates in special loan programs, such as the State of Wisconsin's Petroleum Environmental Cleanup Fund Act (PECFA) and home ownership programs for low- and moderate-income households through ADVOCAP.

Competition within the bank's assessment area is extensive and includes very large institutions as well as a number of smaller local and regional institutions. The largest institutions competing with the bank in this market include: Bank One, Wisconsin (Milwaukee), Mutual Savings Bank (Milwaukee), and Firststar Bank Wisconsin (Madison) all having one or more branches located in the bank's assessment area. Other competitors include: American Bank (Fond du Lac); National Exchange Bank and Trust (Fond du Lac); West Pointe Bank (Oshkosh); and branches of F&M

Bank-Winnebago County (Omro), Associated Bank, NA (Neenah), Associated Bank Lakeshore, NA (Manitowoc), and Horicon State Bank (Horicon).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's CRA performance is evaluated based upon the Lending, Investment and Service Tests.

LENDING TEST

The bank's analysis of 1996 and year-to-date 1997 mortgage, small business and small farm originations was reviewed to evaluate the bank's 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.

Lending Volume

A review of the bank's quarterly Consolidated Reports of Condition and the Uniform Bank Performance Reports (UBPR) for the period March 31, 1996 through December 31, 1997 indicates that the bank's quarterly loan-to-deposit ratio averaged 84%. The bank's average loan-to-deposit ratio is higher than its nationwide peer group's ratio of 75% and compares favorably with the bank's local competitors. The following table illustrates these figures:

AVERAGE LOAN-TO-DEPOSIT RATIO OF M&I CENTRAL STATE BANK, ITS PEERS AND LOCAL COMPETITORS		
Institution	Assets at 12-31-97 (Millions)	Eight-Quarter Average Loan-to-Deposit Ratio
Bank One, Wisconsin	\$9,080	119%
West Pointe Bank (3)	\$57	97%
Associated Bank, NA	\$520	93%
Horicon State Bank	\$165	92%
Associated Bank Lakeshore, NA (2)	\$414	90%
Firststar Bank Wisconsin	\$4,038	89%
F&M Bank-Winnebago County	\$100	87%
National Exchange Bank and Trust (2)	\$514	87%
Mutual Savings Bank	\$1,826	86%
M&I Central State Bank	\$407	84%
American Bank	\$116	84%

AVERAGE LOAN-TO-DEPOSIT RATIO OF M&I CENTRAL STATE BANK, ITS PEERS AND LOCAL COMPETITORS		
Institution	Assets at 12-31-97 (Millions)	Eight-Quarter Average Loan-to-Deposit Ratio
Nationwide Peer Group (1)	N/A	75%
(1) M&I Central State Bank's peer group includes institutions with assets of \$300-\$500 million and with 3 or more offices in a metropolitan area. (2) These banks are in the same peer group as M&I Central State Bank. (3) This is a seven-quarter average.		

The composition of the bank's loan portfolio, as indicated in its December 31, 1997 Consolidated Report of Condition, is as follows:

M&I CENTRAL STATE BANK COMPOSITION OF LOAN PORTFOLIO AT DECEMBER 31, 1997		
Loan Type	Dollar Amount Outstanding (\$000)	% of Total Loans
REAL ESTATE LOANS		
Construction/Development	7,584	3
Secured by farmland	10,556	4
Revolving open-end (1-4)	10,254	4
Residential (1-4)	82,001	29
Commercial	51,238	18
Multi-family	5,452	2
Total Real Estate Loans	167,085	60
CONSUMER LOANS		
Open-end credit	3,902	1
All other	25,290	9
COMMERCIAL AND INDUSTRIAL LOANS	62,741	23
AGRICULTURAL LOANS	11,433	4
STATE AND POLITICAL SUBDIVISION LOANS	7,949	3
OTHER LOANS (excludes consumer loans)	447	0

The previous table illustrates that loans secured by real estate represent 60% of the loan portfolio, all loans to individuals (revolving open-end real estate, residential 1-4 family, multi-family, and consumer loans) represent 45% of the bank's loan portfolio. Similarly, all business loans (construction/development, commercial real estate, commercial and industrial, and all other loans) represent 44% of the bank's loan portfolio; loans for agricultural purposes (real estate loans secured by farmland and agricultural loans) represent 8% of the loan portfolio. No concerns were

raised about the availability of certain types of credit in discussions with community representatives.

