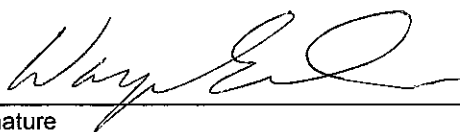


Annual Disclosure Statement
December 31, 2017
FFIEC 041

SUNRISE BANKS N.A.
ST. PAUL, MN 55103

I, the undersigned officer, attest to the correctness of this statement and declare that it has been examined by me and to the best of my knowledge and belief has been prepared in accordance with instructions issued by the appropriate Federal regulatory authority and is true and correct.


Signature

1/25/18
Date

Consolidated Report of Income

December 31, 2017

Dollar Amounts in Thousands	Prior Year 2016	Current Year 2017
Interest income:		
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties.....	3,855	4,122
All other loans secured by real estate.....	15,658	18,462
Commercial and industrial loans.....	5,395	6,547
Loans to individuals for household, family, and other personal expenditures:		
Credit cards.....	0	0
Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	146	236
All other loans.....	481	469
Total interest and fee income on loans.....	25,535	29,836
Income from lease financing receivables.....	443	472
Interest income on balances due from depository institutions.....	255	530
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....	1,558	1,146
Mortgage-backed securities.....	945	1,504
All other securities (includes securities issued by states and political subdivisions in the U.S.).....	8	16
Interest income on federal funds sold and securities purchased under agreements to resell.....	1	1
Other interest income.....	1,199	1,534
Total interest income.....	29,944	35,039
Interest expense:		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	5	7
Nontransaction accounts:		
Savings deposits (includes MMDAs).....	73	82
Time deposits of \$250,000 or less.....	NA	575
Time deposits of more than \$250,000.....	NA	106
Expense of federal funds purchased and securities sold under agreements to repurchase.....	0	1
Interest on trading liabilities and other borrowed money.....	578	667
Interest on subordinated notes and debentures.....	0	0
Total interest expense.....	1,437	1,438
Net interest income.....	28,507	33,601
Provision for loan and lease losses.....	359	1,552
Noninterest income:		
Income from fiduciary activities.....	0	0
Service charges on deposit accounts.....	1,274	1,229
Trading revenue.....	0	0
Fees and commissions from securities brokerage.....	0	0
Investment banking, advisory, and underwriting fees and commissions.....	0	0
Fees and commissions from annuity sales.....	0	0
Underwriting income from insurance and reinsurance activities.....	0	0
Income from other insurance activities.....	0	0
Venture capital revenue.....	0	0

Consolidated Report of Income

December 31, 2017

Dollar Amounts in Thousands

	Prior Year 2016	Current Year 2017
Noninterest income (continued):		
Net servicing fees.....	87	91
Net securitization income.....	0	0
Net gains (losses) on sales of loans and leases.....	283	241
Net gains (losses) on sales of other real estate owned.....	(28)	0
Net gains (losses) on sales of other assets.....	172	0
Other noninterest income.....	28,089	25,743
Total noninterest income.....	29,877	27,304
Realized gains (losses) on held-to-maturity securities.....	0	0
Realized gains (losses) on available-for-sale securities.....	565	(147)
Noninterest expense:		
Salaries and employee benefits.....	18,699	20,616
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	2,595	3,264
Goodwill impairment losses.....	0	0
Amortization expense and impairment losses for other intangible assets.....	34	24
Other noninterest expense.....	31,959	29,576
Total noninterest expense.....	53,287	53,480
Income (loss) before applicable income taxes and discontinued operations.....	5,303	5,726
Applicable income taxes.....	90	30
Income (loss) before discontinued operations.....	5,213	5,696
Discontinued operations, net of applicable income taxes.....	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests.....	5,213	5,696
LESS: Net income (loss) attributable to noncontrolling (minority) interests.....	0	0
Net income (loss) attributable to bank.....	5,213	5,696
Memoranda		
Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes.....	1	0
<i>The following item is to be completed by banks with \$1 billion or more in total assets.</i>		
Income from the sale and servicing of mutual funds and annuities.....	NR	NR
Income on tax-exempt loans and leases to states and political subdivisions in the U.S.....	481	469
Income on tax-exempt securities issued by states and political subdivisions in the U.S.....	8	0
Number of full-time equivalent employees at end of current period (round to the nearest whole number).....	Number	Number
	90	95
<i>The following item is to be completed by:</i>		
• banks with \$300 million or more in total assets, and		
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans.		
Interest and fee income on loans to finance agricultural production and other loans to farmers.....	0	0
Trading revenue (from cash instruments and derivative instruments) <i>(To be completed by banks that reported average trading assets of \$10 million or more for any quarter of the preceding calendar year.):</i>		
Interest rate exposures.....	NR	NR
Foreign exchange exposures.....	NR	NR
Equity security and index exposures.....	NR	NR
Commodity and other exposures.....	NR	NR
Credit exposures.....	NR	NR

