



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 19, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Ramsey National Bank & Trust Company of Devils Lake
Charter Number 5886**

**300 Fourth Street
Devils Lake, North Dakota 58301**

**Office of the Comptroller of the Currency
Fargo Duty Station
3211 Fiechtner Drive
Fargo, North Dakota 58103-2358**

NOTE: This evaluation is not, nor should it 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.

GENERAL INFORMATION

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

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of **The Ramsey National Bank & Trust Company of Devils Lake** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of June 19, 1997. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

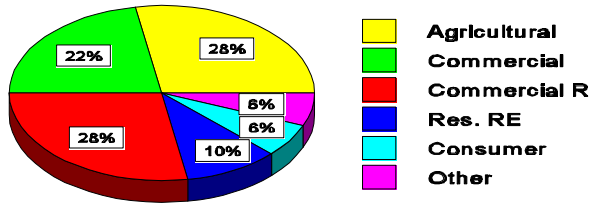
INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

The bank lends to borrowers of different income levels, making a majority of its commercial and agricultural loans to borrowers of lower incomes. The bank's loan-to-deposit ratio is reasonable, with a majority of loans being made within its assessment area. The bank lends to all segments of its assessment area, and does not arbitrarily exclude any low- or moderate-income neighborhoods.

DESCRIPTION OF INSTITUTION

The Ramsey National Bank & Trust Company of Devils Lake, a \$114 million financial institution, is one of 19 banks headquartered in the bank's five-county assessment area.

Loan Portfolio Composition
As of September 30, 1996



Ramsey National Bank is headquartered in Devils Lake, North Dakota, and has six branches in the surrounding area and in Fargo. Ramsey Financial Corporation owns 100% of Ramsey National Bank's common stock. Ramsey National Bank is a full service bank and offers a variety of loan products with an emphasis on agricultural and commercial loans. As of March 31, 1997, agricultural and commercial real estate loans each accounted for 28% of the bank's \$78 million loan portfolio.

Commercial loans totaled another 22%. Residential real estate loans represented 10%

of the loan portfolio, with consumer and other loans totaling 6% each.

The bank's financial condition, size, local economic conditions, and other factors allow it to help meet the credit needs of its assessment area. The bank has neither opened nor closed any branches since the last CRA examination. At the last CRA examination dated July 7, 1994, Ramsey National Bank received an outstanding rating.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area includes of Ramsey, Benson, Eddy, and Cass counties in North Dakota and Clay county in Minnesota. The assessment area includes block numbering areas 9570 through 9575 in Ramsey county; 9591 in Eddy county; and 9565, 9566, and 9567 in Benson county. The area also includes census tracts 201, 202.01, 202.02, 203 through 206, 301.02 through 301.05, 302.01, and 302.02 in Clay county; and 1 through 7, 8.01, 8.02, 9.01, 9.02, 10, 101.02, 101.03, 102.01, 102.02, 103.02, and 401 through 406 in Cass county. The assessment area contains one low-income and ten moderate-income tracts. The remaining 35 areas are either middle- or upper-income. The assessment area complies with the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The assessment area consists of two tracts. One is located in north-central North Dakota, and the other is part of the Fargo Metropolitan Statistical Area in eastern North Dakota and western Minnesota. The assessment area has a combined population of nearly 175,000. Devils Lake, population 7,500, is approximately 70 miles west of Grand Forks, North Dakota. The local economy is dominated by tourism and agriculture. Tourism is supported by fishing, hunting, and

gambling resources. A casino is located on the nearby Spirit Lake Indian Reservation. The primary agricultural crops are sunflowers, wheat, barley, and durum. Several area banks provide strong competition.

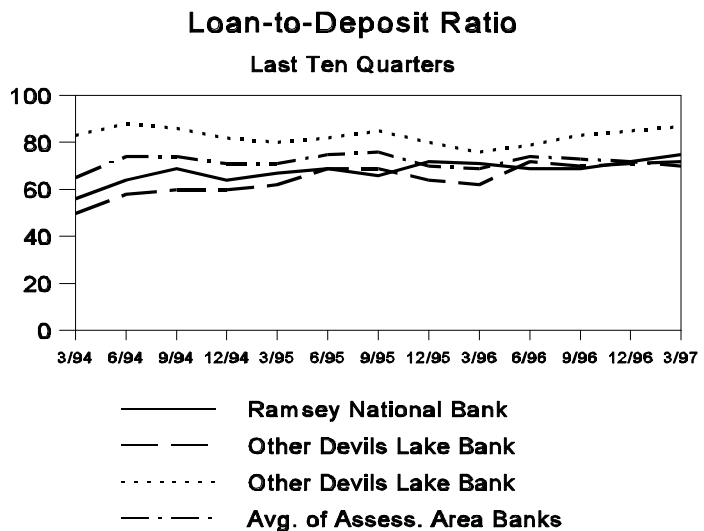
Examiners reviewed community contacts with one community group in Devils Lake and three in Fargo. The contacts revealed no unmet credit needs or discriminatory practices within the assessment area.