Lending in the Assessment Area

The bank's 1996 and year-to-date 1997 analysis of mortgage, small business and small farm loans was reviewed to evaluate the bank's level of lending within the combined assessment area. This review is summarized in the following table:

1996 AND 1997 MORTGAGE, SMALL BUSINESS AND SMALL FARM LENDING WITHIN BOTH ASSESSMENT AREAS				
Loan Type	1996		1997*	
Number of Loans	#	% Within	#	% Within
Mortgage loans	490	86%	298	86%
Small business loans	702	88%	532	89%
Small farm loans	468	93%	399	93%
Dollar Amount	\$(000)	% Within	\$(000)	% Within
Mortgage loans	\$27,021	83%	\$16,805	82%
Small business loans	\$58,928	81%	\$55,466	84%
Small farm loans	\$17,290	88%	\$16,512	84%
* Through September 30, 1997				

The previous table illustrates that the bank is originating a significant majority of its mortgage, small business and small farm loans within its combined assessment area.

Geographic Distribution

The bank's analysis of the geographic distribution of 1996 and year-to-date 1997 mortgage, small business and small farm loans was also reviewed to assess the bank's lending within each of its two assessment areas.

The Winnebago County MSA assessment area includes one low-income, six moderate-income and 15 middle-income census tracts. Mortgage lending opportunities are somewhat limited in the sole low-income census tract as its population is only 1,456, or 1.9%, of the total assessment area population; in addition, the tract only contains 75 owner-occupied housing units. The 1996 MSA aggregate mortgage lending data indicates that only 15 loans were made within this tract. M&I Central State Bank's 1996 and year-to-date 1997 HMDA-reportable, small business and small

farm lending within this assessment area are reflected in the following tables:

M&I CENTRAL STATE BANK-S HMDA-REPORTABLE LENDING WITHIN THE WINNEBAGO COUNTY ASSESSMENT AREA							
Income Designation of Geography	# of tracts	1996			1997*		
		# of tracts with lending	# of Loans	\$(000)	# of tracts with lending	# of Loans	\$(000)
Low	1	0	0	0	0	0	0
Moderate	5	5	31	1,080	5	18	659
Middle	15	15	167	10,425	15	115	6,847
Totals	21	20	198	11,505	20	133	7,506
* Through September 30, 1997							

M&I CENTRAL STATE BANK-S SMALL BUSINESS/SMALL FARM LENDING WITHIN THE WINNEBAGO COUNTY ASSESSMENT AREA							
Income Designation	# of tracts	1996			1997*		
		# of tracts with lending	# of Loans	\$(000)	# of tracts with lending	# of Loans	\$(000)
Low	1	1	26	2,394	1	19	2,392
Moderate	5	5	84	9,069	5	68	9,237
Middle	15	15	381	25,499	15	297	27,101
Totals	21	21	491	36,962	21	384	38,730
* Through September 30, 1997							

The previous tables demonstrate that the bank has been a lender in all 21 geographies that comprise the bank's Winnebago County MSA assessment area. The previous tables also indicate that 14.80% of the bank's total number of 1996 mortgage loans were in moderate-income tracts; there was no lending noted in low-income tracts. The bank's lending is generally consistent with or exceeds 1996 Winnebago County aggregate mortgage lending levels; 0.24% of the aggregate number of mortgage loans were made in low-income census tracts and 9.00% were made in moderate-income tracts.