Consolidated Report of Income

December 31, 2017

Dollar Amounts in Thousands

Memoranda (continued)

The following items are to be completed by banks with \$100 billion or more in total assets that are required to complete the Trading revenue items above.

Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (year-to-date changes)

	Prior Year 2016	Current Year 2017
Gross credit valuation adjustment (CVA).....	NA	NR
CVA hedge.....	NA	NR

Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (year-to-date changes)

Gross debit valuation adjustment (DVA).....	NA	NR
DVA hedge.....	NA	NR

Gross trading revenue, before including positive or negative net CVA and net DVA.....

	NA	NR
--	----	----

The following items are to be completed by banks with \$10 billion or more in total assets.

Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:

Net gains (losses) on credit derivatives held for trading.....	NR	NR
--	----	----

Net gains (losses) on credit derivatives held for purposes other than trading.....	NR	NR
--	----	----

To be completed by banks with \$300 million or more in total assets:

Credit losses on derivatives.....	0	0
-----------------------------------	---	---

Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....

YES / NO	YES / NO
YES	YES

Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties.....

NR	NR
----	----

The following four items are to be completed by banks that have elected to account for assets and liabilities under a fair value option.

Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:

Net gains (losses) on assets.....	NR	NR
-----------------------------------	----	----

Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.....	NR	NR
---	----	----

Net gains (losses) on liabilities.....	NR	NR
--	----	----

Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.....	NR	NR
---	----	----

Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings.....

0	0
---	---

The following four items are to be completed by institutions with \$1 billion or more in total assets and offer one or more consumer deposit account products.

Components of service charges on deposit accounts in domestic offices:

Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	NR	NR
---	----	----

Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	NR	NR
--	----	----

Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....	NR	NR
--	----	----

All other service charges on deposit accounts.....	NR	NR
--	----	----

Consolidated Report of Income

December 31, 2017

Dollar Amounts in Thousands

	Prior Year 2016	Current Year 2017
Changes in Equity Capital		
Total bank equity capital most recently reported for the December 31, 2016 Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	77,792	77,323
Cumulative effect of changes in accounting principles and corrections of material accounting errors.....	0	0
Balance end of previous calendar year as restated.....	77,792	77,323
Net income (loss) attributable to bank.....	5,213	5,696
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	0	0
Treasury stock transactions, net.....	0	0
Changes incident to business combinations, net.....	0	0
LESS: Cash dividends declared on preferred stock.....	0	0
LESS: Cash dividends declared on common stock.....	4,392	4,814
Other comprehensive income.....	(1,290)	(153)
Other transactions with stockholders (including a parent holding company).....	0	15,000
Total bank equity capital end of current period.....	77,323	93,052
Changes in Allowance for Loan and Lease Losses		
Balance most recently reported for the December 31, 2016, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	6,435	6,854
Recoveries.....	86	276
LESS: Charge-offs.....	26	432
LESS: Write-downs arising from transfers of loans to a held-for-sale account.....	0	0
Provision for loan and lease losses.....	359	1,552
Adjustments.....	0	0
Balance end of current period.....	6,854	8,250
Memoranda		
Allocated transfer risk reserve.....	0	0
<i>The following two items are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card speciality banks as defined for Uniform Bank Performance Report purposes.</i>		
Separate valuation allowance for uncollectible retail credit card fees and finance charges.....	NR	NR
Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges.....	NR	NR
<i>The following item is to be completed by all banks.</i>		
Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3).....	0	0

