



State of Wisconsin Investment Board

Press Release - Contact Vicki Hearing 608-261-2415

Expanded Investment Board's CD Program Supports Local Communities

Madison, WI (*July 26, 2004*) – Local banks and thrifts are putting \$500 million to work in communities around the state through an investment program offered by the State of Wisconsin Investment Board (SWIB).

In 1987, SWIB started the Certificate of Deposit (CD) Program with \$50 million that could be used to purchase certificates of deposit from Wisconsin banks. The Investment Board recently expanded the program from \$450 million to \$500 million.

For the 136 banks participating in the program, this means additional funds that can go to work in their communities. Although participants include large statewide banks as well as locally owned community banks, many of the institutions have assets of \$100 million or less.

"The SWIB program continues to be an important source of funding for Wisconsin banks allowing them to make available a variety of commercial and retail loans to serve local credit needs," said Tom Papenthien of Bankers' Bank in Madison, which administers the program. Bankers' Bank works directly with the individual participating institutions.

"It is obviously attractive to banks, since it is almost always fully subscribed," said Jon Traver, SWIB's Chief Investment Officer for Fixed Income. "We are very pleased to be able to provide these additional funds to the Wisconsin bank community. It provides SWIB with a competitive rate of return while at the same time providing local financial institutions with access to additional capital to put to work in their communities."

The Wisconsin CD program was expanded to its present form in 1997 when SWIB joined with Bankers' Bank of Madison to offer more investment options. Since these changes have been in effect, the program's growth -- both in total dollars and participants -- has been tremendous.

The CD program began with less than 20 institutions. It now includes institutions located in 97% of the counties across Wisconsin ranging in size from total assets of \$13 million to \$12 billion. Wisconsin banks and thrifts interested in this program should contact Bankers' Bank at (800) 234-5584.

Funds for the CD program come from the State Investment Fund, which include cash from state agencies, the Wisconsin Retirement System Trust Funds and more than 1,100 local units of government invested in the Local Government Investment Pool.

SWIB invests the \$65 billion Wisconsin Retirement System Trust Funds, the 9th largest public pension fund in the United States and the 23rd largest pension fund in the world, for more than 508,000 past and present public employees. Total assets under management by SWIB are more than \$70 billion.

Bankers' Bank is a bank-owned bank that provides services only to financial institutions. As an independent source of non-competing financial services, the Bank serves a market of over 600 financial institutions located in the Midwest.

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