The previous tables also demonstrate that 5.14% and 17.37% of the bank's total number of small business and small farm originations combined were made in low- and moderate-income tracts. The bank's lending is generally consistent with or exceeds the 1996 Winnebago County small business aggregate lending levels; 4.61% of the aggregate number of small business loans were

made in low-income census tracts and 12.30% were made in moderate-income tracts. The bank's lending is generally consistent with 1996 Winnebago County small farm aggregate lending levels; there were no small farm loans made in low-income census tracts; only 2.14% were made in moderate-income tracts.

The bank's non-MSA assessment area includes one moderate-income, 14 middle-income and five upper-income census tracts/BNAs. M&I Central State Bank's 1996 and year-to-date 1997 mortgage, small business and small farm loan originations within this assessment area are reflected in the following tables:

M&I CENTRAL STATE BANK MORTGAGE LENDING WITHIN THE NON-MSA ASSESSMENT AREA							
Income Designation of Geography	# of Geographies	1996			1997*		
		# of Geographies With Loan Activity	# of Loans	\$(000)	# of Geographies With Loan Activity	# of Loans	\$(000)
Moderate	1	0	0	0	1	1	66
Middle	14	14	173	9,767	14	98	5,473
Upper	5	5	119	5,749	5	66	3,760
Totals	20	19	292	15,516	20	165	9,299
* Through September 30, 1997		N/A- Not applicable					

M&I CENTRAL STATE BANK SMALL BUSINESS AND SMALL FARM LENDING WITHIN THE NON-MSA ASSESSMENT AREA							
Income Designation of Geography	# of Geographies	1996			1997*		
		# of Geographies With Loan Activity	# of Loans	\$(000)	# of Geographies With Loan Activity	# of Loans	\$(000)
Moderate	1	1	4	278	1	2	148
Middle	14	11	384	22,213	13	339	20,712
Upper	5	4	291	16,765	5	206	12,388
Totals	20	16	679	39,256	19	547	33,248
* Through September 30, 1997		N/A - Not Applicable					

The previous tables demonstrate that the bank has been a lender in all geographies within this assessment area. The previous tables also indicate that 0.22% of the bank's total number of mortgage originations were made in moderate-income tracts; this level is consistent with the small number of owner-occupied residences and the relatively small population of this tract. The previous tables also indicate that 0.49% of the bank's total number of small business and small farm originations were made in the moderate-income tract. The 1996 Fond du Lac County aggregate small farm lending data indicates that no small farm loans were made in this tract, in comparison.

The bank's small business lending activity within this moderate-income tract compares unfavorably to the percentage of the number of 1996 aggregate small business originations within the tract. A further review of the aggregate and specific institution lending figures indicates that a strong local bank competitor made over 50% of the small business loans reported in this tract. A second competitor made over 30% of the number of all small business loans reported in that tract.

Borrower Characteristics

The bank's analysis of 1996 and year-to-date, 1997 HMDA-reportable loans was also reviewed to assess the bank's lending to borrowers of different incomes in the Winnebago County MSA assessment area. This review is summarized in the following table:

HMDA-REPORTED LENDING WITHIN THE WINNEBAGO COUNTY ASSESSMENT AREA BY BORROWER CHARACTERISTICS						
Borrower Income Classification	1996		1997*		Total	
	#	%	#	%	#	%

HMDA-REPORTED LENDING WITHIN THE WINNEBAGO COUNTY ASSESSMENT AREA BY BORROWER CHARACTERISTICS						
Low-income	8	4%	14	11%	22	7%
Moderate-income	43	22%	27	20%	70	21%
Middle-income	74	38%	36	27%	110	33%
Upper-income	72	36%	55	42%	127	39%
Total	197	100%	132	100%	329	100%
* Through September 30, 1997						

The preceding table indicates that 7% and 21%, respectively, of all HMDA-reportable loans within the Winnebago County MSA assessment area were made to low- or moderate-income borrowers. The bank's lending is consistent with 1996 Winnebago County aggregate mortgage lending levels; 5.89% and 21.55%, respectively, of aggregate lending is to low- and moderate-income individuals. These levels of bank lending are also considered reasonable due to a significant improvement in the bank's lending to low-income borrowers between 1996 and year-to-date 1997.