Consolidated Report of Condition

December 31, 2017

Dollar Amounts in Thousands	Prior Year 2016	Current Year 2017
Assets		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin.....	10,183	11,276
Interest-bearing balances.....	70,351	16,852
Securities:		
Held-to-maturity securities.....	0	0
Available-for-sale securities.....	120,169	195,126
Federal funds sold and securities purchased under agreements to resell:		
Federal funds sold.....	275	985
Securities purchased under agreements to resell.....	0	0
Loans and lease financing receivables:		
Loans and leases held for sale.....	0	159
Loans and leases held for investment.....	599,001	714,358
LESS: Allowance for loan and lease losses.....	6,854	8,250
Loans and leases held for investment, net of allowance.....	592,147	706,108
Trading assets.....		
Premises and fixed assets (including capitalized leases).....	23,198	27,550
Other real estate owned.....	0	0
Investments in unconsolidated subsidiaries and associated companies.....	0	0
Direct and indirect investments in real estate ventures.....	0	0
Intangible assets:		
Goodwill.....	115	101
Other intangible assets.....	102	78
Other assets.....		
Total assets.....	844,854	989,642
Liabilities		
Deposits:		
In domestic offices.....	748,333	876,843
Noninterest-bearing.....	484,099	607,382
Interest-bearing.....	264,234	269,461
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased.....	0	0
Securities sold under agreements to repurchase.....	0	0
Trading liabilities.....		
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases).....	18,000	18,000
Subordinated notes and debentures.....	0	0
Other liabilities.....	1,198	1,747
Total liabilities.....	767,531	896,590
Equity Capital		
Bank Equity Capital		
Perpetual preferred stock and related surplus.....	0	0
Common stock.....	497	497
Surplus (excludes all surplus related to preferred stock).....	52,631	67,631
Retained earnings.....	28,142	29,024
Accumulated other comprehensive income.....	(3,947)	(4,100)
Other equity capital components.....	0	0
Total bank equity capital.....	77,323	93,052
Noncontrolling (minority) interests in consolidated subsidiaries.....	0	0
Total equity capital.....	77,323	93,052
Total liabilities and equity capital.....	844,854	989,642

Consolidated Report of Condition

December 31, 2017

**Past Due and Nonaccrual Loans, Leases,
and Other Assets**

Dollar Amounts in Thousands	Prior Year - 2016		Current Year - 2017	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Loans secured by real estate:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Secured by farmland.....	0	0	0	0
Secured by 1-4 family residential properties:				
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	0	73	0	49
Closed-end loans secured by 1-4 family residential properties:				
Secured by first liens.....	0	197	0	199
Secured by junior liens.....	0	0	0	0
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	238	0	3,127
Loans secured by other nonfarm nonresidential properties.....	0	204	0	25
Loans to depository institutions and acceptances of other banks.....	0	0	0	0
Commercial and industrial loans.....	0	2,734	0	361
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
All other loans.....	0	0	0	0
Lease financing receivables.....	0	0	0	0
Total loans and leases.....	NA	NA	0	3,761
Debt securities and other assets (exclude other real estate owned and other repossessed assets).....	0	0	0	0
Loans and leases reported in items above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC.....	0	2,456	0	279
Guaranteed portion of loans and leases included in item above, excluding rebooked "GNMA loans".....	0	2,033	0	228
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item above.....	0	0	0	0
Loans and leases reported in items above that are covered by loss-sharing agreements with the FDIC:				
Loans secured by real estate:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0

