



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

October 31, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**American National Bank of Minnesota
Charter Number 24219**

**7638 Woida Road
Baxter, MN 56425**

**Comptroller of the Currency
North Dakota & NW Minnesota
1309 Highway 29 N
Alexandria, MN 56308**

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, 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.

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INSTITUTION'S CRA RATING: Satisfactory

An institution in this group has a satisfactory record of helping to meet the credit needs of the assessment area it serves, consistent with its resources and capabilities. Factors contributing to this rating include the following:

- The loan-to-deposit ratio is more than reasonable.
- Lending activities represent reasonable penetration to businesses of different sizes and to borrowers of different income levels.
- The geographic distribution of loans demonstrates a strong willingness to lend throughout the bank's assessment areas.
- A majority of loans are originated inside the designated assessment areas.

DESCRIPTION OF INSTITUTION

American National Bank of Minnesota (ANBM) is a \$273 million bank located in Baxter, Minnesota and is wholly owned by American Bancorporation of Minnesota, Inc., a one-bank holding company located in Brainerd, MN. Holding company assets consist primarily of the bank. ANBM has nine locations throughout northern and central Minnesota.

ANBM has a total of four assessment areas (AA). These AAs include a portion of the Minneapolis MSA #3346, a portion of the St. Cloud MSA #4106, and numerous rural Minnesota census tracts surrounding the communities of Brainerd, Baxter, Walker, Pequot Lakes, Detroit Lakes, Fergus Falls, and Alexandria.

The bank's loan portfolio is diverse with a primary lending focus on residential real estate and business loans. As of September 30, 2004, the composition of the portfolio was as follows:

Loan Portfolio Composition	\$ (000)	%
Business (including real estate)	163,650	71%
Farm (including real estate)	1,260	1%
Residential Real Estate Loans	52,233	23%
Consumer Loans	7,381	3%
Other Loans	4,958	2%
Total	229,482	100%

Net loans represent 83% of total bank assets. Tier One Leverage Capital is 8.55% of average assets or \$26.8 million. There are no legal or financial impediments that restrict the bank's ability to meet the credit needs of the community.

ANBM converted to a national charter on August 1, 2001. The most recent CRA examination was conducted on July 20, 1999 by the FDIC. ANBM received a rating of Satisfactory. This is the first CRA examination conducted by the Office of the Comptroller of the Currency.

DESCRIPTION OF THE NORTHERN MINNESOTA ASSESSMENT AREA

ANBM's Northern Minnesota AA consists of twenty-three contiguous Census Tracts (CT) located in Cass, Crow Wing, and Hubbard Counties. The bank's main office is located in this AA in Baxter. In addition, the bank has three branch offices located in the cities of Brainerd, Walker, and Pequot Lakes. This AA is not located in an MSA. Based on the 2000 census, there are five moderate-income and 18 middle-income tracts. There are no low- or upper-income tracts. The AA meets the requirements of the regulation and does not exclude any low- or moderate-income geographies.

There is significant competition within this AA. A total of 23 financial institutions are located throughout the AA. ANBM branches are ranked 6th with a deposit market share of 7% or \$85 million.

This AA is highly dependent on tourism due to numerous lakes in the area. In addition, the bank's AA is dependent on residential real estate and small business. Major employers include health care facilities, primary and secondary school systems, and retail stores. Information from the Bureau of Labor Statistics lists the 2003 unemployment rate for Cass, Crow Wing, and Hubbard Counties at 7.9%, 6.0% and 6.3%, respectively. The average unemployment rate for Minnesota is 5.0% and 6.0% nationwide.

During our evaluation, we contacted a community agency to better understand the credit needs of the AA. Based on this information, we determined that residential real estate and small business loans help to support the local economy. The contact stated that ANBM effectively meets the credit needs of the community.

The demographics of the AA are illustrated on the next page. The information is based on the 2000 census information unless otherwise noted.

