

GENERAL INFORMATION

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

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **M&I Bank of Southern Wisconsin, Madison, Wisconsin**, prepared by the **Federal Reserve Bank of Chicago**, the institution's supervisory agency, as of **December 26, 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 Outstanding .

The bank's lending performance is strong, as evidenced by its loan-to-deposit ratio, a significant majority of loan originations within the assessment area and a reasonable distribution of loans among borrowers of different income levels and businesses and farms of different sizes. The bank utilizes innovative and flexible lending standards to benefit low- and moderate-income individuals and geographies within the assessment area. The bank's participation in certain types of qualified community development investments was limited; however, a review of economic conditions and discussions with community representatives indicate that there are limited opportunities available for local financial institutions to participate. The bank provides a wide variety of retail banking and community development services, available to all segments of the community.

The following table details the performance level of **M&I Bank of Southern Wisconsin, Madison, 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	<u>M&I BANK OF SOUTHERN WISCONSIN</u>		
	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 BANK OF SOUTHERN WISCONSIN'S ASSESSMENT AREAS

The bank has defined two assessment areas including Dane, Grant, Iowa, Richland and Sauk Counties in their entireties. Dane County, which contains 89 census tracts, represents the Madison Metropolitan Statistical Area (MSA 4720); lending, investment and services in the MSA will be evaluated separately. Eight census tracts are low-, 15 are moderate-, 48 are middle- and 18 are upper-income. Three of the eight low-income census tracts (5.98, 24.98, 199.00) have no population; therefore, they were not considered in the bank's evaluation. Dane County contains the City of Madison, which is the state capitol. The counties of Grant, Iowa, Richland, and Sauk are rural geographies and contain 34 block numbering areas (BNAs), all of which are designated as middle-income geographies; lending, investment and services in this non-MSA assessment area will be evaluated separately.

Both assessment areas= population total 500,995, according to 1990 census data. The combined assessment area's median family income of \$37,797 is significantly less than the MSA median family income of \$41,529. Of the 122,891 families in the combined assessment area, 16.1% are designated as low-income and 19.9% are designated as moderate-income families. The combined assessment area contains 202,285 housing units, of which 56.2% are owner-occupied, 38.6% are rental and 5.3% are vacant. The combined assessment area median housing value is \$70,639, compared to the MSA housing value of \$77,950. One-to-four family residences represent 73.9% of the available housing units in the combined assessment area.

According to the Wisconsin Department of Labor, the State of Wisconsin unemployment rate for December 1997 is 3.0%, unchanged from the levels noted in December, 1996. The unemployment rates for Dane, Grant, Iowa, Richland and Sauk Counties are 1.4%, 4.0%, 3.1%, 3.8% and 3.5%, respectively, for December 1997. These unemployment rates, with the exception of Dane County, are lower in comparison to December 1996 levels of 1.4%, 5.5%, 3.2%, 3.9% and 3.9%, respectively. Examples of the assessment area's largest employers are noted in the following chart:

Assessment Areas- Large Employers			
Employer	City	Number of Employees	Product/Service
Lands- End, Inc.	Dodgeville	6,500	Clothing products
University of Wisconsin Hospital & Clinics	Madison	4,800	Health care
American Family Mutual Insurance Company	Madison	3,241	Insurance
Meriter Health Services, Inc.	Madison	3,100	Health care

Assessment Areas- Large Employers			
Employer	City	Number of Employees	Product/Service
Oscar Mayer Foods Corp.	Madison	2,600	Meat processing
CUNA Mutual Group	Madison	2,500	Insurance
SSM Health Care dba St. Mary's Hospital Health Care	Madison	1,800	Health care
Dean Medical Center	Madison	1,700	Health care
Grede Foundries, Inc. Reedsburg Division	Reedsburg	800	Ductile iron castings
Advanced Transformer Co.	Boscobel	700	Electrical transformers

DESCRIPTION OF INSTITUTION

M&I Bank of Southern Wisconsin, with total assets of \$2.10 billion as of December 31, 1997, is an affiliate of Marshall & Ilsley Corporation, a multi-bank holding company based in Milwaukee. M&I Bank of Southern Wisconsin was created as a result of the merger of M&I Madison Bank and M&I Bank Southwest on June 1, 1997.

The bank's main office is located in downtown Madison, a city of approximately 200,000 residents. The bank has an additional 28 branches distributed within both assessment areas. The bank's full-service offices offer general deposit products and services, as well as installment, single payment, real estate, agricultural and commercial loan products. There are no apparent factors relating to the bank's prior performance, legal impediments, size and financial capacity or local economic conditions that would prevent the bank from meeting the credit needs of its community. The bank had been regulated by the Federal Deposit Insurance Corporation prior to becoming a state member of the Federal Reserve System in December of 1995. The most recent examination report dated March 25, 1994, for M&I Madison Bank indicated that the bank's rating was **A** outstanding record of meeting community credit needs@.

The bank's primary competitors within both assessment areas include: Anchor Bank, S.S.B; Associated Bank Madison; Bank One, Wisconsin (branches of Milwaukee); Firststar Bank Wisconsin; First Business Bank of Madison; First Federal Savings Bank La Crosse-Madison (branches of La Crosse); Middleton Community Bank in Middleton; and Monona State Bank in Monona.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank's loan originations and loan portfolio were 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 December 31, 1997, Consolidated Report of Condition revealed a net loan-to-deposit ratio of 96.03%, and a net loan-to-asset ratio of 70.45%. The distribution, by loan type, is as follows:

LOAN TYPE	DOLLAR AMOUNT OUTSTANDING (000's)	PERCENT OF TOTAL LOANS
REAL ESTATE		
Construction	50,706	3.43
Farmland	35,509	2.40
Revolving	53,847	3.65
Residential (1-4)	380,452	25.76
Commercial	319,947	21.66
Multi-family	94,232	6.38
CONSUMER		
Open-end Credit	29,424	2.00
All Other	82,651	5.60
COMMERCIAL AND INDUSTRIAL	382,429	25.89
AGRICULTURAL	36,174	2.45
STATE AND POLITICAL OBLIGATIONS	9,064	0.61
OTHER	2,467	0.17

Commercial and industrial lending including commercial real estate loans comprise 47.55% of the portfolio, followed by residential real estate lending, comprising 32.84% of the loan portfolio, as illustrated in the previous table.

According to the December 31, 1997, Uniform Bank Performance Report (UBPR), the composition of the bank's loan portfolio as compared to peer is illustrated in the following chart:

LOAN TYPE	BANK AVERAGE LOAN MIX (%)	PEER AVERAGE LOAN MIX (%)
REAL ESTATE LOANS		
Construction/Development	3.39	2.97
1 - 4 Family Residential	28.91	27.58
Home Equity	3.48	2.63
Other Real Estate	29.77	19.19
Farmland	1.75	0.25
Multi-family	6.39	1.27
Commercial	21.64	16.23
TOTAL REAL ESTATE LOANS	62.08	55.92
LOANS TO INDIVIDUALS	7.85	14.76
CREDIT CARD LOANS	1.99	0.95
COMMERCIAL and INDUSTRIAL LOANS	27.53	17.30
AGRICULTURAL LOANS	1.81	0.18
MUNICIPAL LOANS	0.55	0.52
OTHER LOANS*	0.19	0.60
*Excludes Financial Institution Loans, Acceptances of Other Banks, Foreign Office Loans and Leases, and Lease Financing Receivables		

Real estate and commercial/industrial loan levels are well above peer, which according to management and community representatives, is a direct reflection of the bank's lending focus in meeting the credit needs of the community and its historic strengths.