Consolidated Report of Condition December 31, 2017

**Past Due and Nonaccrual Loans, Leases,
and Other Assets**

Dollar Amounts in Thousands	Prior Year - 2016		Current Year - 2017	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Secured by farmland.....	0	0	0	0
Secured by 1-4 family residential properties:				
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	0	0	0	0
Closed-end loans secured by 1-4 family residential properties:				
Secured by first liens.....	0	0	0	0
Secured by junior liens.....	0	0	0	0
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	0	0
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
All other loans and all leases.....	0	0	0	0
Portion of covered loans and leases included in items above that is protected by FDIC loss-sharing agreements.....	0	0	0	0

Consolidated Report of Condition December 31, 2017

**Past Due and Nonaccrual Loans, Leases,
and Other Assets**

Memoranda	Prior Year - 2016		Current Year - 2017	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Dollar Amounts in Thousands				
Loans restructured in troubled debt restructurings included in items above.				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Loans secured by 1-4 family residential properties.....	0	0	0	0
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	0	0
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
Commercial and industrial loans.....	0	303	0	133
<i>The following two items are to be complete by banks with \$300 million or more in total assets:</i>				
To U.S. addressees (domicile).....	0	303	0	133
To non-U.S. addressees (domicile).....	0	0	0	0
All other loans (include loans to individuals for household, family, and other personal expenditures).....	0	0	0	0
<i>Itemize loan categories included in item above that exceed 10% of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status:</i>				
Loans secured by farmland.....	0	0	0	0
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
<i>The following item is to be completed by:</i>				
• Banks with \$300 million or more in total assets				
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans				
Loans to finance agricultural production and other loans to farmers included in item above.....	0	0	0	0
Total loans restructured in troubled debt restructurings included in items above.....	NA	NA	0	133
Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in items above.....	0	0	0	0

Consolidated Report of Condition December 31, 2017

Past Due and Nonaccrual Loans, Leases, and Other Assets

Memoranda	Dollar Amounts in Thousands	Prior Year - 2016		Current Year - 2017	
		Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
<i>The following four items are to be complete by banks with \$300 million or more in total assets:</i>					
Loans secured by real estate to non-U.S. addressees (domicile) (included in items above).....		0	0	0	0
Loans to and acceptances of foreign banks (included in items above).....		0	0	0	0
Commercial and industrial loans to non-U.S. addressees (domicile) (included in items above).....		0	0	0	0
Leases to individuals for household, family, and other personal expenditures (included in items above).....		0	0	0	0
<i>The following item is to be completed by:</i>					
• Banks with \$300 million or more in total assets					
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans					
Loans to finance agricultural production and other loans to farmers (included in items above).....		0	0	0	0
Loans and leases held for sale and loans measured at fair value (included in items above):					
Loans and leases held for sale.....		0	0	0	0
Loans measured at fair value:					
Fair value.....		0	0	0	0
Unpaid principal balance.....		0	0	0	0

	Dollar Amounts in Thousands	Prior Year 2016	Current Year 2017
Additions to nonaccrual assets during the quarter.....		200	132
Nonaccrual assets sold during the quarter.....		0	0

Memoranda	Dollar Amounts in Thousands	Prior Year - 2016		Current Year - 2017	
		Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):					
Outstanding balance.....		0	0	0	0
Amount included in items above.....		0	0	0	0

2017 ANNUAL DISCLOSURE STATEMENT NOTICE OF AVAILABILITY

In accordance with Federal regulation, this bank will provide an Annual Disclosure Statement to our customers, shareholders, and the general public, upon request, containing the bank's financial information for the last two years. This information will be updated annually and made available on or before March 31, 2018.

To request a copy

of the Annual Disclosure Statement, please contact:

Wayne Erdman, EVP Controller
651-259-2225
SUNRISE BANKS N.A.
2525 Wabash Avenue
ST. PAUL, MN 55114

