

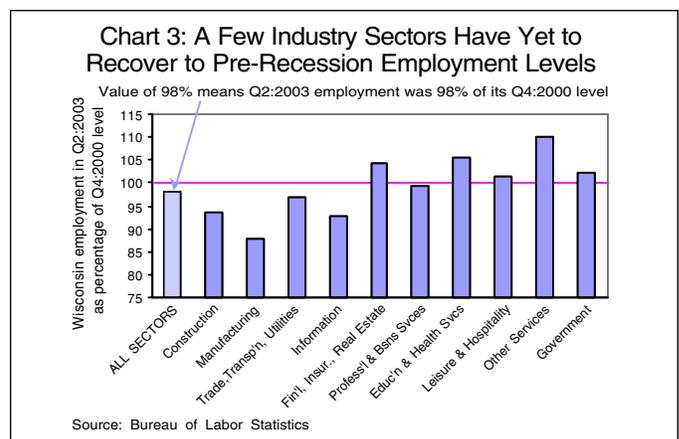
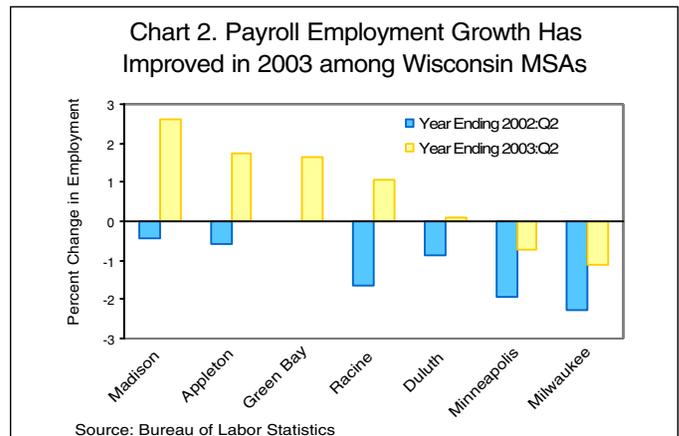
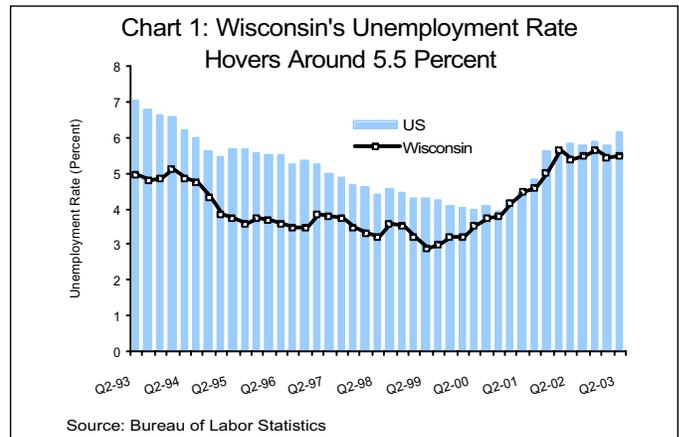
FDIC State Profile

FALL 2003

Wisconsin

The Wisconsin economy appears to be stabilizing.

- The state unemployment rate averaged 5.5 percent in the second quarter, unchanged from the 2002 level (see Chart 1).
- Payroll employment growth improved in all of the state's metropolitan statistical areas (MSAs) in second quarter 2003 compared to a year ago (see Chart 2).
- Government and most service-oriented sectors reported higher payrolls than before the 2001 recession. However, manufacturing, construction, and several others have yet to recover to pre-recession levels (see Chart 3).
- Housing prices increased statewide by 3.5 percent in the year ending first quarter 2003, about 3 percentage points slower than the national average.
- Current production estimates, price conditions, and the level of federal farm subsidies suggest that incomes of Wisconsin farmers will remain in line with recent years.
- The dairy industry, which accounted for 55 percent of state farm receipts in 2001, should improve as the USDA estimates milk prices to be \$13.60 per hundredweight for the rest of 2003, about \$2.50 above 2002 price levels.
- Corn and soybean prices have increased significantly, and production is expected to increase 2 percent and 6 percent, respectively, from 2002 levels. These crops comprised about 12 percent of Wisconsin farm receipts in 2001.