Demographic and Economic Characteristics of Northern MN AA	
<i>Population</i>	
Number of Families	24,874
Number of Households	35,305
Number of Low-Income Families	4,770
% of Low-Income Families	19%
Number of Moderate-Income Families	5,112
% of Moderate-Income Families	21%
Number of Middle-Income Families	6,196
% of Middle-Income Families	25%
Number of Upper-Income Families	8,796
% of Upper-Income Families	35%
<i>Geographies</i>	
Number of Census Tracts	23
% Low-Income Census Tracts	0%
% Moderate-Income Census Tracts/BNA	22%
% Middle-Income Census Tracts/BNA	78%
% Upper-Income Census Tracts/BNA	0%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$46,163
2003 HUD-Adjusted MFI	\$51,700
<i>Economic Indicators</i>	
2004 Median Housing Value	\$109,680
% of Households Below Poverty Level	10%

DESCRIPTION OF THE ST. CLOUD ASSESSMENT AREA

ANBM's St. Cloud AA consists of thirty contiguous CTs located in Stearns, Benton, and Sherburne Counties of Minnesota. The St. Cloud branch of ANBM is the only office located in this AA. Based on the 2000 census, there is one low-income, three moderate-income, 21 middle-income, and four upper-income tracts. One tract is characterized as N/A as a prison occupies this location. The AA meets the requirements of the regulation and does not exclude any low- or moderate-income geographies.

Competition is strong in this AA with a total of 31 financial institutions throughout the AA. ANBM's St. Cloud branch is ranked 20th with a deposit market share of 2% or \$23 million.

The bank's AA is dependent on residential real estate and small business. Major employers include the regional hospital system, the state of Minnesota, and manufacturing facilities. Information from the Bureau of Labor Statistics lists the 2003 unemployment rate for Stearns, Sherburne, and Benton Counties at 4.8%, 5.7% and 5.5%, respectively. The average unemployment rate for Minnesota is 5.0% and 6.0% nationwide.

The demographics of the AA are illustrated in the table below. The information is based on the

2000 census information unless otherwise noted.

Demographic and Economic Characteristics of St. Cloud AA	
<i>Population</i>	
Number of Families	36,287
Number of Households	54,801
Number of Low-Income Families	5,454
% of Low-Income Families	15%
Number of Moderate-Income Families	6,893
% of Moderate-Income Families	19%
Number of Middle-Income Families	9,988
% of Middle-Income Families	28%
Number of Upper-Income Families	13,952
% of Upper-Income Families	38%
<i>Geographies</i>	
Number of Census Tracts/BNA	30
% Low-Income Census Tracts	3%
% Moderate-Income Census Tracts	10%
% Middle-Income Census Tracts	70%
% Upper-Income Census Tracts	13%
% N/A Census Tracts (location of prison)	3%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$52,815
2003 HUD-Adjusted MFI	\$59,400
<i>Economic Indicators</i>	
2003 Median Housing Value	\$106,287
% of Households Below Poverty Level	8%

DESCRIPTION OF THE WESTERN MINNESOTA ASSESSMENT AREA

ANBM has three branch locations in the Western Minnesota AA. This consists of 35 contiguous CTs located in Becker, Douglas, Grant, Ottertail, Pope, Todd, and Wilkin Counties. Two of the CTs are moderate-income with the remaining being middle-income tracts. There are no low- or upper-income tracts. The AA meets the requirements of the regulation and does not exclude any low- or moderate-income geographies. The branches are located in the cities of Detroit Lakes, Fergus Falls, and Alexandria.

Competition comes from 37 other financial institutions located throughout the AA. According to the 2002 US Census branch and deposit report, ANBM has 4% of this market with \$70 million in total deposits.

The bank's AA is dependent on residential real estate and small business. Hospital and other care facilities, local school systems, light manufacturing, and utility companies provide for a large portion of the employment opportunities. The communities of Detroit Lakes and Alexandria also host locations for lake homes, resorts, and tourism.

Information from the Bureau of Labor Statistics lists the 2003 unemployment rate for Becker,

Douglas, Grant, Ottertail, Pope, Todd, and Wilkin Counties at 6.7%, 3.6%, 7.5%, 5.8%, 4.1%, 6.5%, and 4.1%, respectively. The average unemployment rate for Minnesota is 5.0% and 6.0% nationwide.