The bank's analysis of 1996 and year-to-date 1997 small business and small farm lending was also reviewed to assess the bank's lending to businesses of different revenue sizes in the Winnebago County MSA assessment area. This review is summarized in the following tables:

SMALL BUSINESS AND SMALL FARM LENDING WITHIN THE WINNEBAGO COUNTY ASSESSMENT AREA BY ANNUAL REVENUES OF THE BORROWER								
Borrower Revenue Classification	1996				1997**			
	# of Loans	%	Loan Amount (000)	%	# of Loans	%	Loan Amount (000)	%
Small business*	308	82%	19,395	60%	237	85%	22,864	67%
Large business	66	18%	13,199	40%	41	15%	11,145	33%
Total business	374	100%	32,594	100%	278	100%	34,009	100%
Small farm*	117	100%	4,368	100%	106	100%	4,721	100%
Large farm	0	0%	0	0%	0	0%	0	0%
Total farm	117	100%	4,368	100%	106	100%	4,721	100%

* Businesses and farms having annual revenues of \$1 million or less
 ** Through September 30, 1997

SMALL BUSINESS AND SMALL FARM ORIGINATIONS WITHIN THE WINNEBAGO COUNTY ASSESSMENT AREA BY LOAN AMOUNT								
	\$100,000 or less		>\$100,000 to \$250,000		Greater than \$250,000		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Business loans - 1996	306	9,712	34	5,595	34	17,287	374	32,594
Business loans - 1997*	200	6,839	38	5,984	40	21,186	278	34,009
Farm loans - 1996	111	3,079	4	574	2	715	117	4,368
Farm loans - 1997*	96	2,916	8	1,187	2	618	106	4,721

* Through September 30, 1997

The previous tables illustrate that the bank has been responsive to the borrowing needs of small businesses and farmers in this assessment area. This table reveals that a total of 77.61% of the small business and 92.82% of small farm originations in the MSA were in amounts of \$100,000 or less. The bank's lending is generally consistent with the 1996 overall Winnebago County aggregate small business and small farm lending levels; this data indicates that 81.02% and 89.30% of the numbers of all small farm and small business loans, respectively, were for amounts

less than \$100,000.

An analysis of the gross annual revenues of the businesses and farms referenced in the above table reveals that 83.59% and 100.00%, respectively, were extended to businesses and farms with gross annual revenues of less than \$1 million. The bank's lending is generally consistent with the 1996 Winnebago County aggregate small business/small farm lending data; this data indicates that 66.50% and 100.00%, respectively, of the total number of small business and small farm loans were made to firms with revenues of less than \$1 million.

The bank's mortgage, small farming and small business loan penetration among borrowers of different income levels and businesses and farms of different revenue sizes is reasonable based upon the demographic characteristics of the assessment area, general consistency with MSA aggregate lending levels and consistency with information provided by community representatives.

Within the Winnebago County MSA assessment area, the bank has made certain loans which benefit low- and moderate-income individuals. Construction and permanent financing loans have been made to a local developer of two housing projects that are part of a redevelopment plan supported by the City of Oshkosh. One such loan was for \$650,000 to build a 24-unit townhouse project in a low-income census tract; 20 of the units are designated for low-income tenants. A second loan to this developer was for \$621,000 to construct a 24-unit apartment building in a moderate-income census tract; 11 units are designated for low-income tenants.

