



PUBLIC DISCLOSURE

July 7, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sunrise Banks, National Association
Charter Number 14991

200 University Avenue West
St. Paul, MN 55103

Office of the Comptroller of the Currency

222 South 9th Street, Suite 800
Minneapolis, MN 55402

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

The Lending Test is rated: Outstanding.

The Community Development test is rated: Outstanding.

The major factors supporting this rating include:

- Sunrise Banks, National Association (Sunrise or “the bank”) demonstrated excellent dispersion of loans throughout geographies of different income levels and reasonable distribution of loans to businesses of different sizes.
- The bank’s Community Development (CD) performance shows excellent responsiveness to assessment area (AA) needs through CD loans, qualified investments, and CD services.
- A substantial majority of the bank’s loans are originated inside its AA.
- The bank’s loan-to-deposit (LTD) ratio is reasonable compared to similarly-situated financial institutions.
- The bank received no CRA related complaints during the evaluation period.

Loan-to-Deposit Ratio

Sunrise’s LTD ratio is reasonable considering the bank’s size, financial condition, and credit needs of the AA. The bank’s quarterly average LTD ratio is 79.3 percent. This represents the 11 quarters from June 30, 2017, to December 31, 2019. The ratio ranged from a high of 92.6 percent in the second quarter of 2017 to a low of 72.5 percent in the first quarter of 2018. The following table shows Sunrise’s LTD ratio compared to six similarly-situated financial institutions. Similarly-situated financial institutions are institutions operating within the bank’s AA with similar lending products.

Loan-to-Deposit Ratio		
Institution	Totally Assets (\$000s)	Average LTD Ratio (%) (2Q17 – 4Q19)
MidCountry Bank	\$762,344	108.7%
Bridgewater Bank	\$2,263,871	99.5%
Tradition Capital Bank	\$911,710	96.9%
United Bankers Bank	\$787,977	91.9%
Premier Bank	\$861,235	84.4%
Minnesota Bank & Trust	\$718,807	81.8%
Sunrise Banks, N.A.	\$1,179,926	79.3%

Source: Total assets are based on December 31, 2019, Call Report data

Lending in Assessment Area

A substantial majority of the bank’s loans are inside its AA. The bank originated and purchased 95 percent of its total loans inside its AA during the evaluation period.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Commercial	38	95.0	2	5.0	40	20,882	80.6	5,037	19.4	25,919
Total	38	95.0	2	5.0	40	20,882	80.6	5,037	19.4	25,919

Source: 2017-2018 and 2019 loan samples

Description of Institution

Sunrise is an intrastate bank headquartered in St. Paul, Minnesota. The bank is wholly owned by University Financial Corp GBC DBA Sunrise Banks, also located in St. Paul. Sunrise has operations in the urban core of Minneapolis and St. Paul, commonly referred to as the “Twin Cities” due to the geographical proximity of the cities to each other. The bank also operates a prepaid card office in Sioux Falls, South Dakota. Sunrise has two wholly-owned bank subsidiaries. Established in 2017, SB New Markets CDE, LLC, is a community development entity created solely for new market tax credit (NMTC) activity. In October 2019, in partnership with several local non-profit organizations, Sunrise formed a community development corporation (CDC), Community Access Impact Advantage I, LLC. The CDC pools funds from Sunrise with outside investors to finance the acquisition of existing rental properties to preserve affordable housing units for low- and moderate-income (LMI) individuals and families in the Twin Cities. The bank allocated significant time and resources to establish the infrastructure of the CDC.

Sunrise operates six branches in Ramsey and Hennepin Counties, which are part of the Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area (Minneapolis MSA). One branch is located in a low-income census tract (CT), three are in moderate-income CTs, and two are in upper-income CTs. Sunrise operates eight automated teller machines (ATMs), five of which accept deposits and are adjacent to bank branches. The other three ATMs are non-deposit taking and located in St. Paul. Specifically, the non-deposit taking ATMs are located at Sunrise’s corporate location, a bank branch, and Luther Seminary campus. No branches or deposit-taking ATMs were opened or closed during the review period.

As of December 31, 2019, bank assets totaled \$1.2 billion and tier one capital was \$102 million. Net loans and leases totaled \$807 million or 72 percent of total assets. The loan portfolio is comprised of commercial loans (66 percent), residential real estate loans (28 percent), and consumer loans (four percent). The bank did not originate any agricultural loans during the evaluation period.