State Profile

Insured institutions based in Wisconsin continue to perform well.

- Profitability among insured institutions headquartered in the state is strong and has improved during the past two years, in part due to growth in noninterest income. These banks and thrifts reported the highest median pre-tax profitability in the Region as of March 31, 2003 (see Chart 4).
- During the first quarter of 2003, the median return on assets (ROA) was 1.23 percent, a gain of 6 basis points from one year earlier. The median net interest margin (NIM) was 3.98 percent, a decline of 5 basis points in the last year.
- NIMs decreased as median yields on earning assets fell by 81 basis points and the median cost of funding fell by 70 basis points from first quarter 2002 to first quarter 2003. This development reflects changing market interest rates and a flattening of the yield curve, as Fed funds fell by 48 basis points, while the yield on 3-year Treasury notes fell by 168 basis points (see Chart 5).
- The median past-due and nonaccrual (PDNA) ratio reported by insured institutions based in Wisconsin was 2.42 percent as of March 31, 2003. The median PDNA rate was unchanged from a year ago, but is 15 basis points higher than the regional average. However, small diversified¹ and agricultural banks saw first quarter increases in median PDNA rates (see Chart 6).
- Trends in the allowance for loan and lease losses (ALLL) have been positive during the past year. Insured institutions based in Wisconsin reported increases in the median ALLL to total loans ratio and median ALLL coverage of nonperforming loans.

Chart 4: Insured Institutions in Wisconsin Are the Most Profitable in the Region

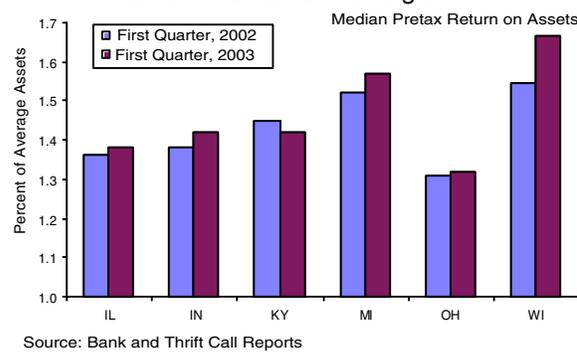


Chart 5: Margins Have Fallen in Recent Quarters

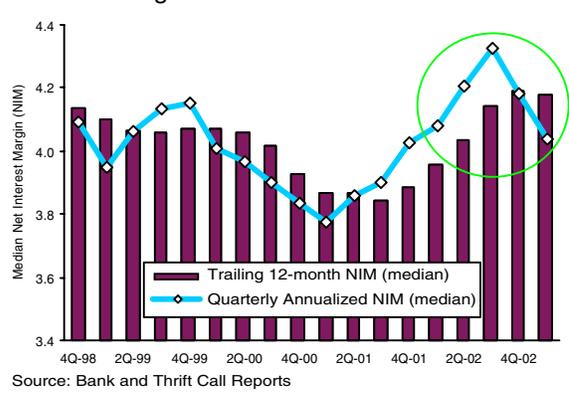
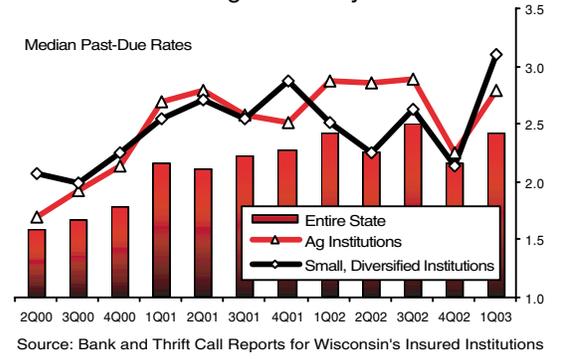


Chart 6: Past-Due and Nonaccrual Rates Moved Higher in Early 2003



¹ Small diversified institutions are typically insured institutions with less than one billion dollars in assets and no significant concentrations in any one lending category.

