



PUBLIC DISCLOSURE

September 9, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Anchor Bank, National Association
Charter Number 21179

1570 Concordia Avenue
Saint Paul, MN 55104

Office of the Comptroller of the Currency

Minneapolis Field Office
222 South Ninth Street, Suite 800
Minneapolis, MN 55402-3393

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

The following table indicates the performance level of **Anchor Bank, National Association** (Anchor) with respect to the Lending, Investment, and Service Tests:

Performance Levels	Anchor Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- Anchor’s Lending Test performance is excellent. The bank’s geographic distribution activity and lending within the bank’s assessment area are excellent. In addition, the origination of community development loans had a positive impact on the Lending Test.
- The bank provides an excellent volume of qualified investments in its assessment area resulting in outstanding performance under the Investment Test. The qualified investments consist of affordable housing investments specific to Anchor’s assessment area as well as charitable contributions that assist with affordable housing and the needs of low- and moderate-income individuals.
- Anchor’s performance under the Service Test is good. The bank’s delivery systems are readily accessible to low- and moderate-income individuals and geographies. This is demonstrated by the location of branches in low- and moderate-income geographies. Bank employees are involved in a low level of services that address the needs of the assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings, and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Anchor Bank, National Association (Anchor) is a \$1.4 billion intrastate bank headquartered in St. Paul, MN. The bank's holding company, Anchor Bancorp Inc., is a single bank holding company and is located in Wayzata, MN. The bank has been family owned and privately held since its inception.

Anchor is a full-service bank with an emphasis on commercial clientele. The bank has twenty branches with fifteen full-service locations and five limited-service locations all located in the Minneapolis and St. Paul, Minnesota area. The limited-service locations are primarily located in assisted living centers and nursing homes. The full service branches all have cash only Automated Teller Machines (ATM) on location. Anchor's hours of operation are consistent among all of the full-service branches and include Saturday hours. All bank customers have telephone, internet, and mobile banking services available to them 24 hours per day.

Anchor offers a complete range of financial services for both individual and business customers. These include loans products, deposit products, investment services, and wealth management services. During the evaluation period, Anchor closed four branch locations. Anchor has not opened any branches in the past three years. There has not been any merger or acquisition activity during this evaluation period.

Anchor's gross loans and leases as of June 30, 2013, were \$986 million or 71 percent of the bank's total assets. The loan portfolio is comprised of 84 percent commercial loans, 14 percent residential real estate loans, 1 percent in consumer loans, and a negligible amount of agricultural loans. Anchor's Tier One Capital is \$126 million with a Tier One Leverage Ratio of 9 percent.

There are no known legal, financial or other factors impeding Anchor's ability to help meet the credit needs of its assessment area (AA).

Anchor received an "Outstanding" rating at the last CRA examination dated July 26, 2010.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 1, 2010, through December 31, 2012, except for community development loans, which were evaluated from July 27, 2010, through June 30, 2013. For our review of residential loans, we relied on the bank's reported Home Mortgage Disclosure Act (HMDA) data. We evaluated Anchor's business and community development lending based on data collected by the bank. Anchor originates very few agricultural loans, so small loans to farms and Tables 7 and 12 in Appendix C are not part of this performance evaluation as an analysis of this information would not be meaningful.

HMDA and small loans to businesses originated or purchased in 2010 or 2011 were evaluated using 2000 census data. Because Anchor was not required to report CRA loans until 2011, we included a sample of 60 business loans originated or purchased in 2010. HMDA and small loans to businesses originated in 2012 were evaluated using 2010 census data. We also evaluated Anchor's community development loans based on the data provided by the bank.

Small loans to businesses is the predominate loan product in Anchor's designated AA. These loans represent 89 percent by number and 86 percent by dollar volume of all loan originations and purchases. Home loans represent 11 percent by number and 14 percent by dollar, with home purchase loans making up nearly half of this volume. Home refinance and home improvement loans are comparable in the remaining volume.

The geographic distribution conclusions are based on the geographic distribution of loans within the bank's AA and whether there were any unexplained lending gaps in any geographical area within the AA. All HMDA and small loans to businesses were evaluated using 2004 MSA designations.

The poverty level in the AA and the impact it has on the ability for low-income families to obtain loans was considered in the analysis. We also considered housing costs relative to area incomes and the limiting affects the costs could have on the demand for loans by lower-income families. In the Minneapolis-St. Paul MSA, the poverty level was 9 percent in 2012.