The demographics of the AA are illustrated below. The information is based on the 2000 census information unless otherwise noted.

Demographic and Economic Characteristics of Western MN AA	
<i>Population</i>	
Number of Families	33,376
Number of Households	48,152
Number of Low-Income Families	6,249
% of Low-Income Families	19%
Number of Moderate-Income Families	6,874
% of Moderate-Income Families	21%
Number of Middle-Income Families	8,548
% of Middle-Income Families	25%
Number of Upper-Income Families	11,705
% of Upper-Income Families	35%
<i>Geographies</i>	
Number of Census Tracts/BNA	35
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	6%
% Middle-Income Census Tracts/BNA	94%
% Upper-Income Census Tracts/BNA	0%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$45,925
2003 HUD-Adjusted MFI	\$51,700
<i>Economic Indicators</i>	
2004 Median Housing Value	\$90,772
% of Households Below Poverty Level	10%

DESCRIPTION OF THE ELK RIVER ASSESSMENT AREA

ANBM's Elk River assessment area (AA) consists of seven contiguous census tracts (CT) located in Anoka, Sherburne, and Wright Counties. All are located in the Minneapolis-St. Paul metropolitan statistical area (MSA). All of the CTs in the AA are middle-income. There are no low-, moderate-, or upper-income tracts. The AA meets the requirements of the regulation and does not exclude any low- or moderate-income geographies. The Elk River branch is the only location of ANBM in this AA.

Primary competition comes from six other financial institutions. According to the 2002 US Census branch and deposit report, two local banks hold 88% of the deposit market. ANBM has 2% of this market.

The bank's AA is dependent on residential real estate and small business. Local employers

include the local school system, the County of Sherburne, an outpatient care center, an electric power company, and various retail businesses.

Information from the Bureau of Labor Statistics lists the 2003 unemployment rate for Anoka, Sherburne, and Wright Counties at 5.0%, 5.7% and 5.7%, respectively. The average unemployment rate for Minnesota is 5.0% and 6.0% nationwide.

The demographics of the AA are illustrated below. The information is based on the 2000 census information unless otherwise noted.

Demographic and Economic Characteristics of Elk River AA	
<i>Population</i>	
Number of Families	11,493
Number of Households	14,184
Number of Low-Income Families	1,565
% of Low-Income Families	13%
Number of Moderate-Income Families	2,382
% of Moderate-Income Families	21%
Number of Middle-Income Families	3,762
% of Middle-Income Families	33%
Number of Upper-Income Families	3,784
% of Upper-Income Families	33%
<i>Geographies</i>	
Number of Census Tracts	7
% Low-Income Census Tracts	0%
% Moderate-Income Census Tracts	0%
% Middle-Income Census Tracts	100%
% Upper-Income Census Tracts	0%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$64,885
2003 HUD-Adjusted MFI	\$75,300
<i>Economic Indicators</i>	
2003 Median Housing Value	\$141,072
% of Households Below Poverty Level	3%

Loan Sampling

The bank's primary loan types were determined by reviewing all loans originated or purchased by ANBM from January 1, 2002 through December 31, 2003. The table on the following page depicts the number and volume of loans made.

Loan Products	#	%	\$ (000)	%
Business Loans	958	21%	\$215,242	47%
Farm	14	0%	\$1,883	0%
Residential Real Estate Loans	2,020	43%	\$222,462	48%
Consumer Loans	1,651	36%	\$16,823	4%
Other Loans	4	0%	\$3,465	1%
Total	4,647	100%	\$459,875	100%

For purposes of this evaluation, the primary loan types are residential real estate loans and business loans. These two products represent 95% of the dollar volume of all loans originated during our evaluation period. More emphasis was placed on residential real estate loans during this evaluation, based on the higher volume of originations. In addition, because the Northern Minnesota AA had 60% of all originations, greater emphasis was placed on the bank's performance in this AA.

Due to changes in the characteristics of the bank's AA from the 1990 and 2000 census we conducted two loan samples of each primary product in order to evaluate the geographical distribution of loans. Loans originated in 2002 are compared to 1990 census data and loans made in 2003 are compared to 2000 census data. This was not applied in the Elk River AA since all census tracts are middle- and upper-income using both 1990 and 2000 information. Therefore, an analysis of the geographical distribution for this AA is not meaningful.