A bank's loan-to-deposit ratio is a barometer for gauging whether or not it is reinvesting deposits it receives from the customers in the assessment area in the form of loans. The bank's loan-to-deposit ratio has consistently remained at high levels over the past six quarters. The bank's ratio exceeded peer levels, according to the December 31, 1997, UBPR, and generally exceeds those of local competitors, as noted in each of the competitors' consolidated reports of condition. These ratios are illustrated in the following charts:

BANK NET LOAN/LEASE TO DEPOSIT RATIO	PEER NET LOAN/LEASE TO DEPOSIT RATIO
87.80%	81.14%

LOAN-TO-DEPOSIT RATIOS OF M&I BANK OF SOUTHERN WISCONSIN AND COMPETITORS								
Bank Name and Location	Asset Size (in thousands)	Loan-to-Deposit Ratios for the Quarters Ending (%)						
		12/97	9/97	6/97	3/97	12/96	9/96	Average
Bank One Wisconsin; Milwaukee	\$9,080,380	117.62	105.91	106.99	103.31	109.83	119.83	110.58
Firststar Bank Wisconsin; Madison	\$4,037,826	85.16	90.57	92.61	94.23	89.73	91.50	90.63
First Business Bank; Madison	\$177,697	80.95	71.07	73.18	76.54	75.53	75.48	75.46
Monona State Bank; Monona	\$121,463	79.81	87.04	89.36	85.88	80.54	89.84	85.41
Associated Bank Madison; Madison	\$72,485	78.41	80.77	85.24	81.12	78.93	83.82	81.38
Middleton Community Bank; Middleton	\$48,512	83.57	86.85	79.43	84.94	81.92	87.73	84.07
M&I Bank of Southern Wisconsin; Madison	\$2,096,391	87.80	88.90	88.04	91.02	86.84	90.27	88.81

Lending in the assessment area

The bank's internal analysis of Home Mortgage Disclosure Act (HMDA)-reportable real estate loans, including those referred to M&I Mortgage Corp., small business and small farm originations was evaluated to determine the bank's lending within its assessment area. The bank's HMDA-reportable lending included 1,696 and 1,235 originations for 1996 and the first nine months of 1997, respectively. There were 5,188 and 3,740 small business and small farm loan originations in 1996 and 1997, respectively. The following chart illustrates the level of the bank's small business, small farm and mortgage lending in both assessment areas:

Small Business, Small Farm and HMDA-Reportable Originations in Assessment Area				
Loan Type	1996		Year-to-date 1997	
	#	%	#	%
Business/Farm	4,791	92.4	3,494	93.4
Mortgages	1,484	87.5	1,091	88.3
Total	6,275	91.2	4,585	92.2

The bank exceeds the standards for satisfactory performance in this category, based on the consistently high percentages of lending within its assessment areas.

Geographic Distribution

The bank's internal analysis of the geographic distribution of HMDA-reportable, small business and small farm loans was also reviewed to evaluate the bank's lending within both assessment areas. A review of year-to-date 1997 HMDA-reportable loans reveals that the bank originated real estate loans in 105 of the 120 (87.5%) census tracts and BNAs in both assessment areas. The 15 census tracts and BNAs without activity include two low-income, one moderate-income, eight middle-income and four upper-income geographies.

The bank made at least one small business or small farm loan in 110 of the 120 (91.7%) census tracts and BNAs in both assessment areas in 1996. Only one of the census tracts without activity was low-income; the remaining nine were either middle- or upper-income. Similarly, the bank originated small business and small farm loans in 113 of the 120 (94.2%) of the census tracts and BNAs in the assessment area in 1997. Those tracts without activity include one moderate-income census tract, with the remainder either middle- or upper-income.

The bank's loan penetration within census tracts and BNAs in both assessment areas is reasonable.

Borrower Characteristics

The bank's analyses discussed above were also utilized to assess the bank's lending to borrowers of different income levels and to businesses and farms of different revenue sizes. The following table summarizes the bank's 1996 and 1997 HMDA-reportable lending:

Real Estate Originations in Both Assessment Areas to Borrowers by Income Level				
Income Level of Borrower	1996		1997 (through September)	
	# of Originations	% of Total	# of Originations	% of Total
Low-	35	2.4	65	6.0
Moderate-	172	11.6	234	21.5
Middle-	431	29.0	326	30.0
Upper-	845	57.0	462	42.5
Total	1,483	100.0	1,087	100.0

Approximately 36.0% of the families in both assessment areas are considered low- or moderate-income; however, 5.7% of all families in both assessment areas have incomes below the poverty level. The bank's lending to low- and moderate-income borrowers increased significantly in 1997. Management attributes this increase to its flexible lending standards in providing products targeting those low- and moderate-income members of the community. Community representatives indicated that housing prices, in relation to income levels in the bank's assessment areas may still limit the number of mortgage loans made to low- and moderate-income borrowers. The bank's overall lending to borrowers of different incomes is reasonable in consideration of demographic characteristics of the assessment areas.

The following table summarizes the distribution of the bank's 1996 and 1997 small business and small farm lending by loan amount:

Distribution of Small Business and Small Farm Loans in Both Assessment Areas by Loan Amount												
	Loan Amounts											
	\$100,000 or less				\$100,000+ to \$250,000				Greater than \$250,000			
	1996		Year-to-date, 1997		1996		Year-to-date, 1997		1996		Year-to-date, 1997	
Loan Type	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Small Business	2,267	67,926	1,466	47,212	413	71,289	294	50,550	352	174,331	251	126,008
Small Farm	1,616	32,434	1,340	26,527	116	17,498	113	16,950	27	8,992	30	10,647

Distribution of Small Business and Small Farm Loans in Both Assessment Areas by Loan Amount												
Total	3,883	100,360	2,806	73,739	529	88,787	407	67,500	379	183,323	281	136,655

A review of 1996 small business and small farm originations indicated that 74.8% of the bank's small business loans and 91.9% of the small farm loans were in amounts of \$100,000 or less. Similarly, for the first nine months of 1997, 72.9% of the small business loans and 90.4% of the small farm loans originated were for \$100,000 or less.

An analysis of the gross annual revenues of the businesses and farm borrowers referenced in the above table reveals that of the 4,791 small business/small farm loan originations in 1996, 4,006 (83.6%) were extended to businesses and farms with gross annual revenues of less than \$1 million. Preliminary 1997 data also indicates that of the 3,494 small business/small farm originations, 2,919 (83.5%) were extended to businesses and farms with gross annual revenues of less than \$1 million.

In 1996 and 1997 the bank's total dollar amount of business/farm originations in the assessment area was \$372,470,000 and \$277,894,000, respectively. The bank's 1996 and 1997 small businesses and small farms lending represented approximately 58.9% and 61.1%, respectively, of the total dollar amount of originations to businesses and farms.

The bank's lending to businesses of different revenue sizes is commendable. Based on the number and percentage of total originations, and the percentage of the dollar amount of originations, the bank exceeds the standard for lending to businesses and farms of different sizes.

The bank also offers loan programs with flexible lending features designed to address the credit needs of low- and moderate-income individuals, small business and small farm owners, and residents and businesses located in low- and moderate-income geographies; this includes the complete line of lending products available at all M&I affiliates. Examples of these programs include the bank's participation in the Farm Service Agency (FSA) and Small Business Administration (SBA), the Wisconsin Housing and Economic Development Authority (WHEDA), Veterans Administration (VA) and Neighborhood Home Loan Program (NHLP) loan programs. The following table details the number and amounts of loans outstanding as of December 31, 1997 and the originations since January 1, 1996:

PROGRAM	NUMBER OF LOANS	\$ AMOUNT OUTSTANDING	# ORIGINATED SINCE 1/1/96	\$ ORIGINATED SINCE 1/1/96
FSA (FmHA)	21	2,980,608	21	3,272,300

SBA	73	6,777,008	14	1,259,156
VA & State VA	27	3,285,350	19	1,774,000
WHEDA (Crop)	111	1,653,980	18	198,437
WHEDA (Home)*	18	1,345,150	34	2,429,000
NHLP	**	**	326	30,543,000

* New loans originated are serviced by WHEDA and are not reflected in the current outstanding totals

** No separate identification on the bank's loan system

The NHLP eliminates the need for private mortgage insurance and offers more flexible lending criteria in an effort to increase lending activity among low- and moderate-income individuals and within low- and moderate-income geographies. Participation in all of these loan programs increases the opportunities for lending to both low- and moderate-income individuals as well as start-up and existing small businesses and small farming operations.

Community Development Lending

An analysis of the community development lending reveals that the majority of the community development loans have been made in the MSA assessment area. Community representatives confirmed that community development lending opportunities are limited in the non-MSA assessment area.