The bank's analysis of 1996 and year-to-date 1997 mortgage lending was also reviewed to evaluate the bank's lending to borrowers of different incomes in the non-MSA assessment area. This review is summarized in the following table:

MORTGAGE LENDING WITHIN THE NON-MSA ASSESSMENT AREA BY BORROWER INCOME CHARACTERISTICS						
Borrower Income Classification	1996		1997*		Total	
	#	%	#	%	#	%
Low-income	10	3%	10	6%	20	5%
Moderate-income	46	16%	19	12%	65	14%
Middle-income	106	37%	47	29%	153	34%
Upper-income	128	44%	86	53%	214	47%
Total	290	100%	162	100%	452	100%
* Through September 30, 1997						

The preceding table indicates that 5% of all mortgage loans within the non-MSA assessment area

were made to low-income borrowers; 1990 census data indicates that 13% of the assessment area population is considered low-income and 6% of the total assessment area population has incomes less than the poverty level. The bank's lending to low-income individuals is considered reasonable based upon pertinent demographic information, bank competition and an improvement in the bank's performance between 1996 and year-to-date 1997. The bank's level of lending to moderate-income borrowers in this assessment area is consistent with 1990 census data indicating that 16% of the assessment area population is considered moderate-income.

The bank's analysis of small business and small farm lending was also reviewed to evaluate the bank's lending to businesses of different sizes in the non-MSA assessment area. This review is summarized in the following tables:

SMALL BUSINESS AND SMALL FARM LENDING WITHIN THE NON-MSA ASSESSMENT AREA BY ANNUAL REVENUES OF THE BORROWER								
Borrower Revenue Classification	1996				1997**			
	# of Loans	%	Loan Amount (000)	%	# of Loans	%	Loan Amount (000)	%
Small business*	283	86%	17,014	65%	221	87%	13,657	64%
Large business	45	14%	9,320	35%	33	13%	7,800	36%
Total business	328	100%	26,334	100%	254	100%	21,457	100%
Small farm*	350	100%	12,622	98%	291	99%	11,506	98%
Large farm	1	0%	300	2%	2	1%	285	2%
Total farm	351	100%	12,922	100%	293	100%	11,791	100%
* Businesses and farms having annual revenues of \$1 million or less								
** Through September 30, 1997								

SMALL BUSINESS AND SMALL FARM LENDING WITHIN THE NON-MSA ASSESSMENT AREA BY LOAN AMOUNT REVENUES OF THE BORROWER								
	\$100,000 or less		>\$100,000 to \$250,000		Greater than \$250,000		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Business loans - 1996	256	6,425	46	7,492	26	12,417	328	26,334
Business loans - 1997*	202	6,011	32	5,508	20	9,938	254	21,457
Farm loans - 1996	319	7,239	28	4,050	4	1,633	351	12,922
Farm loans - 1997*	265	6,719	25	4,097	3	975	293	11,791

* Through September 30, 1997

The previous tables demonstrate that the bank has been responsive to the credit needs of small businesses and small farmers in this assessment area. The majority of its loans during this review period were made to businesses and farms having annual revenues of \$1 million or less, and the majority of the number of loans were made in amounts of \$100,000 or less. A total of 86.60% of the small business and 99.53% of small farm loans within the non-MSA assessment area were extended to businesses and farms with gross annual revenues of \$1 million or less. This lending is consistent with 1996 aggregate Fond du Lac County small business and small farm lending levels; this aggregate data indicates that 98.68% and 71.55% of the numbers of all small farm and small business loans, respectively, were to firms with revenues of \$1 million or less.

These tables also reveal that a total of 78.69% of all small business and 90.68% of small farm originations in the non-MSA assessment area were in amounts of \$100,000 or less. This lending is generally consistent with 1996 aggregate Fond du Lac County small business and small farm lending levels; this aggregate data indicates that 91.51% and 84.39% of the numbers of all small farm and small business loans, respectively, were for amounts less than \$100,000.

The bank is also an active lender in both assessment areas under the ADVOCAP Loan Program, which is designed to provide low- and moderate-income households increased access to home ownership. Since January 1, 1996, the bank has made eight loans totaling \$349,300 under this program in both assessment areas. Furthermore, the bank is an active lender in both assessment areas under the WHEDA Credit Relief Outreach Program (CROP), which assists farmers in Wisconsin by providing working capital during those times when they are unable to access conventional funding. In 1996, the bank made four CROP loans for \$68,000, and in 1997 it made five CROP loans for \$61,000. Finally, the bank also provides lending to small businesses under the Small Business Administration's (SBA) guaranty program. Since January 1, 1996, the bank has made 11 SBA-guaranteed loans for a total of \$2,796,000.