The evaluation period for the Investment Test was July 27, 2010, through June 30, 2013. We considered investments and donations made by Anchor Bank and Anchor Bancorp, Inc. We gave particular consideration to those investments and donations that address the identified needs in the community - small business and affordable housing.

The evaluation period for the Service Test was July 27, 2010, through June 30, 2013. We gave primary consideration to the bank's delivery systems for products and services as well as the location of branch offices, primarily in low- and moderate-income geographies. We also considered community development services Anchor provides in the AA, although they receive lesser weight under the Service Test.

Data Integrity

Prior to the start of this evaluation, we tested 2010, 2011, and 2012 HMDA data for accuracy in reporting of information. In addition, we tested the accuracy of 2011 and 2012 CRA data. We found the information to be accurate and were able to use it for this evaluation. Due to the size requirements, Anchor was not required to report CRA data in 2010. As a result, we included a sample of 2010 CRA loan information in our analysis.

Selection of Area for Full-Scope Review

Anchor has one designated AA, which is located in the Minneapolis-St. Paul MSA in Minnesota. This AA includes the full counties of Anoka, Dakota, Hennepin, Ramsey, Scott, and Washington. This AA is evaluated using full-scope procedures.

Ratings

The bank's overall rating is based solely on the results from the Minneapolis-St. Paul MSA AA since it is the only market in which Anchor conducts business.

Other

During the examination, we spoke with one community contact and reviewed other recently completed contacts. We found the primary needs of the Minneapolis-St. Paul MSA to be affordable housing (particularly multi-family housing units) and small business development loans.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal Savings Association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "Outstanding". Based on a full-scope review, the bank's performance in the Minneapolis-St. Paul MSA is excellent.

Lending Activity

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Anchor's lending levels in the Minneapolis-St. Paul AA reflects excellent responsiveness to the area credit needs and in relation to the bank's deposit market share.

Anchor has the seventh largest deposit market share out of 129 financial institutions in the six-county Minneapolis-St. Paul MSA AA, representing \$1.126 billion or 0.74 percent of the total AA deposits. The bank originated 1,883 small loans to businesses totaling nearly \$426 million. Based on 2011 small business data, Anchor ranks ninth among 115 financial institutions reporting small loans to businesses with an overall market share of 1.59 percent. The bank originated 234 home mortgage loans totaling \$69.5 million during the evaluation period. Based on 2011 HMDA information, Anchor had 0.06 percent of the market share and ranked 108 out of 593 financial institutions that reported HMDA loans. For purposes of this evaluation, we used 2011 peer data, as 2012 was not yet available.

For the Lending Test, small loans to businesses account for 89 percent of the total loans originated and, therefore, will receive the greatest weight in the analysis. Home mortgage loans account for 11 percent of total loans originated. For the home mortgage loan analysis, we placed the greatest weight on home purchase loans based on volume.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Anchor originated a limited volume of multifamily housing loans during 2012. Based on low volume, a geographic analysis of these loans is not meaningful and was not conducted for 2012.

The geographic distribution of home mortgage loans in the Minneapolis-St. Paul MSA AA reflects excellent penetration throughout the AA.

Home Purchase Loans

The geographic distribution of home purchase loans is excellent. The number of home purchase loans in the low- and moderate-income tracts significantly exceeds the number of owner-occupied units in these

areas. In addition, the bank's market share exceeds the overall market share of the AA. This performance is consistent for 2010, 2011, and 2012.

Home Improvement Loans

Anchor's geographic distribution of home improvement loans is excellent for 2010 and 2011 when compared to the 2000 demographic information for the Minneapolis-St. Paul MSA. The number of these loans significantly exceeds the number of owner-occupied units in these areas. In addition, the bank's market share is above the overall market share for the MSA.

Anchor's geographic distribution of 2012 home improvement loans is good. The number of home improvement loans in the moderate-income geographies significantly exceeds the number of owner-occupied units in these areas. None of the sixteen loans originated or purchased in 2012 for this purpose were located in a low-income geography. The overall market share in the AA is low and does not allow for a meaningful analysis.

Home Refinance Loans

Anchor's geographic distribution of home refinance loans is excellent for 2010 and 2011 in the Minneapolis-St. Paul MSA AA. The volume of refinance loans in both low- and moderate-income geographies exceeds the number of owner-occupied units.