The following is a list of the community development loans made by the bank:

- C **Operation Fresh Start** - Two loans were made in amounts of \$40,000 and \$38,280. Operation Fresh Start is a non-profit organization that hires youths and young adults who have little or no job skills. The organization purchases vacant lots on which it constructs homes and purchases existing homes in need of major rehabilitation; funding is provided through various governmental programs including Community Development Block Grant (CDBG) funding. Homes are sold to buyers with incomes of 80% or below the county median income, after a home is constructed or rehabilitated.
- C **Future Madison Epoint** - A \$100,000 loan was made to this non-profit corporation formed to purchase, rehabilitate and operate distressed properties in low- and moderate-income neighborhoods in Madison.
- C **Transitional Housing** - A \$60,000 loan was renewed to this non-profit agency that provides temporary housing shelter for very low-income and unemployed in need of shelter.
- C **Community Housing Services** - A loan for \$1,790,000 was made to provide single room occupancy and transitional housing for low-income individuals.
- C **Rainbow Project** - Two loans were made for \$317,200 and \$50,000 to purchase and rehabilitate property in order to expand the organizations outreach program. The Rainbow Project is a non-profit

organization that provides individual and family counseling to dysfunctional families, many of which are low-income. The project is located in a moderate-income census tract.

- C **Habitat for Humanity** - A loan for \$78,400 for a rehabilitation project located on Madison's south side in census tract 14.01, a low-income tract. Habitat for Humanity provides home ownership opportunities for low-income individuals and families.
- C **Madison Street School Associates Limited Partnership** - The loan of \$613,131 was for a 38 unit, apartment facility in Sauk City with reduced rents. The operation operates under Section 42 of the Treasury Code and is monitored for compliance by WHEDA.

The bank's community development lending is consistent with the community development lending opportunities in the assessment area.

CONCLUSION

The bank's overall lending performance is strong, as evidenced in its loan volume, a high percentage of loans within the assessment area and the geographic distribution of the bank's HMDA-reportable, small business, small farm and community development lending. Additionally, the bank's loan-to-deposit ratio is well above its peer group and is consistent with its local competition. The bank's lending to businesses and farms of different revenue sizes was strong, including its use of innovative and flexible lending programs.

INVESTMENT TEST

The bank's investment portfolio, grants and donations that contribute to local community development efforts were reviewed. Qualified 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 limited opportunities in Dane County for the bank to participate in qualified investments. Opportunities in the non-MSA assessment area are further limited.

Degree to Which Investments Are Not Provided by Private Investors

The bank has purchased one investment since the previous examination totaling \$25,000, representing Dane County Development Company capital investment stock. In addition, the bank has a total of \$75,000 in outstanding investments representing Dane County Development Company capital investment stock, made prior to the previous examination. The purpose of these investments is to provide loans for start-up businesses that would not be able to secure loans from traditional sources.

The bank has made a number of grants totaling \$339,558, despite the limited number of qualified investment opportunities. The following chart illustrates the organizations benefiting from each grant, the purpose of each grant and the dollar amount of each grant:

M&I BANK OF SOUTHERN WISCONSIN GRANTS JANUARY 1, 1996 TO DECEMBER 31, 1997		
Organization	Purpose	Dollar Amount
Community Housing & Services	Provides single room occupancy housing for low-income individuals.	6,000
Madison Area Community Development Loan Fund	Provides loans to non-profit organizations for the creation of affordable housing for low- and moderate-income individuals and participation in other development projects.	5,200
Habitat for Humanity	Provides homes and 0% loans for low-income families and individuals.	4,000
Transitional Housing, Inc.	Provides housing for the homeless.	2,812
Salvation Army	Provides housing and meals for the homeless. These funds were for the development and renovation of their shelter on Madison's east side.	6,800
Centro Hispano	This organization provides services to the Hispanic community, including home buying seminars.	2,950
Monona Terrace Funding Corp.	Provides funding for the construction of the Monona Terrace Convention Center sponsored by the City of Madison; this project is to revitalize Madison's downtown. The construction created new jobs for minority-owned business through the city's affirmative action program, and attracted more employment opportunities for the area.	300,000
Bassett Neighborhood Project	Bassett Neighborhood Project is a group of public and private initiatives to promote neighborhood revitalization. The Bassett neighborhood is primarily located in census tract 16.02, a low-income tract and extends into census tract 17.00, a moderate-income tract.	1,500
Project Bootstrap, Inc.	Provides after-school services for at-risk African-American and other ethnic youth.	2,000
Madison Jewish Community Council	The council raises money to send children of low-income families to summer camp.	2,300
ZAP (Zimbrick Adventure Program)	The ZAP program works in conjunction with the Nehemiah Foundation to provide summer programs	500

M&I BANK OF SOUTHERN WISCONSIN GRANTS JANUARY 1, 1996 TO DECEMBER 31, 1997		
Organization	Purpose	Dollar Amount
	for at-risk minority youths.	
Nehemiah Foundation	This donation went directly to the Minority Family Foundation which provides counseling and family services for low- and moderate-income, minority families.	2,000
Star Spangled Banner Celebration*	The Star Spangled Banner Celebration is a festival to provide affordable family entertainment in Richland County. The proceeds of the celebration benefit low-income housing projects and downtown revitalization.	500
Neighborhood Housing of Richland Center*	Provides affordable housing for low- and moderate-income individuals and families in Richland Center	2,496
Southwest Opportunities Center, Inc.*	The Southwest Opportunities Center is located in Lancaster and benefits disabled low-income adults	500
* These donations represent grants made to benefit the non-MSA assessment area.		

The total amount of investments and grants are strong considering the opportunities within both assessment areas.

Responsiveness to Available Opportunities

The bank's current level of qualified investments reflects generally strong participation in the available opportunities. Discussions with bank management and community representatives, and a review of the bank's overall investment performance, indicate that the bank is responsive to the community development needs of the community. The bank's limited qualified investments are representative of the limited investment opportunities within the bank's community. Additionally, in 1992, M&I Bank of Southern Wisconsin initiated a bi-monthly meeting of all Madison banks to discuss community development and investment opportunities. The meetings afford community groups a forum to discuss and present their respective programs. Each bank then makes an independent decisions as to its involvement with any specific program.

CONCLUSION

The bank's performance within the investment test is considered strong. The bank provides a strong level of investments in the form of grants to support community development initiatives. In addition, the bank is innovative with the means in which possible investment

opportunities are determined and reviewed, utilizing the bi-monthly meetings of Madison banks. The bank has a strong level of investments and grants considering the available opportunities in both assessment areas. The bank provides contributions to organizations that provide housing and community development services to benefit residents of low- and moderate-income census tracts and low- and moderate-income individuals.

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 Bank of Southern Wisconsin is a full-service bank with multiple branches and ATMs located within both assessment areas. The bank provides a full array of loans to consumers, businesses and organizations in accordance with nondiscriminatory lending standards. Additionally, the bank offers a variety of deposit accounts, to meet the different needs of the residents and commercial customers in both assessment areas.

Distribution of Branches Among Geographies

The following table illustrates the bank’s branch locations and hours of operation:

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Barneveld 101 South Jones Street Barneveld, WI 53507	Iowa/ 9505.00	Lobby: Drive-Up:	8:30am - 4:00pm 8:30am - 6:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Monday - Friday Saturday
Cottage Grove Auto Bank 4522 Cottage Grove Road Madison, WI 53716	Dane/ 30.01	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Dodgeville 302 North Iowa Street Dodgeville, WI 53533	Iowa/ 9504.00	Lobby: Drive-Up:	8:00am - 4:00pm 8:00am - 6:00pm 7:30am - 6:00pm	Monday - Thursday Friday Monday - Friday

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
			8:00am - 12:00pm	Saturday
Fitchburg 2900 Fish Hatchery Road Fitchburg, WI 53713	Dane/ 14.98	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Hilldale 401 North Segoe Road Madison, WI 53705	Dane/ 3.00	Lobby:	9:00am - 5:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Hilldale Auto Bank 4501 Vernon Boulevard Madison, WI 53701	Dane/ 3.00	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Lancaster 237 West Maple Street Lancaster, WI 53813	Grant/ 9607.00	Lobby: Drive-Up:	8:00am - 4:00pm 8:00am - 6:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Monday - Friday Saturday
Madison East Towne 4726 East Towne Boulevard Madison, WI 53704	Dane/ 26.02	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Madison High Point 7801 Mineral Point Road Madison, WI 53717	Dane/ 4.98	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Madison Jamestown 5250 Verona Road Fitchburg, WI 53711	Dane/ 5.03	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Madison Main Office 1 West Main Street Madison, WI 53703	Dane/ 17.00	Lobby: Drive-Up:	9:00am - 5:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Monday - Friday Saturday
Madison Sherman Avenue 1202 North Sherman Avenue Madison, WI 53704	Dane/ 22.00	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Middleton Auto Bank 1821 Parmenter Street Middleton, WI 53562	Dane/ 110.00	Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday
Middleton Hubbard Avenue 7448 Hubbard Avenue Middleton, WI 53562	Dane/ 110.00	Lobby:	9:00am - 5:00pm 9:00am - 12:00pm	Monday - Friday Saturday