Innovative or Flexible Lending Practices

The bank offers the full array of lending products that are available to all M&I customers, including those available through M&I Mortgage Corp. One of the bank's home equity products allows the customer to borrow up to 100% of the equity in the house. Another home equity product provides the customer with the flexibility to convert all or a portion of the line of credit to a fixed-rate amortizing loan; each repayment on the fixed-rate loan replenishes the available line of credit, and up to four fixed-rate conversions are allowed during the term of the line of credit.

Community Development Lending

In its efforts to meet the credit needs of the community, the bank regularly engages in community development lending, targeting affordable housing initiatives and other opportunities that benefit low- and moderate-income individuals and geographies. The bank has provided a loan for \$350,000 to a non-profit organization to acquire three properties in the only low-income census tract in the Winnebago County MSA assessment area. These properties will be used as temporary shelters for homeless, needy and other troubled people. The bank has also extended a \$1,500,000 line of credit to a company whose activities include the development of low- and moderate-income housing projects utilizing the IRS section 142 tax credit program which is funded and administered by WHEDA in Wisconsin.

In addition to these community development loans, as previously noted, the bank has financed the construction of two housing projects in low- and moderate-income census tracts, each with a specific number of units reserved for low-income tenants; the bank also provides funding to low- and moderate-income families under the ADVOCAP Loan Program and to farmers under the WHEDA CROP loan program. In addition, the bank's strong level of small business and small farm lending exhibits a responsiveness to this assessment area's community development lending needs.

CONCLUSION

The bank's overall lending performance is considered strong. The bank's loan-to-deposit ratio is well above its nationwide peer group and is reasonable when compared to local competitors. A significant majority of the bank's lending activity in 1996 and year-to-date 1997 was within its combined assessment area. The dispersion of loans within each of its two assessment areas is considered to be strong. Lending to borrowers of different incomes was reasonable and lending to businesses of different sizes was strong, especially for small farms. The bank is an active lender under various programs that assist low- and moderate-income families, small farm and small business owners.

INVESTMENT TEST

The bank's investment portfolio, donations, and special programs that contribute to community

development were reviewed. Investments were also reviewed for innovativeness and responsiveness to the community development needs within the bank’s assessment area. Only one qualified investment (a \$500 donation to Habitat for Humanity in 1996) was noted during the review period. Discussions with bank management and community representatives, as well as a review of local economic conditions and demographic data, revealed that the lack of investment activity is the result of limited opportunities rather than an unwillingness to make qualified investments within the assessment area.

CONCLUSION

The bank’s investment performance is considered to be adequate. Although there are limited qualified investment opportunities within the combined assessment area, bank management continues to pursue local investment initiatives.

SERVICE TEST

The bank’s retail banking delivery system and community development services were reviewed. The services provided by the bank were evaluated for range, accessibility, innovativeness, and responsiveness; alternate delivery systems for delivering these services were also reviewed. 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 Central State Bank is a full-service bank operating 11 offices and 17 ATMs within both assessment areas. The bank provides a wide range of loan and deposit products. In addition to extending residential mortgage loans directly, lending personnel act on behalf of the bank’s affiliate, M&I Mortgage Corp., which enables the bank to extend a broader variety of mortgage loans to customers. The following chart lists the bank’s branch locations, drive-up facilities and hours of operation:

M&I Central State Bank Facilities and Hours of Operation			
Branch Name/Address	Census Tract Number	Hours of Operation	
		Lobby	Drive-Up
Main Office (1) 50 Pearl Avenue Oshkosh, Wisconsin 54902	0006.00	M-F 9:00 am - 4:30 pm	M-F 7:30 am - 6:00 pm Saturday 9:00 am - Noon
Oshkosh Copps SMB (2) 1200 S. Koeller Road Oshkosh, Wisconsin 54901	0013.00	M-F 9:00 am - 7:00 pm Saturday 9:00 am - 4:00 pm	N/A
Oshkosh Suburban West 2100 Omro Road	0018.00	M-Th 9:00 am - 5:00 pm F 9:00 am - 6:00 pm	M-Th 9:00 am - 5:30 pm F 9:00 am - 6:00 pm

