



## PUBLIC DISCLOSURE

June 5, 2017

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sunrise Banks, National Association  
Charter Number #14991

200 University Avenue West  
St. Paul, MN 55103

Office of the Comptroller of the Currency

Campbell Mithun Tower  
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: Outstanding**

**The Lending Test is rated: Satisfactory**

**The Community Development Test is rated: Outstanding**

The major factors supporting the institution's rating include:

- The geographic distribution of loans to businesses reflect excellent dispersion throughout the Assessment Area (AA).
- The bank demonstrated excellent responsiveness to area needs through qualified community development loans, investments, and services.
- The majority of loan originations were within the bank's designated AA.
- The distribution of loans to businesses of different sizes reflects reasonable penetration.
- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, business strategy, product offerings, and credit needs of the AA.

## 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 (CD):** 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

**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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), 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 (MD):** 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 (MSA):** 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**

Sunrise Banks, N.A. (Sunrise), is an intrastate bank headquartered in St. Paul, Minnesota. The bank is wholly owned by University Financial Corp, Inc.(University) doing business as Sunrise Banks. University is also located in St. Paul, Minnesota. Sunrise has no subsidiaries or other affiliates. Sunrise has operations in the urban core of Minneapolis and St. Paul, commonly referred to as the “Twin Cities” given the geographical proximity of the cities to each other. The bank operates six branches in Ramsey and Hennepin County. Of these six branches, four are located in low- and moderate-income (LMI) CTs. In March of 2015, the bank closed their branch in Hennepin County located at 1527 East Lake Street in Minneapolis. The branch served moderate-income CT 85 in Hennepin County, which had a population of 4,396. The former Lake Street branch was within three miles of Sunrise’s Blaisdell branch located at 2100 Blaisdell Avenue South in Minneapolis. There were no additional branch closings or openings in 2015 or 2016.

Sunrise operates nine automated teller machines (ATMs), six of which accept deposits and are adjacent to bank branches. The other three ATMs are non-deposit taking and are located in Ramsey County in a low-income CT, a moderate-income CT, and a middle-income CT.

As of March 31, 2017, bank assets totaled \$791 million and Tier One Capital was \$82 million. Net loans and leases totaled \$604 million or 76 percent of total assets. The loan portfolio is comprised of commercial loans (83 percent), residential real estate loans (13 percent), consumer loans (four percent) and agricultural loans (zero percent).

Sunrise is a full-service financial institution offering a wide variety of loan and deposit products and services to both retail and commercial customers. Retail products include mortgage loans for purchase and refinance, open-end and closed-end home equity loans, construction loans, and consumer loans for a variety of purposes. Non-retail products include commercial, multi-family, and commercial construction along with other business loans. The bank is also an SBA lender. The bank’s strategy is to be the most innovative bank empowering the underserved to achieve. To accomplish this strategy, the bank is focusing on social impact and providing a diverse set of products and services.

Sunrise has been designated a Community Development Financial Institution (CDFI) since 2001. The CDFI Fund, part of the U.S. Department of the Treasury, works to increase economic opportunity and promote community development investments for underserved populations and distressed communities in the United States.

In 2016, Sunrise met the requirements to maintain its B Corporation certification. The B Corporation designation recognizes companies using the power of business for good and meeting rigorous standards of overall social and environmental performance, accountability, and transparency.

There are no known financial or legal impediments that would affect Sunrise's ability to meet the credit needs within its communities.

Sunrise received an "Outstanding" rating at its July 7, 2014 CRA evaluation.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Sunrise was evaluated under the Intermediate Small Bank examination procedures, which include Lending and CD Tests to assess compliance with the CRA. The Lending Test evaluates Sunrise's record of meeting the credit needs of its AA through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AA through CD lending, qualified investments, and CD services.

The bank's Lending Test covers its performance from January 1, 2015 through December 31, 2016 (the evaluation period). The number and dollar volume of originated and purchased loans were evaluated to determine the primary products for the bank's AA. The bank's primary loan product is commercial loans based upon the dollar volume of loans. We reviewed a sample of 20 commercial loans to evaluate performance under the Lending Test. The following Table summarizes the bank's loan originations and purchases in 2015 and 2016.