Anchor's geographic distribution of home refinance loans in 2012 is good. The bank's volume of these loans in low-income areas significantly exceeds the demographics. The volume of loans in the moderate-income tracts is slightly below the number of owner-occupied units in these areas.

For all time periods, the overall market shares are low and do not allow for a meaningful analysis.

Multifamily Loans

Anchor's geographic distribution of multifamily loans in 2010 and 2011 is adequate. The percentage of the bank's loans in low-income geographies significantly exceeds the percentage of multifamily units in those geographies, which is considered excellent. However in the moderate-income geographies Anchor's percentage of loans are significantly below the percentage of multifamily units in those geographies and considered poor.

The overall market share is low and does not allow for a meaningful analysis. In addition, the volume of multifamily loans in 2012 was low and did not allow for a meaningful analysis.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The geographic distribution of Anchor's 2010 and 2011 small loans to businesses in the Minneapolis-St. Paul MSA AA is good. In 2012, the geographic distribution is excellent.

In the low-income geography, the 2010 and 2011 volume of these loans is slightly below the number of businesses located this area. In the moderate-income areas, the volume of loans is slightly above the percentage of businesses. The bank's market share is below the overall market share in the low-income CT, and exceeds the overall market share in the moderate-income tracts.

The geographic distribution of Anchor's 2012 small loans to businesses is excellent. The bank originated a volume of loans to businesses in low- and moderate-income tracts that exceeds the demographics of the area. The overall market share is low and does not allow for a meaningful analysis.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in low- and moderate-income areas. We did not identify any conspicuous gaps in the Minneapolis-St. Paul MSA AA.

Inside/Outside Ratio

Anchor originated or purchased a substantial majority of loans in its designated AAs. A total of 95 percent of all loans were originated or purchased within the AA. By product type, 85 percent of home loans and 96 percent of small loans to businesses were originated within the AA. This has a positive impact on the geographic distribution portion of the Lending Test.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of borrowers of home mortgage loans reflects adequate penetration in the Minneapolis-St. Paul MSA AA among customers of different income levels.

Home Purchase Loans

The borrower distribution of home purchase loans in 2010 and 2011 is adequate. The number of home purchase loans to low- and moderate-income borrowers is below the percentage of low- and moderate-income families in the AA. The overall market share is low and does not allow for a meaningful analysis.

Anchor's distribution of home purchase loans to borrowers of different income levels in 2012 is good. The percentage of Anchor's loans to low-income borrowers is below the percentage of low-income families. For moderate-income borrowers, the percentage is near the demographics. The overall market share is low and does not allow for a meaningful analysis.

Home Improvement Loans

Anchor's distribution of home improvement loans to borrowers of different income levels for 2010, 2011, and 2012 is excellent. The volume of home improvement loans to low- and moderate-income families exceeds the demographics. The bank's market share in 2010 and 2011 is below the overall market share. In 2012, the market share is low and does not allow for a meaningful analysis.

Home Refinance Loans

Anchor's distribution of home refinance loans to borrowers of different income levels is adequate for 2010 and 2011. The percentage of refinance loans in this AA is significantly below the number of low-

income families and exceeds the percentage of moderate-income families. The overall market share is low and does not allow for a meaningful analysis.

Anchor's distribution of 2012 home refinance loans to borrowers of different income levels is adequate. The volume of refinance home loans is significantly higher than the level of moderate-income families in the AA and significantly below the number of low-income families in the AA.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The distribution of borrowers of businesses of different sizes reflects adequate penetration in the Minneapolis-St. Paul MSA AA.

The distribution of 2010 and 2011 loans to small businesses in the AA reflects adequate penetration among businesses of different sizes. Anchor's loans to small businesses (those with revenues of \$1 million or less) are below the percentage of these businesses in the AAs. However, the bank's market share is above the overall market share.

Anchor's 2012 distribution of borrowers reflects poor penetration among businesses customers of different sizes. The percentage of Anchor's small loans to businesses is well below the percentage of businesses in the AA with smaller revenues.

Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community development lending had a positive impact on lending performance in the Minneapolis-St. Paul MSA AA. During the evaluation period, Anchor originated or renewed twelve community development loans totaling \$11.5 million. Many of the loans helped meet the identified needs of affordable housing, with the remainder providing community services for low- and moderate-income persons.