M&I Central State Bank Facilities and Hours of Operation			
Branch Name/Address	Census Tract Number	Hours of Operation	
		Lobby	Drive-Up
Oshkosh, Wisconsin 54904		Saturday 9:00 am - Noon	Saturday 9:00 am - Noon
Pickett 7870 State Highway 44 Pickett, Wisconsin 54964	0020.00	M-Th 9:00 am - 3:00 pm F 9:00 am - 6:00 pm	M-Th 9:00 am - 3:00 pm F 9:00 am - 6:00 pm
Fond du Lac 33 W. Pioneer Road Fond du Lac, Wisconsin 54935	0407.00	M-Th 9:00 am - 4:00 pm F 9:00 am - 5:00 pm	M-F 8:00 am - 6:00 pm Saturday 9:00 am - Noon
Fond du Lac (3) 490 W. Rolling Meadow Drive Fond du Lac, Wisconsin 54937	0412.00	M-F 9:00 am - 5:00 pm	N/A
Rosendale 100 La Fayette Street Rosendale, Wisconsin 54974	0414.00	M-Th 10:00 am - 3:00 pm F 8:00 am - 5:00 pm	M-Th 10:00 am - 4:00 pm F 8:00 am - 5:30 pm
Ripon 333 Blackburn Street Ripon, Wisconsin 54971	0415.00	M-F 8:30 am - 5:30 pm Saturday 9:00 am -11:30 am	M-Th 7:30 am - 5:30 pm F 7:30 am - 6:30 pm Saturday 9:00 am - Noon
Ripon West 1074 W. Fond du Lac Street Ripon, Wisconsin 54971	0416.00	M-Th 9:00 am - 4:00 pm F 9:00 am - 5:00 pm	M-Th 8:30 am - 5:30 pm Fr 8:30 am - 6:00 pm Saturday 8:00 am - Noon
Brandon 127 E. Main Street Brandon, Wisconsin 53919	0417.00	M-Th Noon - 4:00 pm F 9:00 am - 6:00 pm	N/A
Fairwater 407 Main Street Fairwater, Wisconsin 53931	0417.00	M-W, F 9:00 am -12:30 pm Th 9:00 am - 4:00 pm	M-W, F 9:00 am -12:30 pm Th 9:00 am - 4:00 pm
(1) Located in a low-income census tract		N/A - Not applicable	
(2) Located in a supermarket			
(3) Mortgage loan production office only			

As the previous chart indicates, the bank’s branches are located in seven cities in the bank’s combined assessment area. Four of the offices and eight of the ATMs are in the Winnebago County MSA assessment area; seven of the offices and nine of the ATMs are in the non-MSA assessment area. One of the 17 ATMs is located in the low-income census tract and two ATMs are located in moderate-income census tracts.

Record of Opening and Closing Offices

In August, 1996 the bank opened a new branch in Fond du Lac and simultaneously closed an older facility less than a mile away. In November, 1996 the bank closed its South Park branch in Oshkosh because it was within one mile of the Copps supermarket branch location. This closing did not have a negative effect on the community as the area is well-served by numerous financial institutions.

On October 1, 1997, Marshall & Ilsley Corporation acquired Security Bank, S.S.B. and allocated its various offices within Wisconsin to M&I affiliate banks. As a result, M&I Central State Bank was assigned two former Security Bank facilities. One of these facilities was located in Oshkosh and was closed in October, 1997 because of its proximity (within 1 to 2 miles) to all three of the bank's existing locations in Oshkosh. The closing of this branch did not adversely affect the community's access to banking services. The second facility, located in Fond du Lac, became a mortgage loan production office effective on the acquisition date.