<b>Loan Originations and Purchases in 2015 and 2016 in the AA</b>		
<i>Loan Type</i>	<i>Volume by #</i>	<i>Volume by \$</i>
<b>Commercial</b>	44%	93%
Consumer	55%	5%
Residential Real Estate	2%	2%
Agriculture	0%	0%

*Source: Bank loan origination report for 2015 and 2016*

The CD Test for Sunrise covers its performance from July 8, 2014 through June 5, 2017 (the CD evaluation period).

### Data Integrity

Prior to conducting this evaluation, we tested the accuracy of 60 HMDA-reportable loans. One technical error was identified. The HMDA data was not used in this evaluation as the primary product was not HMDA-reportable loans.

We reviewed all CD loans, investments, and services provided to ensure they met the regulatory definition of CD. Those that did not meet the definition were excluded from this evaluation.

## **Selection of Areas for Full-Scope Review**

We performed a full-scope review of the bank's performance in the Minneapolis-St. Paul-Bloomington, MN-WI MSA, the bank's only AA. Refer to the table in Appendix A for additional information about the scope of the evaluation.

## **Ratings**

Sunrise's rating is based on the area that received a full-scope review, the Minneapolis-St. Paul-Bloomington, MN-WI MSA.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The bank's performance under the Lending Test is rated Satisfactory. The assessment of the bank's lending performance is based on the loan-to-deposit (LTD) ratio, lending in the bank's AA, the distribution of loans to businesses of different sizes, the geographic dispersion of loans amongst LMI CTs, and responses to CRA-related complaints.

#### Loan-to-Deposit Ratio

The LTD ratio is reasonable given the bank's performance context, including its size, financial condition, business strategy, product offerings, target market, and the credit needs of the AA. During the 12 quarters since the last evaluation, the bank's quarterly LTD averaged 70.55 percent. The LTD fluctuated significantly due to the bank's business strategy, which includes a National Products division that increases the bank's deposit base at certain times throughout the year. The LTD ratio ranged from a quarterly low of 50.41 percent to a quarterly high of 87.21 percent.

We evaluated the bank's LTD ratio compared to three similarly situated banks. Similarly situated banks include those operating within Sunrise's AA with similar asset sizes and branching structures.

<b>Loan-to-deposit Ratio Institution (Headquarters)</b>	<b>Assets as of 03/31/2017 (\$000s)</b>	<b>Average LTD Ratio (%) (2Q14 -1Q17)</b>
Midcountry Bank (Bloomington, MN)	\$829,014	96.62%
Venture bank (Bloomington, MN)	\$673,068	94.63%
Premier Bank (Maplewood, MN)	\$689,224	84.90%
<b>Sunrise Bank (St Paul, MN)</b>	<b>\$790,830</b>	<b>70.55%</b>

*Source: Call Report data from June 30, 2014 through March 31, 2017.*

## Lending in Assessment Area

Sunrise originates a majority of loans inside its AA. Of the 20 loans sampled, Sunrise originated 80 percent of its loans by number and 89 percent of its loans by dollar volume within its AA.

Table 1 - Lending in AA										
Loan Type	Number of Loans					Dollars of Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial	16	80.00%	4	20.00%	20	12,547	89.00%	1,553	11.00%	14,100
Totals	16	80.00%	4	20.00%	20	12,547	89.00%	1,553	11.00%	14,100

Source: Commercial loan sample

## Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Sunrise's overall distribution of lending reflects reasonable penetration among businesses of different sizes when compared to AA demographics.

### Commercial Loans

The borrower distribution of loans among businesses of different sizes, reflects reasonable penetration. The bank's performance is near the percentage of businesses in the AA by number.

Table 2A - Borrower Distribution of Loans to Businesses in AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	81.25%	8.37%	10.38%	100%
% of Bank Loans in AA by #	70.00%	30.00%	0.00%	100%
% of Bank Loans in AA by \$	27.64%	72.36%	0.00%	100%

Source: Loan sample; Dun and Bradstreet data 2016

## Geographic Distribution of Loans

The geographic distribution of business loans reflects excellent dispersion throughout the AA. The bank shows excellent performance when compared to the demographics. Dispersion in low-income CTs greatly exceeds the demographic comparator.