Of all households in the assessment area, 24% are low-income, 16% are moderate-income, 20% are middle-income, and 40% are upper-income. The North Dakota 1996 statewide nonmetropolitan and metropolitan median family incomes are \$34,000 and \$43,800, respectively.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio

The bank’s level of lending is reasonable compared to other banks in the assessment area. During the last 13 quarters ending March 31, 1997, the bank’s average loan-to-deposit ratio is 68%. This compares to the average loan-to-deposit ratio of 72% for the other 18 banks headquartered within the assessment area. Of these 19 banks, Ramsey National Bank has the seventh highest loan-to-deposit ratio.



Average loan-to-deposit ratios for other banks in the assessment area range from 59% to 83% over the same 13 quarter time period. Ramsey

National Bank ranks second of the three banks headquartered in Devils Lake. The other two banks headquartered in Devils Lake have average loan-to-deposit ratios of 65% and 83%.

Lending in Assessment Area

Ramsey National Bank extends a majority of its loans within the assessment area. Examiner compiled information shows that during 1996, the bank made 82% of the number of all loan originations within its assessment area. Loans made within the assessment area total 73% of the dollar volume of originations over the same time period. During the first quarter of 1997, the

bank extended 66% of the number and 63% of the dollar volume of loans within the assessment area.

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

The bank makes loans to borrowers of different incomes and businesses of different sizes. Examiners focused on the bank’s two primary lines of business: agricultural and commercial loans. Examiners reviewed a sample of 36 agricultural loans and 31 commercial loans to determine the income levels of the bank’s customers. Based on this sample, the bank lends to borrowers of various income levels and does not arbitrarily exclude any group of applicants.

North Dakota State Tax Department data indicates the average gross revenues for farms in the assessment area is approximately \$150,000. A reasonable portion of the bank’s loan originations, 50%, are made to borrowers who fall below the average farm size. Below is a breakdown of the bank’s agricultural loan originations by income level.

Gross Revenues	# of Loans	Percent
\$50,000 and less	5	14%
From \$50,001 to \$100,000	6	17%
From \$100,001 to \$150,000	7	19%
From \$150,001 to \$250,000	6	17%
From \$250,001 to \$500,000	8	22%
Over \$500,000	4	11%
TOTAL	36	100%

The bank also makes a majority of its commercial loan originations to borrowers with below average revenues. Based on the North Dakota State Tax Department data, the average size business in the assessment area has revenues of approximately \$1,000,000. Of the 30 sample loans reviewed, 58% are to businesses with average revenues of less than \$1,000,000, including 42% of commercial loan originations to businesses with revenues of less than \$500,000. Below is a breakdown of the bank’s commercial loan originations by income level.

Gross Revenues	# of Loans	Percent
\$250,000 or less	8	26%
From \$250,001 to \$500,000	5	16%
From \$500,001 to \$750,000	3	10%
From \$750,001 to \$1,000,000	2	6%
From \$1,000,001 to \$2,000,000	4	13%
From \$2,000,001 to 10,000,000	4	13%
Over \$10,000,000	5	16%
TOTAL	31	100%

Geographic Distribution of Loans

The bank's geographic distribution of loan originations is reasonable. Examiners reviewed a sample of the low- and moderate-income neighborhoods, and found the percentage of the number of loans made in those areas is comparable to the population. In the non-MSA portion of the assessment area, the bank made about 35% of its loan originations in 1996 in low- and moderate-income neighborhoods. This compares to 37% of the number of households being in that area.

Response to Complaints

The bank received no CRA-related complaints since the previous CRA examination.

Compliance with Anti-Discrimination Laws and Regulations

Based on our review, the bank is in compliance with all provisions of antidiscrimination laws and regulations. Examiners found no evidence of disparate treatment.