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Monona 4711 Monona Drive Madison, WI 53716	Dane/ 103.00	Lobby:	9:00am - 5:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Monona Auto Bank 4613 Monona Drive Madison, WI 53716	Dane/ 103.00	Drive-Up:	7:30am - 6:00pm 8:30am - 12:30pm	Monday - Friday Saturday
Mt. Hope Main Street Mt. Hope, WI 53575	Grant/ 9604.00	Lobby:	9:00am - 4:30pm 9:00am - 6:00pm	Monday, Wednesday Friday
Oregon 127 Jefferson Street Oregon, WI 53575	Dane/ 125.00	Lobby: Drive-Up:	8:30am - 5:00pm 9:00am - 12:00pm 7:00am - 7:00pm 8:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Plain 1065 Main Street Plain, WI 53577	Sauk/ 9511.00	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 6:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Monday - Friday Saturday
Reedsburg 132 South Park Street Reedsburg, WI 53959	Sauk/ 9510.00	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Richland Auto Bank U.S. Highway 14 East Richland Center, WI 53581	Richland/ 9703.00	Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday
Richland Center 108 East Court Street Richland Center, WI 53581	Richland/ 9704.00	Lobby:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday
Sauk City 615 Water Street Sauk City, WI 53583	Sauk/ 9507.00	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Sauk-Gammon Auto Bank 7001 Old Sauk Road Madison, WI 53705	Dane/ 2.04	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Shorewood Auto Bank 810 Shorewood Boulevard Madison, WI 53705	Dane/ 101.00	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Spring Green 209 East Jefferson Street Spring Green, WI 53588	Sauk/ 9508.00	Lobby:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday
Spring Green Auto Bank 259 Jefferson Street Spring Green, WI 53588	Sauk/ 9508.00	Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday
Sun Prairie 1140 West Main Street Sun Prairie, WI 53590	Dane/ 115.02	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 8:30am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Westgate Auto Bank 5567 Odana Road Madison, WI 53711	Dane/ 4.98	Drive-Up: Walk-Up:	7:30am - 6:00pm 9:00am - 12:00pm 8:00am - 1:00pm	Monday - Friday Saturday Monday - Friday

The various locations are reasonably distributed within the assessment area and are readily accessible to all individuals, including residents and small businesses located in low- and moderate-income geographies. The majority of the locations offer Saturday hours as a convenience for customers.

Record of Opening and Closing Offices

The bank has closed three and sold one branch office since January 1, 1995. The following table details the bank's action in each situation:

BRANCH LOCATIONS CLOSED/SOLD SINCE 1995			
Branch Location	County/Census Tract/BNA	Date of Action	Action Taken
Westgate 670 South Whitney Way Madison, WI	Dane/4.02	February 17, 1995	Branch closed after extensive studies indicated that customers did not utilize the location due to traffic concerns.
Shorewood 3330 University Avenue Shorewood Hills, WI	Dane/101.00	February 17, 1995	Branch closed due to excessive occupation costs and low customer volume. The drive-up facility remained open.
Greenway 8383 Greenway Boulevard Madison, WI	Dane/109.00	May 31, 1996	Branch closed due to low transaction counts and four other M&I full-service locations within a three-mile radius.

BRANCH LOCATIONS CLOSED/SOLD SINCE 1995			
Branch Location	County/Census Tract/BNA	Date of Action	Action Taken
Ridgeway 609 West Main Street Ridgeway, WI	Iowa/9505	February 25, 1995	Branch sold to Farmers Savings Bank.

None of the affected branches were located in low- or moderate-income geographies. A review of the bank's files indicates that the elimination of branches did not have a negative impact on customers, as the availability of services at nearby branch locations provide reasonable service options.

Alternative Systems for Delivering Retail Banking Services

In addition to the products and services available at the branch locations, the bank offers a variety of methods to make banking services accessible to all individuals. The following table illustrates the ATMs operated by M&I Bank of Southern Wisconsin:

ATM LOCATION	COUNTY/ CENSUS TRACT/BNA	CENSUS TRACT/BNA INCOME LEVEL
717 West Johnson Street, Madison, WI 53701	Dane/16.02	Low
7801 Mineral Point Road, Madison, WI 53701	Dane/4.98	Middle
1 West Main Street, Madison, WI 53703	Dane/17.00	Moderate
1201 North Sherman Avenue, Madison, WI 53703	Dane/18.00	Moderate
1202 North Sherman Avenue, Madison, WI 53703	Dane/18.00	Moderate
202 South Park Street, Madison, WI 53703	Dane/12.98	Middle
309 West Washington Street, Madison, WI 53703	Dane/17.00	Moderate
3301 Kinsman Boulevard, Madison, WI 53703	Dane/25.98	Low
603 State Street Madison, WI 53703	Dane/16.01	Low
735 East Washington Avenue, Madison, WI 53703	Dane/19.00	Moderate
2616 University Avenue, Madison, WI 53705	Dane/8.00	Middle
3401 University Avenue, Madison, WI 53705	Dane/8.00	Middle
401 North Segoe, Madison, WI 53705	Dane/3.00	Middle

ATM LOCATION	COUNTY/ CENSUS TRACT/BNA	CENSUS TRACT/BNA INCOME LEVEL
4501 Vernon Boulevard, Madison, WI 53705	Dane/3.00	Middle
6702 Mineral Point Road, Madison, WI 53705	Dane/2.01	Upper
726 North Midvale Boulevard, Madison, WI 53705	Dane/3.00	Middle
1055 Bascom Mall, Madison, WI 53706	Dane/11.00	Moderate
1650 Kronshage Drive, Madison, WI 53706	Dane/11.00	Moderate
227 North Randell Avenue, Madison, WI 53706 **	Dane/11.00	Moderate
800 Langdon Street, Madison, WI 53706	Dane/11.00	Moderate
801 Langdon Street, Madison, WI 53706	Dane/11.00	Moderate
925 University Avenue, Madison, WI 53706	Dane/11.00	Moderate
4609 Monona Drive, Madison, WI 53711	Dane/28.00	Middle
4711 Monona Drive, Madison, WI 53711	Dane/29.00	Middle
5250 Verona Drive, Madison, WI 53711	Dane/5.03	Middle
670 South Whitney Way, Madison, WI 53711	Dane/4.98	Middle
333 2 North Randall, Madison, WI 53715	Dane/11.00	Moderate
4522 Cottage Grove Road, Madison, WI 53716	Dane/30.01	Middle
7001 Old Sauk Road, Madison, WI 53717	Dane/2.02	Upper
5567 Odana Road, Madison, WI 53719	Dane/4.98	Middle
600 Highland, Madison, WI 53792**	Dane/32.00	Low
2542 Allen Boulevard, Middleton, WI 53562**	Dane/111.01	Middle
7447 University Avenue, Middleton, WI 53562	Dane/110.00	Upper
127 Jefferson Street, Oregon, WI 53575	Dane/125.00	Middle
1140 West Main Street, Sun Prairie, WI 53590	Dane/115.02	Middle
316 West Spring Street, Dodgeville, WI 53533	Iowa/9504	Middle
237 West Maple, Lancaster, WI 53813	Grant/9607	Middle
108 East Court Street, Richland Center, WI 53581	Richland/9704	Middle
US Highway 14 East, Richland Center, WI 53581	Richland/9703	Middle
615 Water Street, Sauk City, WI 53583	Sauk/9507	Middle

ATM LOCATION	COUNTY/ CENSUS TRACT/BNA	CENSUS TRACT/BNA INCOME LEVEL
209 East Jefferson Street, Spring Green, WI 53588	Sauk/9508	Middle

**Two ATMs at this location

In addition, bank customers are able to use any of the over 200 ATMs in the M&I network without charge. Twenty-four hour banking is available through AMi LINE®, a toll-free bank-by-phone service, and through M&I Direct, a computer banking product. Additionally, Marshall & Ilsley Corporation maintains a website which permits individuals with Internet access to obtain information regarding M&I products and services.

