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Community Reinvestment Act Performance Evaluation

Marquette Capital Bank, National Association
Charter Number: 23153

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NOTE: 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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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 CRA performance of **Marquette Capital Bank, National Association**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **October 4, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable 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.

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.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Limited-Scope 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, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States 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 Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **“Satisfactory.”**

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

| Performance Levels | Marquette Capital Bank, National Association Performance Tests | | |
|---------------------------|---|-----------------|--------------|
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | x | |
| High Satisfactory | | | |
| Low Satisfactory | x | | x |
| 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:

- < MCB has made an excellent level of contributions to the assessment area in the form of community development investments and grants. The bank made a total of nine qualified investments totaling more than \$2.6 million. One of the investments was highly complex in nature and MCB acted in a leadership role.
- < The level of community development lending is excellent. MCB has two community development loans totaling \$2.2 million. Although the loans are not particularly innovative or complex, MCB took a leadership role in one loan and both loans are directly responsive to identified credit needs.
- < MCB shows responsiveness to small business credit needs in the assessment area through an adequate level of loan originations. However, the bank has a poor record of lending to businesses with reported revenues of \$1 million or less. In addition, MCB significantly lags the overall market and community demographics in lending in low- and moderate-income census tracts.
- < Bank personnel provided an adequate level of community development services, mostly in the form of financial expertise to community development organizations. Again, these services are not innovative or complex, but they do address identified needs in the assessment area, such as affordable housing and the provision of human services to low- and moderate-income individuals.

Description of Institution

Marquette Capital Bank, National Association (MCB) is \$191 million financial institution headquartered in Minneapolis, Minnesota. MCB has two banking offices and operates three automatic teller machines, all located in downtown Minneapolis.

MCB is a subsidiary of Marquette Bancshares, Inc. (MBI), a \$3.1 billion multi-bank holding company located in Minneapolis, Minnesota. Affiliates related through MBI and common ownership include: banks located in South Dakota, Iowa, Illinois, Wisconsin, Nebraska, Montana, Texas, Arizona, New Mexico, and California; and non-bank subsidiaries offering trust, investment, leasing, and consumer finance services. MBI originated community development loans and investments, which are allocated on a shared basis between MCB and its affiliate, Marquette Bank, N.A. The activities of other affiliated organizations did not impact MCB's CRA evaluation.

Net loans represent 75% of total assets at September 30, 1999. By dollar volume, the loan portfolio is comprised of commercial and commercial real estate loans and leases (67%), consumer loans (24%), and residential real estate loans (9%). Tier 1 capital totaled \$18 million at September 30, 1999.

MCB's business focus is lending to medium-sized businesses (gross annual revenue of \$15 million or more) and to private banking customers. Traditional home mortgage and consumer loan products are offered incidental to the bank's primary product offerings for existing customers but are not made available to the general public.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its assessment area. There have not been any merger or acquisition activities during the evaluation period. MCB received a "Satisfactory" rating at its prior CRA examination dated January 15, 1998.

MCB delineated one assessment area. The Minneapolis assessment area consists of the Minnesota portion of the Minneapolis-St. Paul, MN-WI MSA #5120. The following counties are included in the assessment area: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright. This assessment area is legal, meets the requirements of the regulation, and does not arbitrarily exclude any low- or moderate-income geographies.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We examined MCB using the large bank tests pursuant to the revised CRA regulation. This evaluation covers lending, investment, and service activities since the previous CRA examination (January 15, 1998) with the following exceptions and notations:

- < Our analysis of business lending included 1997 and 1998 loan originations. We included all 1997 loan originations and excluded year-to-date 1999 loan originations because CRA data is reported and aggregated in whole years. In addition, the previous CRA examination used data through year-end 1996. Small business loan originations represent 75% of MCB's loan originations during the evaluation period.
- < We did not consider the bank's HMDA loan originations in our analysis. This is not a primary product line for the bank. MCB's number of home mortgage loans by type and the percentage of loan originations are: home purchase (14 loans or 4%), home improvement (41 loans or 13%), and home refinance loans (25 loans or 8%). In total, MCB originated 72 HMDA-reportable loans in 1997 and 1998, and purchased an additional 8 loans. All purchased loans were originated to low- or moderate-income borrowers and located in low- or moderate-income census tracts. The low number of originations for each home mortgage product type combined with strategic loan purchases from an affiliate bank do not provide a consistent basis for analysis of the bank's HMDA lending performance.
- < We did not include farm loan products in our analysis. The bank did not originate any farm loans during the evaluation period. All bank offices are located in downtown Minneapolis and this is not a product line for MCB. In addition, community contacts did not indicate a need for farm lending in the assessment area.
- < We used evaluation periods of January 1, 1997 through September 30, 1999 for assessing MCB's community development loan, investment, and service activities. We used this evaluation period to capture activities not considered in prior CRA examinations.