Range and Accessibility of Services Provided to Geographies

All of the bank's offices are full-service locations and offer services to meet the needs of the assessment area, including the low- and moderate-income geographies and low- and moderate-income individuals. Included among the banking services available are the following:

- " Basic Checking - This is a low-cost account which features no minimum balance, a small monthly maintenance fee, and a monthly limit of ten free debits. This account is targeted to low- and moderate-income individuals and to others who have minimal check-writing needs.
- " Banking for Young Adults - This package of accounts is targeted toward students and young adults and offers low fees, no minimum balance requirements and a no annual fee credit card (for ages 18 and over and subject to credit approval).
- " Prestige and Prestige Plus Package - These are services designed to attract and retain customers over the age of 50 and requires no fees and offers a low-interest rate credit card (subject to credit approval).
- " Small Business Checking - This is a low activity checking account designed for small businesses, non-profit organizations, and governmental units. It requires a low average collected account balance, and offers 15 free checks per month and low monthly fees.

Alternative Systems for Delivering Retail Banking Services

The bank has a number of alternate delivery systems to allow customers access to account information and to other M&I services. Bank-by phone (AMiLine®), available 24 hours each day, is an automated voice response system that allows customers to receive confidential information

on their personal accounts as well as current interest rate information via telephone. PC banking (AMiDirect®) provides customers with 24-hour banking through the use of a personal computer. In addition, the corporation maintains a website where anyone with Internet access can obtain information about M&I deposit accounts, loan accounts, and other services. Furthermore, all M&I customers can use any M&I affiliates= ATMs without charge; the M&I ATM network includes over 200 locations throughout Wisconsin. Also, any M&I account holder may make deposits and withdraw funds at any other M&I bank location throughout Wisconsin.

Community Development Services

The bank provides community development services and support for various organizations within its combined assessment area. These services and support are provided through employee, officer, and director involvement in these organizations, including serving as officers and directors within these organizations. Included among these organizations are the Fond du Lac Economic Development Corp., the City of Fond du Lac Revolving Loan Fund Advisory Committee, the Ripon Community Development Corp., the Ripon City Loan Board, the Oshkosh Commercial Development Corp., and the Oshkosh Chamber of Commerce. Representatives of the bank have also provided education to local area junior high school and high school students on money management and careers in banking, have assisted University of Wisconsin-Oshkosh students with feedback on resumes and conducted mock interviews and have made presentations to prospective home owners on WHEDA mortgage programs.

CONCLUSION

The bank's performance under the service test is considered generally strong. The bank's system of delivering services, including alternate delivery systems, makes its products and services accessible to all portions of the assessment area. The bank's record of closing branches has not adversely affected the accessibility of its products and services to residents of the bank's assessment area. The bank offers a wide variety of financial products and services to consumers, businesses and farms within its market. Business hours and services are reasonable, and bank representatives provide the area with a number of community development services.

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. The review of bank underwriting conducted concurrent with this examination, supplemented an earlier review of centralized loan underwriting functions. The credit transactions reviewed in this examination represent a sample of loan applications where the credit decision was made by bank lending personnel. 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.

APPENDIX A

Scope of Examination	
<p>The bank operated ten full-service branch offices, one mortgage loan production office and 17 ATMs within its assessment area, as of the date of the examination.</p> <p>The bank has defined one metropolitan assessment area and one non-metropolitan assessment area based upon the location of its offices and its lending activity.</p> <p>On-site evaluations were conducted at the following branch offices:</p> <ul style="list-style-type: none"> - Main office in Oshkosh - 50 Pearl Avenue - Fond du Lac office - 33 West Pioneer Road - Ripon office - 333 Blackburn Street 	
Time Period Reviewed	The bank's CRA performance is based on its activities since January 1, 1996.
Financial Institution: M&I Central State Bank, Oshkosh, Wisconsin	The loan data reflected in the report includes all of 1996 HMDA-reportable mortgage and CRA small business/small farm/community development lending data and the first nine months of 1997 lending data.
Affiliates	The lending activities of M&I Mortgage Corp. were reviewed.