Sunrise is a full-service financial institution offering a wide variety of loan and deposit products, and services to both retail and commercial customers. Retail products include mortgage loans for purchase and refinance, open-end and closed-end home equity loans, construction loans, and consumer loans for a variety of purposes. Non-retail products include commercial, multi-family, and commercial construction along with other business loans. The bank is also a preferred Small Business Administration lender.

Sunrise’s mission is to be a highly innovative bank while empowering financial wellness with its customers. The bank’s strategy is to focus on financial inclusion, innovation, positive social impact, and sustainability. Sunrise offers three national consumer-based lending programs to help meet consumer

financial needs:

- Since 2016, Sunrise has offered unsecured purpose loans offered through employer relationships. These small dollar, short-term payroll loans are offered as an alternative to more expensive payday loans. Credit scores are not used for loan qualification, but repayment performance is reported to credit bureaus which helps build the borrower's credit history. Free financial literacy counseling is also available to borrowers to help future financial stability.
- In 2018, Sunrise partnered with a financial technology (fintech) partner to offer a credit builder loan product. Loan proceeds are placed into a certificate of deposit and loan payments are reported to the credit bureaus. The loan product does not consider past credit history and is a way to build and/or repair consumer credit to help eliminate barriers to lending. The product also offers a savings component since borrowers receive the certificate of deposit funds following repayment.
- In 2019, Sunrise partnered with a payroll provider servicing over 100,000 employers to offer a short-term, small dollar payday advance loan product as another payday loan alternative for emergency needs. Financial wellness training is included with this loan product.

In 2018, Sunrise partnered with a St. Paul nonprofit focused on providing financial assistance to LMI individuals to launch the Financial Access in Reach (FAIR) initiative. FAIR is designed for financially underserved individuals who often do not have access to fairly priced products and services. FAIR provides checking, savings, and credit builder products, coupled with financial coaching, to people in underserved communities in the Twin Cities. As of December 31, 2019, the FAIR initiative has opened 127 checking, 163 savings, and 61 credit builder accounts.

Sunrise provides closing cost assistance to qualified homebuyers obtaining a first lien mortgage through the bank's mortgage division. This program is primarily targeted to LMI homebuyers and/or homebuyers purchasing a home in a LMI neighborhood. Recipients complete pre- and post-closing homebuyer education. Post-closing education is focused on navigating financial changes associated with home ownership and basic home maintenance information is offered to first-time homebuyers. During the evaluation period, the bank provided assistance to 211 homebuyers totaling \$178 thousand.

The bank works with local non-profit organizations for other activities. Sunrise performs loan processing services for a non-profit mortgage company providing mortgages to LMI households across the Minneapolis MSA. During the evaluation period, the bank assisted this organization with 261 loan closings totaling \$45.7 million. In 2017, Sunrise partnered with another non-profit organization providing homeownership services and programs in the Twin Cities. The bank onboarded and serviced 242 mortgages totaling \$5.4 million. Sunrise also offers free conference room space to community organizations at their St. Paul corporate location. The bank offers free financial counseling and budgeting programs to all bank customers and employees through another non-profit organization. This partnership also provides financial workshops in the community.

Sunrise is certified by the U.S. Department of the Treasury as a Community Development Financial Institution (CDFI) and is the only certified CDFI bank in Minnesota. As a CDFI, Sunrise commits a majority of its lending activity to the most distressed communities in Minneapolis and St. Paul. The CDFI Fund, part of the U.S. Department of the Treasury, works to increase economic opportunity and promote community development investments for underserved populations and distressed communities in the United States. The CDFI Fund awarded Sunrise \$712 thousand under the Bank Enterprise Award (BEA) Program between 2017-2019. The BEA program provides awards to banks and thrifts that have successfully demonstrated increased investments in CTs with at least 30 percent of residents having

incomes less than the national poverty level and 1.5 times the national unemployment rate. The program helps build businesses, create jobs, develop affordable housing, and promote homeownership in the most distressed communities. The CDFI Fund also allocated Sunrise \$110 million under the NMTC program between 2018-2019. The bank reinvested these funds by continuing to perform CDFI-related activities through originating loans to LMI borrowers and small businesses, and providing technical assistance to LMI individuals.

Sunrise is also a member of the Global Alliance for Banking on Values, a public benefit corporation, and is a Certified B Corporation for its demonstrated commitment to transparent corporate governance and positive community impact.