Data Integrity

We selected a sample totaling 120 loans (60 CRA and 60 HMDA) to verify the accuracy of the MCB's publicly reported CRA and HMDA data. We found a high error rate in the bank's data. MCB conducted an extensive file review to correct

the errors. Our subsequent review found that the bank's data was accurate. We based this evaluation on revised accurate data, not on the publicly reported data.

Fair Lending Review

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during our concurrent fair lending review. We reviewed the terms and conditions of home equity loan approvals based on gender.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank's performance under the Lending Test is rated "Low Satisfactory." Community development lending levels are excellent and MCB took a leadership role in one of the projects. Lending levels are adequate. Geographic distribution of loans among census tracts of different income levels and loan distribution among businesses of different sizes are poor.

Lending Activity

Lending levels reflect adequate responsiveness to identified small business credit needs. MCB originated 234 reportable business loans totaling \$44.4 million during the evaluation period. Of these, 204 business loans are located within the bank's assessment area. This represents 0.45% of all reported 1997 and 1998 business loans in its assessment area, ranking 19th among 156 lenders. Competition for small business lending is strong. Two regional banks dominate the market with a combined 36% market share.

MCB's lending market share ratio approximates its deposit market share ratio. MCB has a 0.40% deposit market share in its assessment area, ranking 26th among 138 banks and savings associations with offices located in the assessment area.

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

Distribution of Loans by Income Level of the Geography

Small Business Loans

A substantial majority of the bank's small business loans (87% by number and 82% by dollar volume) were originated in the assessment area. However, the distribution of small business loans among census tracts of different income levels is poor. MCB originated only 1% of its small business loans in low-income census tracts and 4% of its small business loans in moderate-income census tracts during the evaluation period. These percentages reflect lending performance both throughout the entire assessment area and in the bank's immediate lending area of Hennepin and Ramsey Counties. Bank performance significantly lags assessment

area demographics -- 5% of small businesses are located in low-income census tracts and 11% of small businesses are located in moderate-income census tracts.

MCB's geographic distribution of small business loans is also poor in comparison to the overall market. All assessment area lenders combined originated or purchased 4% of their small business loans in low-income census tracts and 9% of their small business loans in moderate-income census tracts. Market lending performance more closely approximates community demographics.

A lending gap analysis showed no inexplicable gaps in the bank's lending. MCB originated small business loans in 67 of the 640 assessment area census tracts. As expected, most (88%) of MCB's small business loan originations are located in the business areas of Hennepin and Ramsey Counties. This is in close proximity to branch locations and is consistent with the bank's medium-size business market niche. Loans in other counties in the assessment area were in a random pattern and did not indicate specific lending gaps.

Refer to Table 2 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's small business loan originations.

Distribution of Loans by Income Level of the Borrower

Small Business Loans

The distribution of loans to businesses of different sizes is poor. MCB originated 46% of its reported business loans in the assessment area to entities with gross annual revenues of \$1 million or less. This performance slightly exceeds the overall market performance of 40%. However, both MCB and combined market lenders significantly lag assessment area demographics -- 87% of businesses with known revenues have gross annual revenues of \$1 million or less.

Of all banks subject to CRA data reporting, MCB ranked 17th among 156 lenders in originating small business loans to businesses with revenues of \$1 million or less. This represents a 0.52% market share. MCB's ranking and market share percentage for lending to businesses with revenues of \$1 million or less approximate its ranking (19th) and market share percentage (0.45%) for lending to small businesses of all revenue sizes.