Our geographic distribution analysis included a review of lending gaps, particularly in the LMI areas. Sunrise lent in most LMI CTs in its AA during the evaluation period. We did not identify any unexplained conspicuous lending gaps in lending in the AA.

Table 3A - Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level*	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	8.04	20.00	22.90	15.00	39.81	40.00	29.22	25.00

Source: Loan sample; Dun and Bradstreet data 2016.

\*0.03% of CTs did not have income reported

## Responses to Complaints

The bank took inadequate action in response to a substantiated complaint about its performance in meeting AA needs. Sunrise received a complaint during the evaluation period regarding closure of the 1527 East Lake Street branch in March 2015. This branch was located in a moderate-income CT. The complaint expressed concern regarding the lack of access to banking services for consumers using public transportation to access the branch, given the relative inaccessibility to other branches via public transit. Sunrise responded with an offering to discuss the issue if the customer contacted the bank, in lieu of providing a written response to the complaint.

The branch was closed due to poor profitability. Sunrise previously attempted to reduce its operational costs by decreasing the size of the location by 50 percent. Despite these efforts, the branch remained unprofitable, and management moved forward with branch closure. Although the bank's reasons for closing the branch were adequately supported, the response provided no useful information to the customer.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test is rated Outstanding. The bank's performance is based upon the number and dollar amount of CD loans and investments, the extent to which the bank provided CD services, and the responsiveness to these activities to identified community needs.

### **Number and Amount of Community Development Loans**

Sunrise's level of CD loans reflects excellent responsiveness to community area needs. During the evaluation period, Sunrise originated 198 CD loans totaling \$141.3 million that directly benefited the AA. The majority of loans by number were to organizations targeting community services to LMI individuals and affordable housing needs.

Examples of CD loans include:

- Twelve loans totaling \$30 million in several different New Markets Tax Credits (NMTCs). NMTCs are investments in low-income communities experiencing a lack of investment, as evidenced by vacant commercial properties, outdated manufacturing facilities, and inadequate access to education and healthcare service providers.
- A loan to a Title I school in the AA totaling \$5 million. Title I schools serve high levels of children from low-income families.
- A \$2 million loan to construct 40 low-income rental units. Initial rents were set for individuals with income at or below 50 percent of the area median income.

### **Number and Amount of Qualified Investments**

Sunrise's level of CD investments reflects excellent responsiveness to area needs through both qualified investments and donations to organizations supporting CD.

During the evaluation period, Sunrise purchased five investments for \$10.7 million focused on affordable housing. Sunrise also has almost \$4 million in prior period investments, which are also focused on affordable housing.

In addition to these investments, Sunrise donated \$227 thousand to 77 different organizations with various missions of CD.

Examples of these donations include:

- \$42 thousand donated to Twin Cities Habitat for Humanity whose mission is to eliminate poverty housing from the Twin Cities and to make decent, affordable shelter for all people.
- \$39.5 thousand to an organization that teaches financial literacy to youth who are enrolled in either Title 1 schools or schools that are located in LMI CTs.

## **Extent to Which the Bank Provides Community Development Services**

Sunrise's demonstrated excellent responsiveness with the amount of CD services in the AA. Twenty-eight employees served 41 different organizations promoting CD. These employees served 2,358 hours during the CD evaluation period. Twenty-three employees served at these CD organizations in a leadership capacity.

Examples of community services included:

- An employee serving on a board of PCs for People whose mission is to create affordable personal computers, computer repairs, internet services, and education to people who are either 200 percent below the poverty level or are enrolled in an income-based government assistance program.
- An employee serving on a board for Merrick Community Services which focuses on helping children, families, and seniors struggling with poverty on St. Paul's East Side.
- An employee serving on a board for Second Harvest Heartland which is a food shelf whose mission is to help struggling families turn hunger into hope.