Product Innovation and Flexibility

We did not identify any loan products that were considered innovative or flexible.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Outstanding". Based on a full-scope review, the bank's performance in the Minneapolis-St. Paul MSA AA is excellent.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Anchor made 61 investments and donations totaling over \$10.4 million during the evaluation period. In addition, one investment totaling just over \$1 million remains outstanding from the prior evaluation period. Three donations totaling \$18 thousand were made by the bank's holding company. The combined current and prior period investments equate to 9 percent of Anchor's June 30, 2013, Tier One Capital.

Current period qualified investments consisted of both investments and donations. Nine of those qualified investments were for affordable housing with three being in the form of mortgage-backed securities that provide affordable housing within the MSA. The remaining qualified investments were primarily grants to various organizations that focus on social services for low- and moderate-income persons. We did not identify any investments that were particularly complex or innovative, nor did we identify any situations in which the bank has taken a leadership role.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the Minneapolis-St. Paul MSA AA is good.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Services and products are readily accessible to individuals of different income levels through Anchor's retail branch locations. Anchor has one branch (6.67 percent of branches) in a low-income tract which is similar to the population in low-income tracts (7.57 percent of population), and four branches (26.67 percent of branches) in moderate-income tracts which exceeds the population in moderate-income tracts (19.52 percent of population). Anchor closed one branch during the evaluation period located in a moderate-income CT. This did not adversely affect customers in this area as the bank has two additional locations within four miles of the closed branch.

Anchor's hours of operation are consistent among the full service branches. Five locations offer lobby hours and all locations offer drive-up hours on Saturdays. The bank offers telephone, internet, and mobile banking services to all customers 24 hours a day. Since the last evaluation, Anchor began offering a mobile banking application for customers to check balances and transfer funds between accounts from their smartphones.

Community Development Services

Anchor's level of CD services is poor based on the opportunities in the AA. In the Minneapolis-St. Paul AA, three employees provided their financial expertise and services to four community development organizations. These organizations all provide services to low- and moderate-income individuals and families.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 1/01/2010 to 12/31/2012 Investment and Service Tests and CD Loans: 7/27/2010 to 06/30/2013	
Financial Institution	Products Reviewed	
Anchor Bank, National Association (Anchor) St. Paul, Minnesota	Home mortgage loans, small loans to businesses, and community development loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Anchor Bancorp, Inc.	Holding Company	Investments/Donations
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
State of Minnesota Minneapolis-St. Paul MSA AA #33460	Full Scope	Anoka, Dakota, Hennepin, Ramsey, Scott, Washington

Appendix B: Market Profiles for Full-Scope Areas

Minneapolis-St. Paul MSA

2000 Census

Demographic Information for Full-Scope Area: Minneapolis-St. Paul MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	671	7.00	21.31	46.20	24.89	0.60
Population by Geography	2,571,851	5.26	18.99	48.23	27.44	0.09
Owner-Occupied Housing by Geography	708,790	1.74	14.81	52.39	31.06	0.00
Businesses by Geography	284,369	3.81	15.47	49.04	31.53	0.15
Farms by Geography	5,401	0.93	8.54	55.90	34.62	0.02
Family Distribution by Income Level	643,914	17.13	18.62	25.86	38.39	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	230,205	8.16	27.36	49.58	14.91	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below the Poverty Level	= \$64,885 = \$82,700 = 6%		Median Housing Value Unemployment Rate	= \$145,700 = 2.01%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2011 HUD updated MFI.

2010 Census

Demographic Information for Full Scope Area: Minneapolis-St. Paul MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	685	9.49	22.04	42.04	25.84	0.58
Population by Geography	2,758,525	7.57	19.52	43.31	29.46	0.14
Owner-Occupied Housing by Geography	763,909	3.08	16.16	47.45	33.31	0.00
Business by Geography	259,342	5.50	18.12	42.64	33.73	0.02
Farms by Geography	5,533	1.77	12.11	51.62	34.50	0.00
Family Distribution by Income Level	681,344	19.96	17.69	22.86	39.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	256,523	12.22	28.03	42.89	16.86	0.00
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below Poverty Level		80,925 82,300 9%	Median Housing Value Unemployment Rate (2010 US Census)	257,774 3.77%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 US Census and 2013 HUD updated MFI

The bank's AA consists of portions of the Minneapolis-St. Paul-Bloomington MSA, which is located entirely in the State of Minnesota. The AA consists of all of Anoka, Dakota, Hennepin, Ramsey, Scott, and Washington counties in the MSA but does not include any Wisconsin portions of the MSA.