We applied statistically valid sampling techniques to select an initial sample of twenty residential real estate loans and twenty business loans from each AA. This was used to determine the bank's lending within the AA. We selected additional files for each primary loan type so that all loans used in the sample were from within the AAs. These loans were used to conduct the analysis of lending to borrowers of different incomes and to businesses of different sizes and the geographic distribution of loans.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's loan-to-deposit (LTD) ratio exceeds the standard for satisfactory performance given the bank's size, financial condition, assessment area needs, and local economic conditions. The bank's quarterly LTD ratio averaged 100.78% over the past 13 quarters since the bank's conversion on August 1, 2001.

When compared to five similarly situated institutions, ANBM ranks first out of the six banks. These banks have assets sizes ranging from \$165 to \$286 million with LTD ratios of 68% to 101%. The average LTD ratio of all six banks for the evaluation period is 82%. Refer to the table on the following page.

Institution	Assets (as of 9/30/04)	Average LTD Ratio
<i>American National Bank of Minnesota</i>	\$242 million	101%
The Bank of Elk River	\$286 million	85%
American Heritage National Bank	\$166 million	83%
Oakley National Bank of Buffalo	\$165 million	79%
The First National Bank of Walker	\$229 million	76%
21 st Century Bank	\$203 million	68%

Lending in Assessment Area

ANBM meets the standard for satisfactory performance for lending within its AAs. The result of the combined loan samples indicates that a majority of the number and dollar volume of loans are originated within the AA. Refer to the table below for details of the lending activity within the AAs during the evaluation period.

TOTAL LOANS REVIEWED								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Residential Real Estate Loans	51	64%	\$4,661	57%	29	36%	\$3,572	43%
Business Loans	62	77.5%	\$7,055	75%	18	22.5%	\$2,339	25%
Total Reviewed	113	71%	\$11,716	66%	47	29%	\$5,911	34%

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

ANBM's overall lending to borrowers of different incomes and businesses of different sizes meets the standard for satisfactory performance.

Northern Minnesota AA

Lending to borrowers of different incomes and businesses of different sizes in the Northern MN AA meets the standard for satisfactory performance.

Residential Real Estate Loans

The borrower distribution of residential real estate loans to low- and moderate-income families is less than satisfactory. Lending by dollar amount for low-income, and both number and dollar volume for moderate-income is below the demographics of the AA. Refer to the table on the following page for details of the distribution of loans to families of different income levels.

Borrower Distribution of Residential Real Estate Loans in the Northern MN AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	19%		21%		25%		35%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Total	17.5%	9%	10%	9%	20%	21%	52.5%	61%

Source: Loan sample of 40 files.

Business Loans

ANBM's lending to small businesses is more than reasonable. The demographic information indicates that 70% of the businesses have revenues of less than \$1 million. Of the businesses sampled in this AA, 85% of the number and 74% of the dollar volume had revenues of less than \$1 million.

Borrower Distribution of Business Loans in the Northern MN AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Businesses not reporting revenue data	Total
% of AA Businesses	70%	4%	26%	100%
% of Bank Loans in AA by #	85%	15%	N/A	100%
% of Bank Loans in AA by \$	74%	26%	N/A	100%

Source: Loan sample; Dunn and Bradstreet data.

St. Cloud AA

Lending to borrowers of different incomes and businesses of different sizes in the St. Cloud AA meets the standard for satisfactory performance.

Residential Real Estate Loans

The borrower distribution of residential real estate loans to low- and moderate-income families is reasonable. Although lending to low-income borrowers is below the demographics of the AA, 8% of the population is at or below the poverty level. In addition, the median housing cost in this market is \$106 thousand, making the purchase of a home more difficult for low-income borrowers. The bank's lending to moderate-income borrowers is comparable to the demographic information, demonstrating that the bank does not exclude low- and moderate-income borrowers. Refer to the table below for details.

Borrower Distribution of Residential Real Estate Loans in the St. Cloud AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	15%		19%		28%		38%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Total	2.5%	1%	22.5%	20%	17.5%	14%	57.5%	65%

Source: Sample of 40 loan files.