## **Responsiveness to Community Development Needs**

Sunrise's CD loans, investments, and services reflect excellent responsiveness to the CD needs of the AA. Four of the bank's six branches are located in LMI CTs. Specifically, two branches are located in Ramsey County in moderate-income CTs, one branch in Ramsey County is located in a low-income CT, and one branch in Hennepin County is located in a low-income CT. The location of these branches generally increases access to financial services to LMI individuals. The bank also focused several initiatives on affordable housing which was identified by the community contact as a specific community need in the AA.

## Appendix A: Scope of Examination

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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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/2015 to 12/31/2016 Investment and Service Tests and CD Loans: 07/08/2014 to 06/05/2017	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Sunrise Banks, National Association St. Paul, MN	Commercial Loans	
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Minneapolis-St. Paul- Bloomington, MN-WI MSA	Full Scope	Counties Include Parts of: Anoka, Dakota, Hennepin, Ramsey, and Washington

## Appendix B: Community Profiles for Full-Scope Areas

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### Sunrise Banks AA

Demographic Information for Full Scope Area: Sunrise Banks AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	471	13.38	27.18	37.58	21.44	0.42
Population by Geography	1,755,259	11.64	25.81	38.69	23.77	0.10
Owner-Occupied Housing by Geography	458,385	4.97	22.29	43.86	28.88	0.00
Business by Geography	132,939	8.04	22.90	39.81	29.22	0.03
Farms by Geography	1,912	4.86	24.74	41.37	29.03	0.00
Family Distribution by Income Level	413,449	24.29	18.43	21.32	35.96	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	176,610	17.27	34.37	35.74	12.61	0.01
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		79,301 85,200 12%	Median Housing Value Unemployment Rate (2010 US Census)		245,601 4.14%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2016 FFIEC updated MFI

Sunrise has one AA in the State of Minnesota. The AA consists of 471 contiguous CTs in the Minneapolis-St. Paul-Bloomington, MN-WI MSA with its branches located in the urban core of the Twin Cities. The AA consists of portions of Anoka, Dakota, Hennepin, Ramsey, and Washington counties. The AA includes CTs where the bank's six branches are located as well as surrounding CTs that the bank can reasonable serve. The AA is comprised of 63 low-income CTs, 128 moderate-income CTs, 177 middle-income CTs, and 101 upper-income CTs. There are two CTs that are not categorized by income-level. The AA meets the requirements of the regulation and does not arbitrarily exclude any LMI CTs.

According to the Bureau of Labor Statistics, as of 2016, the annual average unemployment rate for Anoka, Dakota, Hennepin, Ramsey, and Washington Counties were 3.8 percent, 3.4 percent, 3.4 percent, 3.6 percent, and 3.4 percent, respectively. Each county individually is below the average 2016 State unemployment rate of 3.9 percent.

Major employers in the AA include Target Corporation, Allina Health System, the University of Minnesota, HealthPartners, Fairview Health System, and Wells Fargo & Co.

The MSA is expanding. In 2016, job growth was similar to the U.S. average and exceeded the Midwest average. Minnesota's jobless rate is no longer declining, but is

one of the lowest among the nation's 50 largest metro areas. Hourly pay is also benefiting from more jobs in high-wage industries. Improving income growth is helping housing and housing prices are rising faster than they are nationally.

Based upon June 2016 Dunn & Bradstreet data, economic activity in the AA is centered in the services industry followed by retail trade. Services comprise 52 percent of the AA's activity, followed by retail trade at 11 percent.

Competition from other financial institutions is strong. Based upon the June 30, 2016, FDIC Market Share Report, there are 111 different deposit-taking financial institutions with 608 offices in the AA. Sunrise ranks ninth in deposit market share, with 0.40 percent of the market share or \$677 million. Large financial institutions dominate the banking market with Wells Fargo Bank, N.A. having 47 percent and U.S. Bank, N.A. having 34 percent of the market share. All other institutions, have four percent of the market share or less.

During this evaluation, examiners contacted an organization focused on affordable housing for low-income residents. The community contact noted there are large opportunities for participation by local financial institutions for commercial loans and other banking products. The contact also noted there is a large need for apartment buildings in Minneapolis as rent continues to increase along with the cost of living, especially low-income housing.