The Minneapolis-St. Paul MSA market leaders are Wells Fargo and US Bank with a combined deposit market share of nearly 80 percent. Anchor Bank is ranked seventh with 0.74 percent of the deposit market share out of 129 financial institutions with offices in Anchor's six county Minneapolis-St. Paul MSA AA. This is based on the June 30, 2012, FDIC Deposit Market Share report.

The largest employing industries in the Minneapolis-St. Paul MSA are government services, education, retail services, and health care services. Some of the largest employers include the State of Minnesota, local county government, Target Corporation, the University of Minnesota, and Allina Health Systems. Anchor's Minneapolis-St. Paul AA has experienced improvement in the economy during the evaluation period. The Bureau of Labor Statistics reports an unemployment rate of 4.9 percent for the AA as of June 30, 2013, compared to a 5.2 percent statewide and a 7.8 percent nationwide unemployment rate. The unemployment rate has steadily declined over the past eighteen months.

We spoke with one community contact and reviewed other recently completed contacts and found the primary needs of the Minneapolis-St. Paul MSA to include affordable housing (particularly multi-family housing units) and small business development loans. The Minneapolis-St. Paul MSA has opportunities for financial institutions to become involved partially due to the active non-profit groups located in the MSA. A large number of nonprofit organizations and community development financial institutions serve low- and moderate-income neighborhoods in the cities of Minneapolis and St. Paul and the entire metropolitan area. These organizations develop affordable housing, provide financing to nonprofit organizations, provide financing and management assistance to small businesses, and provide financial education, homeownership counseling, job training, and a variety of social services to low- and moderate-income persons.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Multifamily Loans - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.

Table 7. Geographic Distribution of Small Loans to Farms - This table is not part of this performance evaluation as Anchor originates very few agricultural loans and analysis of this information would not be meaningful.

Table 8. Borrower Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

Table 9. Borrower Distribution of Home Improvement Loans - See Table 8.

Table 10. Borrower Distribution of Refinance Loans - See Table 8.

Table 11. Borrower Distribution of Small Loans to Businesses - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - This table is not part of this performance evaluation as Anchor originates very few agricultural loans and analysis of this information would not be meaningful.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - This table is not part of this performance evaluation as Anchor originates very few consumer loans and analysis of this information would not be meaningful.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: ANCHOR BANK AA						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2012				
Assessment Area (2012):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Minneapolis-St. Paul MSA	100.00	234	69,501	1,883	425,621	1	250	12	11,534	2,130	506,906	0.74

* Loan Data as of December 31, 2012. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from July 27, 2010 to June 30, 2013.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: 2010 - 2011 ANCHOR BANK AA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Over all	Low	Mod	Mid	Upp							
Full Review:																								
Minneapolis-St. Paul MSA	74	100.00	1.74	9.46	14.81	36.49	52.39	36.49	31.06	17.57	0.06	0.12	0.18	0.05	0.02									

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: ANCHOR BANK 2012					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012									
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]					
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
Minneapolis-St. Paul MSA	39	100.00	3.08	17.95	16.16	28.21	47.45	41.03	33.31	12.82	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: 2010 - 2011 ANCHOR BANK AA				Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share (%) by Geography [*]				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans					
Full Review:															
Minneapolis-St. Paul MSA	29	100.00	1.74	10.34	14.81	24.14	52.39	44.83	31.06	20.69	0.40	1.67	0.67	0.44	0.17

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: ANCHOR BANK 2012				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share (%) by Geography [*]				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans					
Full Review:															
Minneapolis-St. Paul MSA	16	100.00	3.08	0.00	16.16	56.25	47.45	18.75	33.31	25.00	0.00	0.00	0.00	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: 2010 - 2011 ANCHOR BANK AA						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Minneapolis-St. Paul MSA	43	100.00	1.74	2.33	14.81	30.23	52.39	39.53	31.06	27.91	0.03	0.00	0.16	0.01	0.02

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: ANCHOR BANK 2012				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share (%) by Geography [*]				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans					
Full Review:															
Minneapolis-St. Paul MSA	16	100.00	3.08	18.75	16.16	12.50	47.45	31.25	33.31	37.50	0.00	0.00	0.00	0.00	0.00