Range and Accessibility of Services Provided to Geographies

The bank's 29 branch locations offer services to meet the needs of both assessment areas, including the residents of low- and moderate-income geographies and low- and moderate-income individuals. In addition to regular banking services, the bank offers the following products and services:

- C **Basic Checking** - a low-cost account featuring no minimum balance, a low monthly maintenance fee and ten free debits monthly.
- C **Special Business Checking** - a low-cost account designed for small businesses, non-profit organizations, professional groups and clubs that make a limited number of deposits and write few checks.
- C **Small Business Checking** - a low-cost account designed to help small businesses maintain a checking account at a reduced cost.
- C **Government Check Cashing** - with proper identification, the bank will cash, at no charge, any check issued to an individual by a city, county, state or federal department or agency.

Community Development Services

The bank provides community development services to various organizations with a stated or implied purpose of community development. Involvement in these organization includes both bank officers and employees; this involvement utilizes the financial expertise of those involved. Examples of the bank's community development services are listed below:

- C **Future Madison Housing Fund (FMHF)** - The organization is a non-profit corporation formed to purchase, rehabilitate and operate distressed properties in low- and moderate-income neighborhoods in Madison. The goal is to enhance the specific properties and serve as a catalyst for improving entire neighborhoods. The president of the bank has been a member of the FMHF board since its inception and is currently serving as secretary/treasurer.

- C **Dane County Development Company, Inc. (DCDC)** - The DCDC is a community corporation that lends to start-up businesses and non-profit agencies that have difficulty in obtaining credit. A senior vice president of the bank serves as a member of its loan committee.
- C **Commonwealth Development Corporation** - This is a non-profit organization that emphasizes development of start-up businesses and housing for low-and moderate-income individuals and families in the Williamson Street neighborhood on Madison's near east side. This area is a moderate-income area, located in census tract 19. An officer of the bank is a member of the micro-loan fund committee of the Madison Enterprise Center, a division of the Commonwealth Development Corporation.
- C **Transitional Housing Inc.** - This is a non-profit agency that provides temporary housing for the very low-income or unemployed who are in need of shelter. A bank officer is an active board member and serves on the executive, development and finance committees.
- C **Habitat for Humanity of Dane County** - Habitat for Humanity is a non-profit organization that provides homes for low- and moderate-income individuals. The bank's CRA Officer is on the finance committee and the applicant screening committee in which he analyzes the credit worthiness of the applicants.
- C **Community Housing Services** - This is a non-profit organization that provides single room occupancy and transitional housing for low-income individuals. The bank's CRA Officer is a member of the board of trustees; he advises the organization in matters such as purchasing, mortgaging or transferring ownership of their properties.
- C **Madison Community Development Loan Fund (MACDLF)** - This is a non-profit organization that provides loans to non-profit organizations for the development of affordable housing and other community development projects. The bank's CRA officer is on the board of directors and chairs the loan committee. He is also a member of the lending and technical assistance committee that developed the loan policies and procedures.
- C **Madison Area Community Land Trust (MACLT)** - This is a non-profit organization that provides affordable housing for low- and moderate-income individuals and families in Dane County. The bank's CRA officer is on the board of directors and lends his expertise to secure financing for MACLT's various projects.
- C **Working Homeless Shelter Initiative** - This is a group that analyzes the needs of the working homeless. The bank's CRA officer is a member of this initiative.
- C **Centro Hispano** - This is a non-profit organization providing services to the Dane County Hispanic community. The organization has developed a series of seminars beginning with the basics of money management, credit, credit counseling, purchasing/caring for a home and home financing. Bank staff helps develop the curriculum and teach the seminars.
- C **Lancaster Housing Authority** - This is an organization operating six low-income housing projects within the City of Lancaster; tenants are mostly retired or disabled. A bank officer is the board chairman of this organization.

- C **Lancaster Economic Development Committee** - This organization's goal is to attract both business and residential projects within the city. The current primary focus is attracting investors to work in conjunction with the Lancaster Housing Authority to increase the number of low-income housing units within the city. A bank officer offers technical assistance as a member of the committee.
- C **Dodgeville Housing Authority** - This organization provides affordable housing for low- and moderate-income individuals in Iowa County. The organization received a HUD grant to construct a duplex for low-income individuals in the City of Dodgeville. In addition, the DHA provides rental vouchers to over 60 low-income families in the county on a monthly basis. A bank officer serves as a commissioner of this organization.
- C **Dodgeville Revitalization Board for Economic Development** - This organization encourages economic development in the city. A bank officer serves as a board member.

The bank participates in a variety of programs to promote home-ownership, in addition to the involvement noted above. The bank participates in the City of Madison's Home-Buy program, which is a down payment assistance and closing cost program for first time home buyers whose income is less than 80% of the county median income. The bank is also involved in the Greater Madison Housing Foundation Loan Program, another downpayment assistance program for first time home buyers who are low- or moderate-income individuals. The bank also presents a number of home buyer and home construction seminars each year. The bank participates with WHEDA and the Madison Board of Realtors in providing first time home buyer seminars, with an emphasis on low- and moderate-income home buyers. The bank participates in the City of Madison's Affords@lease-purchase program, developed to provide eventual home-ownership for low- and moderate-income individuals and families that lack the necessary down payment to own a home. Additionally, the bank also provides loan officers who counsel and accept applications from Affords@applicants.

CONCLUSION

The bank's performance within the service test is strong. The bank's delivery systems are accessible to all portions of the assessment area, including low- and moderate-income geographies. The bank's record of closing offices has not negatively impacted the delivery nor the accessibility of services within its assessment area. The bank provides a commendable level of community development services, a majority of which demonstrate a strong responsiveness to community development needs.

OVERALL CONCLUSION

The bank's overall performance is very strong, considering its loan-to-deposit ratio, high percentage of loans within the assessment area and its record of lending to small businesses

and small farms. The distribution of loans within the assessment area and among borrowers of different income levels and businesses and farms of different revenue sizes is strong. The bank's participation in community development lending is commendable. The bank had a generally strong level of qualified community development investments, in comparison to local economic opportunities. The minimal number of branch closings did not adversely impact the availability of services for residents of both assessment areas.

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 and commercial loan underwriting has been centralized. The review of M&I Bank of Southern Wisconsin lending practices and 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 for which credit decisions were 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.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MADISON MSA 4720:

The MSA assessment area, including all of Dane County, contains 89 census tracts; eight are low-income, 15 are moderate-income, 48 are middle-income and 18 are upper-income tracts.

Three of the low-income census tracts have no population and were not considered in this evaluation. The bank's main office is located in downtown Madison; the bank operates 18 branches and 38 ATMs within the MSA.

The MSA has a total population of 367,085, according to 1990 census data; the MSA population comprises 73.3% of both assessment area's total population. There are 87,346 families in the MSA, of which 15.8% are designated as low-income and 19.7% are designated as moderate-income families. The MSA contains 147,851 housing units, of which 53.3% are owner-occupied, 43.3% are rental and 2.4% are vacant. The median housing value in the MSA is \$77,950. One-to-four family residences represent 70.1% of the available housing units in the MSA. Economic conditions in the MSA remain favorable, as unemployment rates are consistently below those for the State of Wisconsin. Madison serves as a major employment center for the surrounding communities in Dane County.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MADISON MSA 4720:

LENDING TEST

The bank's internal analysis of 1996 and year-to-date 1997 HMDA-reportable real estate loans, including originations by M&I Mortgage Corp., small business and small farm originations was reviewed to analyze the bank's lending within the MSA. This review included the bank's geographic distribution of loans, the distribution of lending by borrower income characteristics, the use of innovative and flexible lending practices and community development lending.

Lending Volume

The bank originated 1,484 HMDA-reportable loans in 1996, of which 1,296 (87.3%) were within the MSA. Similarly, the bank originated 1,091 HMDA-reportable loans for the first nine months of 1997, of which 1,003 (91.9%) were originated in the MSA. These percentages are reasonable as the MSA contains 73.1% of the available housing units in both assessment areas.