Loan size distribution for MCB is less favorable than that of the combined market lenders, but is consistent with the bank's niche of lending to middle-sized businesses, which usually need larger loans. MCB made 57% of its small business

loans in amounts of \$100 thousand or less, with an average loan size of \$180 thousand. In aggregate, all market lenders made 85% of their small business loans in amounts of \$100 thousand or less, with an average loan size of \$74 thousand.

Refer to Table 3 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's small business loan originations.

Community Development Lending

MCB provided an excellent level of community development lending in its assessment area that is responsive to identified credit needs. The bank has two community development loans totaling \$2.2 million, or 12% of Tier 1 capital.

The bank's holding company, MBI, originated a \$2.5 million loan to a small business investment company (SBIC), of which \$955,500 is credited to MCB. Community contacts indicated that capital for small businesses is in demand in Minneapolis and this loan shows good responsiveness to this credit need.

MCB originated a \$1.2 million loan to a child day care and medical clinic. Low- and moderate-income persons comprise 95% of the clients and patients using this facility. This sizeable loan demonstrated the bank's willingness to meet this credit need. Information about the loan recipient indicated that there is a high level of need for these services in the community.

Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.

INVESTMENT TEST

The bank's performance under the Investment Test is rated "Outstanding." The bank generated an excellent level of qualified investments totaling \$2.6 million, or 14% of Tier 1 capital. MCB acted in a leadership role in one project. Although the number of qualified investments is low at nine, the dollar volume is exceptionally high. In addition, MCB's two largest qualified investments are both highly complex and very responsive to the area's most pressing community development needs.

Acting with its affiliate, Marquette Bank, N.A., MCB funded \$400,000 of a \$4.9 million complex, near-equity financing package to fund the redevelopment of the abandoned Sears catalog warehouse building in the low- and moderate-income Phillips and Powderhorn neighborhoods of Minneapolis. The 1.9 million square foot facility will include a business incubator, retail space, office space, a child care center, and a government center. Upon completion, the project is expected to create approximately 5,000 new jobs. The project's funding represents a complex financial package involving several government agencies along with the banks' substantial investment. The complexity of the project was heightened by the exceptionally short time frame in which the banks analyzed and funded their investments after other involved financial institutions abandoned the project.

According to community sources, revitalization of the former Sears warehouse is critical to redeveloping businesses in the surrounding low- and moderate-income neighborhoods. Community representatives were extremely vocal in their support and appreciation of the combined banks' leadership role as the only private financing source. Several failed attempts to find financing for revitalizing the property evidenced that this financing is not routinely provided by private investors.

The bank's holding company, MBI, made a series of equity investments in a small business investment company (SBIC) totaling \$5.15 million, of which \$2 million is credited to MCB. As noted above, community contacts indicate that capital for funding the development of small businesses is in demand in Minneapolis, and these investments are highly responsive to this credit need. All investments in the SBIC occurred during the evaluation period, except for \$150,000, which originated in November 1996. We are including the amount in this evaluation as we did not include it in the bank's previous CRA evaluation.

MCB, through and with MBI, donated \$236,136 to entities that have community development as their primary purpose. The donations were directly responsive to identified needs -- primarily enhancing the capacity of not-for-profit organizations to provide services targeted to low- and moderate-income populations. While the donations were not innovative or complex, they showed excellent responsiveness to community development needs based on the aggregate dollar amount.

Refer to Table 4 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

SERVICE TEST

The bank's performance under the Service Test is rated "Low Satisfactory." Through its branch offices, ATMs, telephone and internet banking, and community development activities, MCB delivers an adequate level of banking services to its assessment area.

Retail Banking Services

MCB's branches and ATMs are reasonably accessible to geographies and individuals of different income levels. Because the bank's business focus is commercial lending, its two full-service branches are located in the central business district of downtown Minneapolis. These locations provide MCB with good exposure to its targeted customer base and provide existing customers easy access to commercial lenders. Most of the low- and moderate-income census tracts are located in and around the downtown Minneapolis and St. Paul areas. Branches are easily accessible by public transportation from all portions of the assessment area, including low- and moderate-income tracts. In addition, customers can use the 23 branches and 24 ATMs of its affiliate, Marquette Bank, N.A., located throughout the assessment area to conduct transactions.