Sunrise received an "Outstanding" rating on its June 5, 2017, CRA evaluation. There are no known financial or legal impediments that would affect Sunrise's ability to meet the credit needs within its communities.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The lending test evaluation period is January 1, 2017, through December 31, 2019. We determined Sunrise's primary loan products by reviewing the number and dollar volume of loan originations and purchases during the evaluation period. Commercial loans are the primary product with 66.7% of loan originations by dollar.

Loans originated or purchased in 2017 and 2018 are compared to the 2015 American Community Service (ACS) survey data. The Office of Management and Budget's (OMB) geographic boundary revisions resulted in CT income level designation changes for 2019, therefore 2019 loans are analyzed separately. We selected initial samples of 20 commercial loans for each evaluation period. We selected additional loans as needed to have sufficient information to analyze borrower and geographic distributions within each evaluation period.

The evaluation period for the CD test is June 6, 2017, through December 31, 2019. We reviewed CD loans, investments, donations, and services submitted by bank management. The activities meeting the definition of CD are included in this evaluation.

Selection of Areas for Full-Scope Review

Sunrise has one AA, which is referred to as the Minneapolis AA. This AA was selected for a full-scope review and evaluated under the state of Minnesota rating area. Refer to Appendix A-1, Scope of Examination, for additional information on the examination scope.

Ratings

The bank's overall rating is based on the state of Minnesota rating. The state of Minnesota rating evaluates all the bank's deposits, loan originations and purchases, and branches during the evaluation period.

Refer to the Scope of Evaluation in Minnesota on page 9 and Appendix B-1 for details regarding how performance is weighted in arriving at the bank's overall rating.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

State Rating

State of Minnesota

CRA rating for the state of Minnesota: Outstanding

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The major factors supporting this rating include:

- The distribution of loans throughout geographies of different income levels is excellent.
- The distribution of loans to businesses of different sizes is excellent.
- Sunrise's CD performance demonstrates excellent responsiveness to the CD needs of its AA through CD loans, qualified investments, and CD services.

Description of Institution's Operations in Minnesota

Sunrise has one AA located in Minnesota consisting of a portion of the Minneapolis-St. Paul-Bloomington MN-WI MSA. The bank's Minneapolis AA consists of all of Ramsey County and portions of Anoka, Dakota, Hennepin, and Washington Counties. The AA included 56 low-income, 133 moderate-income, 178 middle-income, 91 upper-income, and five CTs not assigned an income designation for 2017-2018. For 2019, the AA consisted of 54 low-income, 131 moderate-income, 174 middle-income, 99 upper-income, and five CTs not assigned an income designation. Sunrise had six branches located within the AA.

Deposit competition is high with numerous reporting institutions located within the AA's counties. According to the June 30th, 2019 FDIC Deposit Market Share Report, Sunrise ranked 12th out of 105 reporting institutions with \$986.5 million in deposits and a 0.55 percent deposit market share. U.S. Bank and Wells Fargo Bank are significant competitors holding 40.7 percent and 35.3 percent deposit market share, respectively. All other institutions hold less than four percent deposit market share.

Economic conditions in the area improved during the evaluation period. According to the Bureau of Labor Statistics, each county's unemployment rate decreased from January 2017 to December 2019. The annual average unemployment rate in the Minneapolis AA decreased from 3.1 percent in 2017 to 2.7 percent in 2019. These rates were below the state of Minnesota's annual unemployment rate of 3.2 percent in both 2017 and 2019.

We contacted a community member representing economic development within the Minneapolis AA. The contact noted the Twin Cities saw tremendous growth from 2017 to 2019. Investments in public transportation contributed to both reinvestment and redevelopment. Affordable housing is a primary need for the AA. The city of Minneapolis recently passed a zoning change allowing three-plex development in residential areas previously zoned for single-family homes only. The contact recognized Sunrise for their NMTC activity and its ability to leverage these investments with smaller businesses for commercial development. We reviewed another community contact conducted with a non-profit organization focused on housing and economic development initiatives. This contact also noted an affordable housing crisis, with first-time homebuyers and retirees competing for homes in the \$200-\$300

thousand range. High housing expenses have led to poverty-level individuals and families moving further out of the Twin Cities urban core into suburbs, which puts them further away from employment opportunities and reduces their access to mass transit. The contact noted opportunities for banks to lend to start-ups or expanding small businesses without established revenue streams.