An analysis of 1996 small business and small farm originations revealed that 2,060 (67.9%) of the total of 3,032 small business loans were originated within the MSA, and 223 (12.7%) of the 1,759 small farm loans were originated within the MSA. Preliminary 1997 data revealed that of the 2,011 small business loan originations, 1,423 (70.8%) were within the MSA, and of the 1,483 small farm originations, 144 (9.7%) were within the MSA.

Geographic Distribution

The geographic distribution of HMDA-reportable, small business and small farm loans was also reviewed. A review of the HMDA-reportable loans from January through September 1997 reveals that the bank originated consumer real estate loans in 78 of the 86 (90.7%) census tracts in the MSA. The eight census tracts without activity include two low-income, one moderate-income, one middle-income and four upper-income tracts.

Further analysis of 1996 mortgage lending reveals that 0.34% and 9.50%, respectively, of the bank's total HMDA-reportable loans were made in low- and moderate-income census tracts. Further analysis of 1997 mortgage lending reveals that 0.64% and 13.75%, respectively, of the total HMDA-reportable loans were made in low- and moderate-income census tracts.

The bank's lending in low- and moderate-income census tracts is generally consistent with 1996 aggregate mortgage lending levels; 0.98% and 13.65% of the total number of mortgage loans, respectively, were made in low- and moderate-income tracts.

The bank made at least one small business or small farm loan in 80 of the 86 (93.0%) census tracts in the MSA in 1996. Only one of the census tracts without activity was low-income; the remaining five were either middle- or upper-income. Similarly, data for 1997 indicates that the bank originated small business and small farm loans in 79 of the 86 (91.9%) census tracts in the MSA. Those tracts without activity include one moderate-income census tract, with the remainder either middle- or upper-income.

Further analysis of 1996 bank small business lending reveals that 6.22% and 22.50% of the bank's small business lending, respectively, were made in low- and moderate-income tracts. A further review of 1996 bank small farm lending reveals that there were no loans made in low-income tracts; 1.94% of the bank's small farm loans were made in moderate-income tracts.

The bank's lending is generally consistent with 1996 small business aggregate lending levels; 6.65% of the aggregate number of small business loans were made in low-income census tracts and 21.12% were in moderate-income tracts. The bank's lending is generally consistent with 1996 small farm aggregate lending levels; there were no small farm loans made in low-income census tracts; 11.35% were made in moderate-income tracts.

The bank's mortgage, small business and small farm loan penetration among different types of census tracts within its assessment area is reasonable due to the demographic characteristics of the assessment area, general consistency with aggregate lending levels, overall lending within the MSA and consistency with information provided by community representatives. In addition, positive trends were noted in all types of bank lending within census tracts of different income levels within this assessment area.

Borrower Characteristics

The bank's analysis referenced above were also utilized to determine the bank's lending to borrowers of different incomes and to businesses and farms of different revenue sizes. The following tables summarize the analysis of the bank's HMDA-reportable lending:

Originations in Madison MSA 4720 - Applicants by Income Level				
Income Level of Applicant	1996		Year-to-date, 1997	
	# of Originations	% of Total	# of Originations	% of Total
Low-	33	2.6	59	6.0
Moderate-	160	12.3	215	21.5
Middle-	362	27.9	302	30.2
Upper-	741	57.2	423	42.3
Total	1296	100.0	999	100.0

Approximately 35.5% of the families in the Madison MSA are considered low- or moderate-income; however, 4.8% of the assessment area population have income levels below the poverty level. The preceding chart illustrates that for 1996 and 1997 the bank's level of lending to low- and moderate- income applicants in the MSA is a combined 14.9% and 27.5%, respectively, of total originations. Bank lending has improved and is generally consistent with 1996 aggregate lending levels; 5.43% and 19.91%, respectively, of all purchase, refinancing and home improvement loans were made to low- and moderate-income borrowers. While the bank's lending to low- and moderate-income individuals is lower than the demographic composition of the MSA, the number of originations have increased significantly in 1997.

The following tables summarize the analysis of the bank's small business and small farm lending by loan amount:

Distribution of Small Business and Small Farm Loans in MSA by Loan Amount												
	Loan Amounts											
	\$100,000 or less				\$100,000+ to \$250,000				Greater than \$250,000			
	1996		Year-to-date, 1997		1996		Year-to-date, 1997		1996		Year-to-date, 1997	
Loan Type	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Small Business	1,433	48,758	960	32,775	333	58,160	248	42,533	294	150,349	215	110,942
Small Farm	184	5,969	108	3,487	32	4,803	29	4,635	7	2,171	7	2,502
Total	1,617	54,727	1,068	36,262	365	62,963	277	47,168	301	152,520	222	113,444

As noted above, 69.6% of the small business loans and 82.5% of the small farm loans originated within the MSA in 1996 were in amounts of \$100,000 or less. Similarly, for the first nine months of 1997, 67.5% of the small business loans and 75.0% of the small farm loans originated were for \$100,000 or less.

The bank's lending is generally consistent with the 1996 MSA aggregate small business and small farm lending levels; this data indicates that 85.08% and 76.61% 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 of the 2,283 small business/small farm loan originations in 1996, 1,580 (69.2%) were extended to businesses and farms with gross annual revenues of less than \$1 million. Preliminary 1997 data also indicates that of the 1,567 small business/small farm originations, 1,059 (67.6%) 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 aggregate small business origination lending data; this data indicates 57.57% and 93.07%, 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 due to the demographic characteristics of the assessment area, general consistency with MSA aggregate lending levels and consistency with information provided by community representatives.

The bank also offers loan programs with flexible lending standards in order to address the credit needs of low- and moderate-income individuals, small businesses and small farms, as well as residents and businesses located in low- and moderate-income geographies. Examples include the bank's participation in the Small Business Administration (SBA), the Wisconsin Housing and Economic Development Authority (WHEDA), Veterans Administration (VA), and Neighborhood Home Loan Program (NHLP) loan programs. Details of the bank's participation are provided in the overall assessment of the bank's performance.

Community Development Lending

The majority of bank's overall community development lending is within this MSA. This is consistent with a greater number of opportunities within the MSA. Specific examples of the bank's community development lending are provided in the overall assessment of the bank's performance. The bank's level of community development lending in the MSA is strong, considering the number and type of community development opportunities in the MSA.

CONCLUSION

Overall, the bank's lending in the MSA assessment area is strong, considering the bank's high level of real estate, small farm and small business lending. The bank's geographic distribution of loans, lending to borrowers of different income levels, lending to businesses and farms of different revenue sizes, innovative and flexible lending practices and community development lending within the MSA is representative of the bank's strong, overall lending performance.

INVESTMENT TEST

The bank's investment portfolio, grants and donations that contribute to local community development efforts were reviewed. Qualified investments were also reviewed for innovativeness and responsiveness to the community development needs within the MSA. Interviews with bank management and community representatives revealed that there are limited community development opportunities in the MSA.

Degree to Which Investments are not Provided by Private Investors

An investment of \$25,000 in Dane County Development Company capital investment stock was made since January 1, 1996. This investment is in addition to \$75,000 in outstanding investments in the same entity made prior to the previous examination. The bank's investments in this organization supports lending for small business start-up loans for those

small businesses unable to secure loans from traditional sources.

Despite the limited number of qualified investments, the bank made a number of grants within the MSA, which are detailed in the overall assessment of the bank's performance.

Responsiveness to Available Opportunities

The bank's limited number of qualified investments reflects the limited numbers of opportunities available in the MSA. A review of the bank's overall lending performance, and discussions with bank management and community representatives indicate that the bank is responsive to the community development needs of the assessment area. An example of the bank's responsiveness is the bank's leadership in convening a bi-monthly meeting of all Madison banks to discuss community development and investment opportunities. The meetings allow community groups a forum in which to discuss and present their respective programs; each bank then makes independent decisions as to its participation or investment.

CONCLUSION

The bank's performance is strong, considering the available opportunities in the MSA. The bank is innovative in identifying potential investment opportunities, as evidenced by the bank's support of the bi-monthly forums in Madison. Grants and contributions are made to organizations that provide housing and community development services or encourage community development within the MSA.

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 to deliver those services. Additionally, 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 Bank of Southern Wisconsin is a full-service bank with multiple branches and ATMs distributed within the MSA. The bank offers a full array of loans to consumers, businesses and organizations in accordance with nondiscriminatory lending standards. In addition, the

bank offers a variety of deposit accounts, addressing all segments of the MSA.