The bank provides reasonable hours and services at both of its branches. Customer feedback and timing of transactions are used to set branch hours, which are 8:00a.m. to 5:00p.m. Monday through Friday. MCB did not open or close any branches during our evaluation period.

Alternative delivery systems include 24-hour telephone banking and internet banking services. Telephone banking allows customers to obtain deposit and loan information and conduct a limited number of transactions. Internet banking allows customers access to account statements, bill payment, and funds transfer. Customers can also send electronic mail messages to bank personnel. Because MCB does not maintain information to describe the impact that these alternative delivery systems have on low- and moderate-income individuals and geographies, we could not place much weight on these systems in determining the bank's performance under the Service Test.

Refer to Table 5 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

Community Development Services

MCB provided an adequate level of community development services during the evaluation period. Bank employees routinely provide financial expertise to community development organizations. The bank's community development services are listed below:

- < Project for Pride in Living - A bank officer served on the board of this not-for-profit affordable housing developer from 1997 through the present, and is Chairman of the Housing and Property Committee.
- < Empowerment Zone Governance Board - In 1999, a bank officer provided financial expertise to this oversight board to facilitate revitalization of low- and moderate-income neighborhoods in Minneapolis.
- < Salvation Army - From 1997 to the present, a bank officer served on the board and provided financial management expertise to facilitate the delivery of services for the homeless, affordable housing, and other services for low-income individuals.
- < Community Housing Development Organization - Since 1998, a bank officer has provided financial expertise on the board of this affordable housing organization which serves the greater metropolitan area. This organization works in conjunction with Project for Pride in Living (listed above).
- < Pride on Portland - A bank officer provided advice to this affordable housing developer regarding the redevelopment of a four-block area in the low- and moderate-income Phillips neighborhood in South Minneapolis.
- < Ronald McDonald House in Minneapolis - A bank employee served on this organization's board and on its finance and grant committees. The organization's function is to provide lodging for families of hospitalized children. Through the finance and grant committees, the bank employee specifically worked on providing these services to low- and moderate-income 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.

| | | |
|--|---|--|
| Time Period Reviewed | Lending Test: January 1, 1997 to December 31, 1998 Investment Test: January 1, 1997 to September 30, 1999 Service Test: January 1, 1997 to September 30, 1999 | |
| Financial Institution | | Products Reviewed |
| Marquette Capital Bank, National Association Minneapolis, Minnesota | | Small Business Lending, Community Development Activities |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| Marquette Bancshares, Inc. | Holding Company | Community Development Loans and Investments |
| List of Assessment Areas and Type of Examination | | |
| Assessment Area | Type of Exam | Other Information |
| Minneapolis-St. Paul, MN-WI MSA #5120 | Full-Scope | Assessment area includes only the Minnesota portion of MSA #5120 |

Appendix B: Market Profiles for Full-Scope Areas

Minneapolis Assessment Area

| Demographic Information for Full-Scope Area: Minneapolis Assessment Area | | | | | | |
|---|------------|---------------------------------|-----------------|---------------|--------------|-----------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA % of # |
| Geographies (Census Tracts/BNAs) | 640 | 8% | 16% | 55% | 19% | 2% |
| Population by Geography | 2,455,818 | 5% | 13% | 61% | 21% | 0% |
| Owner-Occupied Housing by Geography | 640,163 | 2% | 11% | 63% | 24% | 0% |
| Businesses by Geography | 96,177 | 5% | 11% | 61% | 23% | 0% |
| Farms by Geography | 1,975 | 1% | 10% | 68% | 21% | 0% |
| Family Distribution by Income Level | 632,062 | 17% | 18% | 28% | 37% | 0% |
| Distribution of Low- and Moderate-Income Families throughout AA Geographies | 222,218 | 8% | 20% | 61% | 11% | 0% |
| Median Family Income | = \$44,297 | Median Housing Value | | = \$92,440 | | |
| HUD Adjusted Median Family Income for 1998 | = \$60,800 | Unemployment Rate (August 1999) | | = 1.9% | | |
| Households Below the Poverty Level | = 7.87% | | | | | |

Sources: 1990 U.S. Census and 1998 HUD updated MFI; Minnesota Department of Labor.