State Profile

Wisconsin at a Glance

General Information	Mar-03	Mar-02	Mar-01	Mar-00	Mar-99
Institutions (#)	312	320	344	360	387
Total Assets (in thousands)	104,855,374	102,841,317	99,577,517	93,968,671	98,697,017
New Institutions (# < 3 years)	9	13	13	10	12
New Institutions (# < 9 years)	28	32	30	26	23
Capital	Mar-03	Mar-02	Mar-01	Mar-00	Mar-99
Tier 1 Leverage (median)	9.45	9.29	9.00	9.07	9.19
Asset Quality	Mar-03	Mar-02	Mar-01	Mar-00	Mar-99
Past-Due and Nonaccrual (median %)	2.42%	2.42%	2.17%	1.66%	1.81%
Past-Due and Nonaccrual > = 5%	42	40	35	18	24
ALLL/Total Loans (median %)	1.27%	1.23%	1.20%	1.19%	1.29%
ALLL/Noncurrent Loans (median multiple)	1.45	1.38	1.75	2.23	2.01
Net Loan Losses/Loans (aggregate)	0.25%	0.25%	0.18%	0.07%	0.16%
Earnings	Mar-03	Mar-02	Mar-01	Mar-00	Mar-99
Unprofitable Institutions (#)	7	13	15	12	7
Percent Unprofitable	2.24%	4.06%	4.36%	3.33%	1.81%
Return on Assets (median %)	1.23	1.17	1.01	1.05	1.11
25th Percentile	0.94	0.83	0.69	0.77	0.79
Net Interest Margin (median %)	3.98%	4.03%	3.74%	3.96%	3.89%
Yield on Earning Assets (median)	6.06%	6.87%	8.08%	7.89%	7.67%
Cost of Funding Earning Assets (median)	2.12%	2.82%	4.40%	3.98%	3.76%
Provisions to Avg. Assets (median)	0.11%	0.10%	0.10%	0.09%	0.08%
Noninterest Income to Avg. Assets (median)	0.66%	0.55%	0.54%	0.50%	0.53%
Overhead to Avg. Assets (median)	2.70%	2.64%	2.63%	2.63%	2.62%
Liquidity/Sensitivity	Mar-03	Mar-02	Mar-01	Mar-00	Mar-99
Loans to Deposits (median %)	81.59%	83.98%	87.17%	84.95%	79.68%
Loans to Assets (median %)	68.90%	70.23%	72.20%	71.17%	67.39%
Brokered Deposits (# of Institutions)	135	134	153	143	126
Bro. Deps./Assets (median for above inst.)	3.41%	2.75%	2.94%	2.96%	2.02%
Noncore Funding to Assets (median)	15.43%	15.39%	16.02%	14.98%	11.47%
Core Funding to Assets (median)	72.94%	73.62%	72.42%	73.51%	77.10%
Bank Class	Mar-03	Mar-02	Mar-01	Mar-00	Mar-99
State Nonmember	200	205	214	215	219
National	45	49	51	54	58
State Member	27	25	39	49	66
S&L	8	8	8	12	12
Savings Bank	16	16	13	8	10
Mutually Insured	16	17	19	22	22
MSA Distribution	# of Inst.	Assets	% Inst.	% Assets	
No MSA	173	19,305,338	55.45%	18.41%	
Milwaukee-Waukesha WI PMSA	44	50,635,207	14.10%	48.29%	
Madison WI	22	7,513,588	7.05%	7.17%	
Appleton-Oshkosh-Neenah WI	12	3,322,607	3.85%	3.17%	
Wausau WI	10	1,546,983	3.21%	1.48%	
Minneapolis-St Paul MN-WI	8	1,080,307	2.56%	1.03%	
Janesville-Beloit WI	8	1,125,580	2.56%	1.07%	
Eau Claire WI	8	1,007,758	2.56%	0.96%	
La Crosse WI-MN	7	3,838,822	2.24%	3.66%	
Sheboygan WI	5	629,083	1.60%	0.60%	
Green Bay WI	5	10,966,844	1.60%	10.46%	
Racine WI PMSA	4	3,158,944	1.28%	3.01%	
Duluth-Superior MN-WI	4	430,566	1.28%	0.41%	
Kenosha WI PMSA	2	293,747	0.64%	0.28%	