Distribution of Branches Among Geographies

The following table illustrates the bank's branch locations and hours of operation within the MSA:

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Cottage Grove Auto Bank 4522 Cottage Grove Road Madison, WI 53716	Dane/30.01	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Fitchburg 2900 Fish Hatchery Road Fitchburg, WI 53713	Dane/14.98	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Hilldale 401 North Segoe Road Madison, WI 53705	Dane/3.00	Lobby:	9:00am - 5:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Hilldale Auto Bank 4501 Vernon Boulevard Madison, WI 53701	Dane/3.00	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Madison East Towne 4726 East Towne Boulevard Madison, WI 53704	Dane/26.02	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Madison High Point 7801 Mineral Point Road Madison, WI 53717	Dane/4.98	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Madison Jamestown 5250 Verona Road Fitchburg, WI 53711	Dane/5.03	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Madison Main Office 1 West Main Street Madison, WI 53703	Dane/17.00	Lobby: Drive-Up:	9:00am - 5:00pm 7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Monday - Friday Saturday
Madison Sherman Avenue 1202 North Sherman Avenue Madison, WI 53704	Dane/22.00	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Middleton Auto Bank 1821 Parmenter Street	Dane/110.00	Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Middleton, WI 53562				
Middleton Hubbard Avenue 7448 Hubbard Avenue Middleton, WI 53562	Dane/110.00	Lobby:	9:00am - 5:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Monona 4711 Monona Drive Madison, WI 53716	Dane/103.00	Lobby:	9:00am - 5:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Monona Auto Bank 4613 Monona Drive Madison, WI 53716	Dane/103.00	Drive-Up:	7:30am - 6:00pm 8:30am - 12:30pm	Monday - Friday Saturday
Oregon 127 Jefferson Street Oregon, WI 53575	Dane/125.00	Lobby: Drive-Up:	8:30am - 5:00pm 9:00am - 12:00pm 7:00am - 7:00pm 8:00am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Sauk-Gammon Auto Bank 7001 Old Sauk Road Madison, WI 53705	Dane/2.04	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Shorewood Auto Bank 810 Shorewood Boulevard Madison, WI 53705	Dane/101.00	Drive-Up:	7:30am - 6:00pm 9:00am - 12:00pm	Monday - Friday Saturday
Sun Prairie 1140 West Main Street Sun Prairie, WI 53590	Dane/115.02	Lobby: Drive-Up:	9:00am - 5:00pm 9:00am - 12:00pm 7:30am - 6:00pm 8:30am - 12:00pm	Monday - Friday Saturday Monday - Friday Saturday
Westgate Auto Bank 5567 Odana Road Madison, WI 53711	Dane/4.98	Drive-Up: Walk-Up:	7:30am - 6:00pm 9:00am - 12:00pm 8:00am - 1:00pm	Monday - Friday Saturday Monday - Friday

Of the 18 branch locations within the MSA, three are in moderate-income census tracts; the remaining 15 are in either middle- or upper-income census tracts. Each branch location offers Saturday hours to accommodate customer needs.

Record of Opening and Closing Offices

The bank has closed three branch locations since January 1, 1995, none of which were located in low- or moderate-income census tracts. The elimination of these locations did not have a negative impact on customers, as other M&I Bank of Southern Wisconsin branches were within a reasonable distance of the closed offices.

Alternative Systems for Delivering Retail Banking Services

In addition to the products and services available at the branch locations, the bank offers a

variety of alternative systems to make banking services available to all individuals within the MSA; these include the 28 ATMs the bank operates in the MSA. Furthermore, M&I customers are able to use any of the over 200 ATMs in the M&I network without charge. Mi LINE, a 24-hour, toll-free bank-by-phone service, permits customers access to their personal accounts. The bank also offers computer banking through M&I Direct, also a 24-hour service. In addition, Marshall & Ilsley Corporation maintains a website; individuals with Internet access may obtain information regarding M&I products and services.

Range and Accessibility of Services Provided to Geographies

The bank offers a range of services to meet the needs of residents and small business and small farm owners within the MSA, including low- and moderate-income geographies and individuals, providing alternative banking services in addition to regular services, as detailed in the overall assessment of the bank's performance.

Community Development Services

The bank provides community development services to various organizations through officer and employee involvement. The discussion of community development services in the MSA is further described in the overall assessment of the bank's performance.

CONCLUSION

The bank's performance within the service test is outstanding, as evidenced in its range of products and services to meet the needs of all income levels, accessibility of branch locations, alternative delivery systems and community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NON-MSA ASSESSMENT AREA:

The bank's non-MSA assessment area includes 34 middle-income block numbering areas (BNAs) comprising Grant, Iowa, Richland and Sauk Counties in their entireties. The bank operates two branches each in Grant, Iowa, and Richland Counties, and five branches in Sauk County. In addition, the bank operates one ATM each in Grant and Iowa Counties, and two ATMs each in Richland and Sauk Counties.

This assessment area has a total population of 133,910, according to 1990 census data, which comprises 26.7% of both assessment area's total population. There are 35,545 families in this assessment area, of which 16.9% are designated as low-income and 20.3% are designated as moderate-income families. This assessment area contains 54,434 housing units, of which 64.0% are owner-occupied, 25.8% are rental and 10.2% are vacant. The median housing value in this assessment area is \$47,480, which is lower than the nonmetropolitan state median value of \$50,092. One-to-four family residences represent 83.8% of the available housing units in this assessment area. Unemployment rates in this assessment area, while higher than the State of Wisconsin rate, are trending lower.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NON-MSA ASSESSMENT AREA:

LENDING TEST

The bank's loan portfolio and internal analysis of consumer HMDA-reportable real estate loans, including those referred to M&I Mortgage Corp., and small business and small farm originations were utilized to evaluate the bank's lending in this assessment area. These analyses were also reviewed to determine the bank's geographic distribution of loans, the distribution of lending by borrower income characteristics, community development lending and the use of innovative and flexible lending practices.

Lending Volume

Bank loan originations in 1996 includes 1,484 HMDA-reportable loans, of which 188 (12.7%) were within this assessment area. Similarly, the bank originated 1,091 HMDA-reportable loans from January through September 1997, of those real estate loans, 88 (8.1%) were originated in this assessment area. The bank's overall lending within this assessment area is consistent with the percentage of available housing units in this assessment area (26.9%) as compared to the percentage of available housing units in both assessment areas, and the demographic characteristics of the counties.

An analysis of the small business and small farm loans originated in 1996 revealed that the bank originated 972 (32.1%) of its total 3,032 small business loans within this assessment area, and 1,536 (87.3%) of its total 1,759 small farm loans within the assessment area.

Preliminary 1997 data revealed that of the 2,011 small business loan originations, 588 (29.2%) were made within this assessment area and of the 1,483 small farm originations, 1,339 (90.3%) were made within this assessment area. This distribution of small business and small farm loans is reasonable, considering the demographic characteristics of this assessment area.

Geographic Distribution

The geographic distribution of HMDA-reportable, small business and small farm loans was also reviewed to evaluate the bank's lending within the assessment area. All of the BNAs in this assessment area are middle-income geographies. A review of the year-to-date 1997 HMDA-reportable loans reveals that the bank originated consumer real estate loans in 27 of the 34 (79.4%) BNAs in the assessment area. Those seven BNAs without activity represent only 13.1% (7,122) of the owner-occupied housing units in this assessment area. In addition, five of those BNAs are located in the southern section of Grant County; there are only two branches in Grant County, neither of which is in this southern section.

In 1996, the bank made at least one small business or small farm loan in 30 of the 34 (88.2%) BNAs in the assessment area. Similarly, data for 1997 indicates that the bank originated small business and small farm loans in all 34 (100%) of the BNAs in the assessment area.

Borrower Characteristics

The bank's analyses referenced above were also utilized to determine the bank's lending to borrowers of different incomes and to businesses and farms of different revenue sizes. The following tables summarize the review:

Originations in the Assessment Area to Borrowers by Income Level				
Income Level of Applicant	1996		Year-to-date 1997	
	# of Originations	% of Total	# of Originations	% of Total
Low-	2	1.1	6	6.8
Moderate-	12	6.4	19	21.6
Middle-	69	36.9	24	27.3
Upper-	104	55.6	39	44.3
Total	187	100.0	88	100.0

The non-MSA assessment area's families include 37.2% low- or moderate-income; 8.0% of the total assessment area population is below the poverty level. The bank's lending for 1996 and

1997 in this assessment area to low- and moderate-income applicants is 7.5% and 28.4%, respectively, of the total originations. While the bank's lending to low- and moderate-income individuals is lower than the demographic composition of the assessment area, the number of originations has increased significantly in 1997.