The Minneapolis Assessment Area consists of the Minnesota portion of the Minneapolis-St. Paul, MN-WI MSA #5120. The following counties are included in the assessment area: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.

MCB's primary business focus is lending to medium-sized businesses and developing private banking relationships. The bank has two branch locations and operates three ATMs, all in downtown Minneapolis. MCB customers can also conduct transactions at any of Marquette Bank, N.A.'s 23 offices and 24 ATMs.

The market for both loans and deposits is dominated by two regional banks, U.S. Bank, N.A. and Norwest Bank Minnesota, N.A. These two organizations originated over 36% of all small business loans in the assessment area during 1997 and 1998 and control 58% of assessment area deposits. In comparison, MCB has only a small portion of the assessment area market. It ranks 19th in small business lending (0.45% market share) and 26th in deposit market share (0.40%).

Minneapolis-St. Paul is the fifteenth largest metropolitan area in the United States. The area has a thriving, diversified economic base and is a center for electronics, medical instruments, health care, finance, entertainment and arts, printing and

publishing, and processing and transporting agricultural products. Thirteen FORTUNE 500 companies have headquarters located in the Twin Cities area.

We reviewed information from 43 prior community contacts located throughout the assessment area. These contacts were made during 1997, 1998, and 1999 by the OCC and other regulatory agencies. We also interviewed individuals from four community groups during this examination. The contacts represented business trade organizations, housing authorities, housing development and rehabilitation organizations, economic development groups, city and government leaders, credit counseling services, social services organizations, and consumer advocacy groups. These community contacts provided valuable background information on the general economy of the area, the condition of the housing markets, the types of credit offered for housing and small businesses, the availability of financial services, and the responsiveness of banks and other financial institutions.

Many contacts stated that there is a strong need for small business loans and for loans that foster job creation. There is also a need for technical and managerial counseling services for small business owners. Some contacts indicated that it would be beneficial if financial institutions could provide smaller suburban communities with technical advice on alternate or tax increment financing for city-based development projects.

Contacts also identified a strong need for affordable housing. This includes first-time home buyer programs, multi-family and other rental housing, and combination financing for home purchase and home improvement under a first mortgage. The 1998 average sales price of a home in the assessment area was \$143,500. The combination of a strong economy and favorable interest rates has resulted in increasing home prices during the last few years. Contacts stated that there was a need for housing at all income levels and that this would be an opportunity for banks to assist in community development lending. Home improvement loans are also needed to improve the quality of aging housing stock in many neighborhoods.

Appendix C: Tables of Performance Data

Content of Standardized Tables

The tables cover the entire CRA evaluation period. 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: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (< \$1 million) to businesses originated 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 rank and market share information based on the most recent aggregate market data available.
- Table 3. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (< \$1 million) originated 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. The table also presents the percentage distribution of the number of loans originated 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 4. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.
- Table 5. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank’s retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

Table 1. Lending Volume

| LENDING VOLUME | | | | | | | | | | | | | State: Minnesota | Evaluation Period: January 1, 1997 To December 31, 1998 | |
|-----------------------------|--|---------------|------------|----------------|------------|------------|------------|-----------------------|------------|----------------------|------------|--|------------------|---|--|
| MSA/Assessment Area: | % of Total Bank Deposits in Rated Area | Home Mortgage | | Small Business | | Small Farm | | Community Development | | Total Reported Loans | | % of Total Reported Bank Loans in Rated Area | | | |
| | | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | | | | |
| Full-Scope: | | | | | | | | | | | | | | | |
| Minneapolis Assessment Area | 100% | 80 | \$3,621 | 204 | \$36,626 | 0 | \$0 | 2 | \$2,156 | 286 | \$42,403 | 100.00% | | | |
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| Limited-Scope: | | | | | | | | | | | | | | | |
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Table 2. Geographic Distribution of Small Business Loan Originations