Business Loans

ANBM's lending to small businesses is reasonable. The demographic information indicates that 64% of the businesses have revenues of less than \$1 million. Of the businesses included in our sample, 67.5% of the number and 63% of the dollar volume had revenues of less than \$1 million.

Borrower Distribution of Business Loans in the St. Cloud AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Businesses not reporting revenue data	Total
% of AA Businesses	64%	6%	30%	100%
% of Bank Loans in AA by #	67.5%	32.5%	N/A	100%
% of Bank Loans in AA by \$	63%	37%	N/A	100%

Source: Loan sample; Dunn and Bradstreet data.

Western Minnesota AA

Lending to borrowers of different incomes and businesses of different sizes in the Western MN AA exceeds the standard for satisfactory performance.

Residential Real Estate Loans

The borrower distribution of residential real estate loans to low- and moderate-income families exceeds the demographics of the AA. Lending to low-income families is comparable to AA demographics. Lending to moderate-income families exceeds the demographics of the AA. Refer to the table below for the distribution of loans to families of different incomes.

Borrower Distribution of Residential Real Estate Loans in the Western MN AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	19%		21%		26%		35%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Total	17.5%	13%	25%	22%	17.5%	21%	40%	44%

Source: Loan sample of 40 files.

Business Loans

ANBM's lending to small businesses exceeds the standard for satisfactory performance. Demographic information indicates that 64% of the businesses have revenues of less than \$1 million. Of the businesses included in our sample, 92.5% of the number and 83% of the dollar volume had revenues of less than \$1 million.

Borrower Distribution of Business Loans in the Western MN AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Businesses not reporting revenue data	Total
% of AA Businesses	64%	5%	31%	100%
% of Bank Loans in AA by #	92.5%	7.5%	N/A	100%
% of Bank Loans in AA by \$	83%	17%	N/A	100%

Source: Loan sample; Dunn and Bradstreet data.

Elk River AA

Lending to borrowers of different incomes and businesses of different sizes in the Elk River AA exceeds the standard for satisfactory performance.

Residential Real Estate Loans

The borrower distribution of residential real estate loans to low- and moderate-income families exceeds the demographics of the AA. While lending to low-income borrowers is comparable to the demographic information, lending to moderate-income families exceeds the demographics of the AA. Refer to the table below for details of this distribution.

Borrower Distribution of Residential Real Estate Loans in the Elk River AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	13%		21%		33%		33%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Total	10%	8%	40%	46%	30%	19%	4%	27%

Source: Loan sample of 20 files.

Business Loans

ANBM's lending to small businesses is reasonable. The demographic information indicates that 69% of the businesses have revenues of less than \$1 million. Of the businesses included in our sample, 70% of the number and 69% of the dollar volume had revenues of less than \$1 million.

Borrower Distribution of Business Loans in the Elk River AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Businesses not reporting revenue data	Total
% of AA Businesses	69%	3%	28%	100%
% of Bank Loans in AA by #	70%	30%	N/A	100%
% of Bank Loans in AA by \$	69%	31%	N/A	100%

Source: Loan sample; Dunn and Bradstreet data.

Geographic Distribution of Loans

ANBM's overall geographic distribution of residential real estate and business loans exceeds the standard for satisfactory performance.

Northern MN AA

The geographic distribution of loans in the Northern MN AA exceeds the standard for satisfactory performance.

Residential Real Estate Loans

The geographic distribution of residential real estate lending is more than reasonable. The Northern MN AA does not have any low-income census tracts. Lending in the moderate-income tracts for both 2002 and 2003 exceeds the demographic information of the AA. Refer to the tables below for details of this distribution.

2002 Geographic Distribution of Residential Real Estate Loans in the Northern MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied Housing	N/A		26%		67%		7%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	40%	29%	60%	71%	0%	0%

Source: Loan sample of 20 loans.

2003 Geographic Distribution of Residential Real Estate Loans in the Northern MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	N/A		17%		83%		N/A	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	30%	41%	70%	59%	N/A	N/A

Source: Loan sample of 20 loans.