The bank's distribution of 1996 and year-to-date 1997 small business and small farm lending by loan amount within the assessment area is detailed in the following chart:

Distribution of Small Business and Small Farm Loans in the Assessment Area by Loan Amount												
	Loan Amounts											
	\$100,000 or less				\$100,000+ to \$250,000				Greater than \$250,000			
	1996		through September 1997		1996		through September 1997		1996		through September 1997	
Loan Type	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Small Business	834	19,168	506	14,437	80	13,129	46	8,017	58	23,982	36	15,066
Small Farm	1,432	26,465	1,232	23,040	84	12,695	84	12,315	20	6,821	23	8,145
Total	2,266	45,633	1,738	37,477	164	25,824	130	20,332	78	30,803	59	23,211

As reflected above, 85.8% of the small business loans and 93.2% of the small farm loans originated within the non-MSA assessment area in 1996 were in amounts of \$100,000 or less. Similarly, for the first nine months of 1997, 86.1% of the small business loans and 92.0% of the small farm loans originated were for \$100,000 or less.

The bank's lending is generally consistent with the 1996 aggregate small business and small farm lending levels; this data indicates that 85.77% and 92.54% 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 of the 2,508 small business/small farm loan originations in 1996, 2,426 (96.7%) were extended to businesses and farms with gross annual revenues of less than \$1 million. Preliminary 1997 data also indicates that of the 1,927 small business/small farm originations, 1,860 (96.5%) were extended to businesses and farms with gross annual revenues of less than \$1 million.

The bank's lending is consistent with the 1996 aggregate small business and small farm origination lending data; this data indicates 83.41% and 98.52%, respectively, of the total number of small business and small farm loans were made to firms with revenues of less than \$1 million.

Innovative or Flexible Lending Practices

The bank offers loan programs with flexible lending features in order to address the credit needs of low- and moderate-income individuals, as well as small businesses and small farms. Examples include the bank's participation in the Small Business Administration (SBA), the Wisconsin Housing and Economic Development Authority (WHEDA), Veterans Administration (VA), and the Farm Service Agency (FSA) loan programs. Details of the bank's participation are provided in the assessment of the bank's overall performance.

Community Development Lending

Community development lending is limited within the non-MSA assessment area, as the non-MSA assessment area consists entirely of middle-income census tracts, as detailed in the overall assessment of the bank's performance. The bank's level of community development lending in the assessment area is strong, considering the community development opportunities in the non-MSA assessment area.

CONCLUSION

Overall, the bank's lending within the non-MSA assessment area is strong, considering the bank's high level of real estate, small farm and small business lending. The bank's lending to borrowers of different income levels, lending to business and farms of different revenue sizes, innovative and flexible lending practices and community development lending within this assessment area is representative of the bank's strong overall lending performance.

INVESTMENT TEST

The bank's investment portfolio, donations and special programs that encourage community development were reviewed. Although no qualified investment activity in the assessment area was identified in the bank's portfolio, discussions with management and community representatives, in conjunction with a review of local economic conditions and demographic data, revealed that investment opportunities within the non-MSA assessment area are limited.

Despite the limited investment opportunities, the bank made three grants totaling \$3,496 to

benefit the non-MSA assessment area. A detailed listing is found within the assessment of the bank's overall performance.

CONCLUSION

The bank's performance is generally strong in this assessment area, considering the limited investment opportunities. The bank's level of activity is a direct result of the economic conditions and demographics of the assessment area, rather than its unwillingness to invest in the community.

SERVICE TEST

The bank's system for delivering retail banking and community development services was reviewed for range and accessibility, innovativeness and responsiveness, and alternative systems used to deliver those services. Additionally, 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 Bank of Southern Wisconsin is a full-service bank with multiple branches and ATMs distributed within the assessment area. The bank offers a full array of loans to consumers, businesses and organizations in accordance with nondiscriminatory lending standards. In addition, the bank offers a variety of deposit accounts, addressing all segments of the assessment area.

Distribution of Branches Among Geographies

The following table illustrates the bank's branch locations and hours of operation within the assessment area:

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Barneveld 101 South Jones Street Barneveld, WI 53507	Iowa/9505.00	Lobby: Drive-Up:	8:30am - 4:00pm 8:30am - 6:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Monday - Friday Saturday
Dodgeville 302 North Iowa Street	Iowa/9504.00	Lobby:	8:00am - 4:00pm 8:00am - 6:00pm	Monday - Thursday Friday

BRANCH LOCATION	COUNTY/ CENSUS TRACT/BNA	HOURS OF OPERATION		
Dodgeville, WI 53533		Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday
Lancaster 237 West Maple Street Lancaster, WI 53813	Grant/9607.00	Lobby: Drive-Up:	8:00am - 4:00pm 8:00am - 6:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Monday - Friday Saturday
Mt. Hope Main Street Mt. Hope, WI 53575	Grant/9604.00	Lobby:	9:00am - 4:30pm 9:00am - 6:00pm	Monday, Wednesday Friday
Plain 1065 Main Street Plain, WI 53577	Sauk/9511.00	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 6:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Monday - Friday Saturday
Reedsburg 132 South Park Street Reedsburg, WI 53959	Sauk/9510.00	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Richland Auto Bank U.S. Highway 14 East Richland Center, WI 53581	Richland/9703.00	Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday
Richland Center 108 East Court Street Richland Center, WI 53581	Richland/9704.00	Lobby:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday
Sauk City 615 Water Street Sauk City, WI 53583	Sauk/9507.00	Lobby: Drive-Up:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm 7:30am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday Monday - Friday Saturday
Spring Green 209 East Jefferson Street Spring Green, WI 53588	Sauk/9508.00	Lobby:	8:00am - 5:00pm 8:00am - 6:00pm 8:00am - 12:00pm	Monday - Thursday Friday Saturday
Spring Green Auto Bank 259 Jefferson Street Spring Green, WI 53588	Sauk/9508.00	Drive-Up:	7:30am - 6:00pm 8:00am - 12:00pm	Monday - Friday Saturday

With the exception of the Mt. Hope office, each branch location offers Saturday hours to accommodate customer needs.

Record of Opening and Closing Offices

The bank sold one branch, the Ridgeway location, to Farmers Savings Bank in 1995. This did not have a negative impact on customers, as several other branches were within a reasonable distance of this office.

Alternative Systems for Delivering Retail Banking Services

In addition to the products and services available at the branch locations, the bank offers a variety of methods to make banking services available to all individuals within the assessment area. The bank operates 6 ATMs in the assessment area; customers are also able to use any of the over 200 ATMs in the M&I network without charge. AMi LINESM, a 24-hour, toll-free bank-by-phone service, permits customers access to their personal accounts. The bank also offers computer banking through M&I Direct, also a 24-hour service. In addition, the holding company maintains a website; individuals with Internet access may obtain information regarding M&I products and services.

Range and Accessibility of Services Provided to Geographies

As detailed in the assessment of the bank's overall performance, the bank offers services to meet the needs of the assessment area, including low- and moderate-income individuals, by providing special banking services in addition to regular services.

Community Development Services

The bank provides community development services to various organizations through employee involvement, technical assistance, and the use of targeted programs. Please refer to the assessment of the bank's overall performance for a detailed listing of community development services in this assessment area.

CONCLUSION

The bank's performance in this assessment area within the service test is strong, as evidenced in its range of products and services to meet the needs of all income levels, accessibility of branch locations and community involvement.

APPENDIX A

<p>Scope of Examination</p> <p>The bank operated 29 branches and 44 ATMs within its assessment area, as of the date of the examination.</p> <p>The bank has two assessment areas, one an MSA and the other, a non-metropolitan area, based upon the location of its offices and its lending activity.</p> <p>On-site evaluations were conducted at the following office:</p> <p style="padding-left: 40px;">the bank's main office at 1 West Main Street, Madison, Wisconsin 53703</p>	
Time Period Reviewed	The bank's CRA performance is based on its activities since January 1, 1996.
Financial Institution: M&I Bank of Southern Wisconsin Madison, 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 included in the evaluation.