| Geographic Distribution: SMALL BUSINESS | | | | | | | | | | | | | | | | State: Minnesota | | Evaluation Period: January 1, 1997 To December 31, 1998 | |
|---|------------------------|-------------|-----------------------------|-------------|---------------------------|-------------|--------------------------|-------------|----------------------|----------------------------|-----|-----|-----|-----|----------------------------|------------------|--|---|--|
| MSA/Assessment Area: | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overall Market Rank* | Market Share by Geography* | | | | | Total Small Business Loans | | | | |
| | % of Businesses | % MCB Loans | % of Businesses | % MCB Loans | % of Businesses | % MCB Loans | % of Businesses | % MCB Loans | | Overall | Low | Mod | Mid | Upp | # | % of Total | | | |
| Full-Scope: | | | | | | | | | | | | | | | | | | | |
| Minneapolis Assessment Area | 5% | 1% | 11% | 4% | 61% | 62% | 23% | 33% | 19 | 0% | 0% | 0% | 1% | 1% | 204 | 100% | | | |
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(*) Based on 1997 and 1998 Aggregate Small Business Data.

Table 3. Borrower Distribution of Small Business Loan Originations

| Borrower Distribution: SMALL BUSINESS | | | State: Minnesota | | Evaluation Period: January 1, 1997 To December 31, 1998 | | | | | | |
|---------------------------------------|---|---------------|-------------------|--|---|----------------------------|------------------|-------------------------|----------------------------|------------|----------------------|
| MSA/Assessment Area: | Businesses with Revenues of \$1 million or less | | | Loans by Original Amount Regardless of Business Size | | | Market Share**** | | Total Small Business Loans | | |
| | % of Businesses* | % MCB Loans** | % Market Loans*** | \$100,000 or Less | > \$100,000 to \$250,000 | > \$250,000 to \$1,000,000 | All | Rev \$1 million or less | # | % of Total | Avg Loan Size (000s) |
| Full-Scope: | | | | | | | | | | | |
| Minneapolis Assessment Area | 87% | 46% | 40% | 57% | 19% | 24% | 0% | 1% | 204 | 100% | \$180 |
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(*) As a percentage of businesses with known revenues.
 (**) As a percentage of loans with revenue information available. Information was available for 100% of loans originated by MCB.
 (***) The market consists of all other Small Business reporters in MCB's assessment area and is based on 1997 and 1998 Aggregate Small Business Data.
 (****) Based on 1997 and 1998 Aggregate Small Business Data.

Table 4. Qualified Investments

| QUALIFIED INVESTMENTS | | | | | | | | | |
|-----------------------------|---------------------------|------------|--|----------------------------|------------|------|-------------------|------------|-----------------|
| State: Minnesota | | | Evaluation Period: January 1, 1997 To September 30, 1999 | | | | | | |
| MSA/Assessment Areas: | Prior Period Investments* | | | Current Period Investments | | | Total Investments | | |
| | # | \$ (000's) | %** | # | \$ (000's) | %** | # | \$ (000's) | % of Total \$'s |
| Full-Scope: | | | | | | | | | |
| Minneapolis Assessment Area | 0 | \$0 | 0% | 9 | \$2,645 | 100% | 9 | \$2,645 | 100% |
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(*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.
 (**) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

Table 5. Distribution of Branch and ATM Delivery System

| DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM | | | | State: Minnesota | | | | Evaluation Period: January 1, 1997 to September 30, 1999 | | | | | | | | | |
|--|-------------------------|-------------------|-------------------------|---|-----|------|-----|--|---------------------|---|-----|------------|-----|---|-----|-----|-----|
| MSA/Assessment Area: | Deposits | Branches | | | | | | ATMs | | | | Population | | | | | |
| | % of Total MCB Deposits | # of MCB Branches | % of Total MCB Branches | Location of Branches by Income of Geographies | | | | # of MCB ATMs | % of Total MCB ATMs | Location of ATMs by Income of Geographies | | | | % of the Population within Each Geography | | | |
| | | | | Low | Mod | Mid | Upp | | | Low | Mod | Mid | Upp | Low | Mod | Mid | Upp |
| Full-Scope: | | | | | | | | | | | | | | | | | |
| Minneapolis Assessment Area | 100% | 2 | 100% | 0% | 0% | 100% | 0% | 3 | 100% | 0% | 0% | 100% | 0% | 5% | 13% | 61% | 21% |
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| Limited-Scope: | | | | | | | | | | | | | | | | | |
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