Business Loans

The bank's geographic distribution of business loans is reasonable. Lending in the moderate-income census tracts in 2002 and 2003 is comparable to the demographic information for the respective time periods. This AA does not have any low-income CTs. Refer to the table below and the table on the following page for details of the distribution within the AA.

2002 Geographic Distribution of Loans to Businesses in the Northern MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	N/A		27%		63%		10%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	25%	9%	55%	49%	20%	42%

Source: Loan sample of 20 loans.

2003 Geographic Distribution of Loans to Businesses in the Northern MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	N/A		33%		77%		N/A	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	35%	34%	65%	66%	N/A	N/A

Source: Loan sample of 20 loans.

St. Cloud AA

The geographic distribution of loans in the St. Cloud AA meets the standard for satisfactory performance.

Residential Real Estate Loans

The geographic distribution of residential real estate lending is reasonable. Based on 1990 demographic information, the AA had one low-income tract with minimal owner-occupied housing and no moderate-income tracts. Therefore, an analysis of the 2002 loans is not meaningful. In 2003, lending performance is comparable to the demographic information of the AA. Based on 2000 demographic information, the AA has three moderate-income tracts. Refer to the table below for details of the geographic distribution of 2003 loans in the moderate-income tracts.

2003 Geographic Distribution of Residential Real Estate Loans in the St. Cloud AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	0%		6%		73%		21%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	0%	0%	5%	3%	70%	66%	25%	31%

Source: Loan sample of 20 loans.

Business Loans

The bank's geographic distribution of business loans is more than reasonable. Lending in the low-income census tract in 2002 exceeds the demographics of the AA. None of the CTs were moderate-income during this time period. Lending performance in 2003 is comparable to the demographic information with one low-income and three moderate-income tracts. Refer to the tables below and on the following page.

2002 Geographic Distribution of Loans to Businesses in the St. Cloud AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	5%		N/A		79%		16%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	10%	33%	N/A	N/A	70%	59%	20%	8%

Source: Loan sample of 20 loans.

2003 Geographic Distribution of Loans to Businesses in the St. Cloud AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	5%		10%		68%		17%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	5%	1%	5%	3%	85%	90%	5%	6%

Source: Loan sample of 20 loans.

Western MN AA

The geographic distribution of loans in the Western MN AA meets the standard for satisfactory performance.

Residential Real Estate Loans

The geographic distribution of residential real estate lending is reasonable. There are no low-income census tracts. Lending performance in 2002 and 2003 in the moderate-income tracts is comparable to the demographic information of the AA. Refer to the tables below for details of the distribution within this AA.

2002 Geographic Distribution of Residential Real Estate Loans in the Western MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied Housing	N/A		11%		85%		4%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	10%	10%	80%	81%	10%	9%

Source: Loan sample of 20 loans.

2003 Geographic Distribution of Residential Real Estate Loans in the Western MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	N/A		5%		95%		N/A	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	15%	5%	85%	95%	N/A	N/A

Source: Loan sample of 20 loans.

Business Loans

The bank's geographic distribution of business loans is reasonable. Lending performance for loans made to borrowers in the moderate-income census tracts, is comparable to the demographics of the AA. The tables on the following page detail this distribution for the respective time periods.

2002 Geographic Distribution of Loans to Businesses in the Western MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	N/A		12%		86%		2%	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	15%	9%	80%	91%	5%	0%

Source: Loan sample of 20 loans.

2003 Geographic Distribution of Loans to Businesses in the Western MN AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses	N/A		8%		92%		N/A	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Loans	N/A	N/A	2%	5%	98%	95%	N/A	N/A

Source: Loan sample of 20 loans.

Elk River AA

All CTs in this AA are middle income based on both 1990 and 2000 census information. Therefore, an analysis of the geographic distribution of loans among different income geographies is not meaningful.

Responses to Complaints

ANBM and the OCC have not received any complaints relating to the bank's CRA performance since the previous examination.

Fair Lending or Other Illegal Credit Practices Review

An analysis of public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. During our evaluation, we found no evidence of illegal discrimination or other illegal credit practices.