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: 2010 - 2011 ANCHOR BANK AA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011								
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans ^{****}	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Minneapolis-St. Paul MSA	12	100.00	10.44	16.67	30.76	16.67	44.84	33.33	13.96	33.33	1.96	3.57	0.00	2.31	3.64

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

^{***} Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

^{****} Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: ANCHOR BANK 2012					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share (%) by Geography [*]				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans ^{****}	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans						
Full Review:																
Minneapolis-St. Paul MSA	5	100.00	14.85	60.00	31.38	0.00	37.66	40.00	16.12	0.00	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

^{***} Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

^{****} Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: 2010 - 2011 ANCHOR BANK AA						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Minneapolis-St. Paul MSA	1024	100.00	3.81	2.59	15.47	16.31	49.04	50.83	31.53	30.71	1.59	1.33	1.94	1.68	1.39

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2011).

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ANCHOR BANK 2012				Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans					
Full Review:															
Minneapolis-St. Paul MSA	859	100.00	5.51	6.87	18.22	23.17	42.67	37.37	33.58	32.60	0.00	0.00	0.00	0.00	0.00

* The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2012).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: 2010 - 2011 ANCHOR BANK AA					Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011					Market Share [*]				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ¹	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis-St. Paul MSA	74	100.00	17.13	8.11	18.62	16.22	25.86	21.62	38.39	54.05	0.04	0.03	0.01	0.05	0.07	

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 50.0% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: ANCHOR BANK 2012					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share [*]				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis-St. Paul MSA	39	100.00	19.96	11.76	17.69	17.65	22.86	29.41	39.49	41.18	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 56.4% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: 2010 - 2011 ANCHOR BANK AA						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Minneapolis-St. Paul MSA	29	100.00	17.13	17.65	18.62	29.41	25.86	23.53	38.39	29.41	0.30	0.24	0.28	0.38	0.26

^{*} Based on 2011 Peer Mortgage Data (USPR)

^{**} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 41.4% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: ANCHOR BANK 2012					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share [*]				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ⁴	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis-St. Paul MSA	16	100.00	19.96	35.71	17.69	21.43	22.86	28.57	39.49	14.29	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 12.5% of loans originated and purchased by bank.

⁴ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: 2010 - 2011 ANCHOR BANK AA						Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [†]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ⁵	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Minneapolis-St. Paul MSA	43	100.00	17.13	7.41	18.62	29.63	25.86	33.33	38.39	29.63	0.02	0.00	0.03	0.03	0.01

[†] Based on 2011 Peer Mortgage Data (USPR)

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 37.2% of loans originated and purchased by bank.

⁵ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ANCHOR BANK 2012					Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012					Market Share [*]				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ⁶	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis-St. Paul MSA	16	100.00	19.96	0.00	17.69	33.33	22.86	0.00	39.49	66.67	0.00	0.00	0.00	0.00	0.00	

^{*} The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 81.3% of loans originated and purchased by bank.

⁶ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: 2010 - 2011 ANCHOR BANK AA			Evaluation Period: JANUARY 1, 2010 TO DECEMBER 31, 2011				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Minneapolis-St. Paul MSA	1024	100.00	67.59	50.10	51.66	21.16	26.97	1.59	1.62

* Based on 2011 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.07% of small loans to businesses originated and purchased by the bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ANCHOR BANK 2012			Evaluation Period: JANUARY 1, 2012 TO DECEMBER 31, 2012				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Minneapolis-St. Paul MSA	859	100.00	72.80	45.05	49.59	20.84	29.57	0.00	0.00

* The evaluation period for Optional Product Line(s) is from January 01, 2012 to December 31, 2012.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2012).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.68% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: ANCHOR BANK AA				Evaluation Period: JULY 27, 2010 TO JUNE 30, 2013			
Assessment Area:	Prior Period Investments [*]		Current Period Investments		Total Investments			Unfunded Commitments ^{**}	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Minneapolis-St. Paul MSA	1	1,013	61	10,411	62	11,424	100.00	0	0

^{*} 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

^{**} 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: ANCHOR BANK AA				Evaluation Period: JULY 27, 2010 TO JUNE 30, 2013									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
			Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																	
Minneapolis-St. Paul MSA	100.00	15	100.00	6.67	26.66	40.00	26.67	0	4	0	-1	0	0	7.57	19.52	43.31	29.46