The following tables provide information on the demographic composition of the Minneapolis AA for both evaluation periods.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Minneapolis AA 2017-2018						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	463	12.1	28.7	38.4	19.7	1.1
Population by Geography	1,787,255	11.2	27.4	38.9	22.1	0.5
Housing Units by Geography	767,092	9.9	27.2	40.5	21.9	0.6
Owner-Occupied Units by Geography	440,192	4.5	23.0	44.4	28.0	0.1
Occupied Rental Units by Geography	287,132	17.3	33.3	35.3	13.0	1.1
Vacant Units by Geography	39,768	15.8	29.3	35.1	18.6	1.2
Businesses by Geography	138,392	8.2	22.5	43.1	25.7	0.6
Farms by Geography	2,046	4.8	24.0	43.5	27.5	0.2
Family Distribution by Income Level	416,919	25.3	17.9	20.8	36.0	0.0
Household Distribution by Income Level	727,324	28.6	17.4	17.9	36.1	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA		\$85,636	Median Housing Value			\$220,274
<i>Source: 2015 ACS and 2018 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an</i> <i>income classification.</i>			Median Gross Rent			\$942
			Families Below Poverty Level			9.6%

Table A – Demographic Information of the Assessment Area						
Assessment Area: Minneapolis AA 2019						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	463	11.7	28.3	37.6	21.4	1.1
Population by Geography	1,787,255	10.7	27.3	37.5	24.0	0.5
Housing Units by Geography	767,092	9.5	27.0	39.1	23.9	0.6
Owner-Occupied Units by Geography	440,192	4.2	22.6	42.4	30.7	0.1
Occupied Rental Units by Geography	287,132	16.9	33.2	34.6	14.1	1.1
Vacant Units by Geography	39,768	14.6	30.0	34.4	19.8	1.2
Businesses by Geography	164,351	8.2	22.5	40.4	28.4	0.5
Farms by Geography	2,356	4.8	23.9	40.5	30.4	0.3
Family Distribution by Income Level	416,919	25.3	17.9	20.8	36.0	0.0
Household Distribution by Income Level	727,324	28.6	17.4	17.9	36.1	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA		\$84,589	Median Housing Value			\$220,274
<i>Source: 2015 ACS and 2019 D&B Data</i>			Median Gross Rent			\$942
<i>Due to rounding, totals may not equal 100.0%</i>			Families Below Poverty Level			9.6%
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Minnesota

We completed a full-scope review of the Minneapolis AA since it was the bank's only AA in the state of Minnesota. Commercial loans were the primary product in the Minneapolis AA. The 2017-2018 analysis period received greater weight than the 2019 analysis period, as this period represented a larger portion of the bank's lending activity.

Refer to the table in Appendix A-1 for additional information on the examination scope.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNESOTA

LENDING TEST

The bank's performance under the Lending Test in Minnesota is rated Outstanding.

Based on a full-scope review, the bank's lending performance in the state of Minnesota is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state.

Small Loans to Businesses

Refer to Table Q in Appendix D-2 for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The overall geographic distribution of small loans to businesses is excellent.

During the 2017-2018 analysis period, the distribution of small loans to businesses is excellent. The percentage of small business loans made in LMI geographies significantly exceeded both the percentage of businesses and aggregate lending data in those geographies.

During the 2019 analysis period, the distribution of small loans to businesses is excellent. The percentage of small business loans made in low-income geographies significantly exceeded both the percentage of businesses and aggregate lending data in those geographies. The percentage of loans in moderate-income geographies was near both the percentage of businesses and aggregate lending data in those geographies.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to businesses of different sizes, given the product lines offered by the bank.

Small Loans to Businesses

Refer to Table R in Appendix D-3 for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The overall borrower distribution of small loans to businesses is good.

During both the 2017-2018 and 2019 analysis periods, the distribution of loans to businesses by revenue is good. The percentage of small business loans was significantly below the percentage of small businesses, but was near to the percentage of aggregate lenders in the AA.

Responses to Complaints

Sunrise did not receive any CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of Minnesota is rated Outstanding.

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

The CD Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
Minneapolis AA	143	98.0	171,606	99.71
Broader Statewide or Regional Area	3	2.0	500	0.29

Sunrise originated a total of 143 CD loans totaling \$171.6 million in the Minneapolis AA, or 168.6 percent of capital during the evaluation period. The majority of CD loans, 62 totaling \$118.4 million, supported revitalization and stabilization activities, primarily within LMI CTs and opportunity zones. The bank made 33 loans totaling \$21.6 million to support economic development activities by promoting LMI job creation and retention through business startups and expansions. Another 29 loans totaling \$20.6 million supported organizations providing affordable housing or funding specific affordable housing projects. Lastly, 19 loans totaling \$11 million supported organizations providing necessary community services in LMI CTs or targeting LMI individuals, families, or children in the AA. Additionally, several revitalization/stabilization and economic development loans had a shared purpose of providing community services to LMI CTs and/or individuals. Specific examples of Sunrise's CD loans include:

- \$10.8 million to fund a new high school utilizing the bank's NMTC program. The school is located in a moderate-income area where approximately 95 percent of students qualify for free or reduced lunch.
- \$11.7 million in NMTC loans to fund the acquisition and renovation of a new headquarters in St. Paul for a Junior Achievement organization. The property is located in a moderate-income CT. The new building allows the organization to double their annual student capacity and is estimated to create 130 jobs.
- \$6.3 million in NMTC loans to fund a mixed-use redevelopment in a low-income CT in Minneapolis. The property site has been vacant for approximately 10 years and redevelopment is expected to potentially employ over 200 workers.
- \$3.4 million to finance a building located in a moderate-income CT for an organization providing community services, including job training and practical experience for adults facing barriers to employment.

During the evaluation period, Sunrise originated an additional three CD loans totaling \$500 thousand in the broader statewide or regional area with a purpose, mandate, or function that includes serving the AA. Two loans totaling \$250 thousand supported organizations providing community services to LMI individuals, including basic needs and child care. One loan supported an affordable housing nonprofit serving Minnesota, Wisconsin, and Iowa. These loans are given positive consideration since the bank was responsive to CD needs in its AA.

Number and Amount of Qualified Investments

The table shown below sets forth the information and data used to evaluate the bank's level of qualified CD investments and donations.

Qualified Investments and Donations										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Minneapolis AA	6	11,414	72	2,598	78	81.3	14,012	99.8	-	-
Statewide/Regional			18	26	18	18.7	26	0.2	-	-
Total	6	11,414	90	2,624	96	100.0	14,038	100.0	-	-

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Sunrise made two investments totaling \$2.3 million during the evaluation period. One \$1.8 million equity investment in the bank's CDC helped purchase 127 units to preserve affordable housing located in a moderate-income CT. The other \$500 thousand investment funded loan activity for a local nonprofit organization providing small business support, including training, technical assistance, and access to capital for new and emerging entrepreneurs. Sunrise also has six prior period investments outstanding totaling \$11.4 million, which are focused on affordable housing.

In addition to these investments, Sunrise donated \$255.2 thousand to 48 different organizations supporting economic development, affordable housing, community services for LMI individuals, and revitalization of LMI areas. Specific examples of these donations and grants include:

- \$67 thousand for financial literacy programs in LMI schools. With one financial literacy program, Sunrise sponsored 24 LMI schools in Minneapolis and St. Paul to obtain classroom learning materials and workbooks at no cost. Over the evaluation period, ten schools requested materials, reaching over 1,000 students. Sunrise sponsored two other programs holding school assemblies teaching financial literacy. One program taught students about spending and saving habits, and provided budgeting activity books and materials for students and their families. The other program focused on entrepreneurship. Beyond financial assemblies, this program worked with students interested in establishing a business, from product development to sales. Seventeen assemblies were held at twelve different LMI schools during the evaluation period.
- \$45 thousand to a non-profit organization in downtown Minneapolis assisting youth between the ages of 16 and 24 with housing and other basic needs.
- \$30 thousand to a non-profit organization helping individuals and families avoid poverty, meet basic needs in times of crisis, and create pathways out of poverty.

Sunrise made an in-kind donation to a non-profit organization that builds and rehabilitates homes for LMI individuals in the Twin Cities. The bank rents space to the organization in one of their St. Paul locations at below market rent, which saves the organization approximately \$19 thousand annually.

In addition to the qualified investments in the AA, Sunrise donated \$25.9 thousand to organizations serving the broader statewide or regional area with a purpose, mandate, or function within the bank's

AA. These organizations address affordable housing needs and provide community services to LMI individuals. These donations are given positive consideration since the bank was responsive to CD needs in its AA.

Extent to Which the Bank Provides Community Development Services

During the evaluation period, 27 employees provided 1,705 hours of financial expertise to 39 different organizations. These service activities supported a variety of community organizations offering community services to LMI individuals, supporting affordable housing initiatives, or promoting economic development. Of the services performed, 19 employees demonstrated leadership by serving on the Board of Directors for these organizations.

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. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	Lending Test: 01/01/2017 to 12/31/2019 Community Development Test: 6/6/2017 to 12/31/2019	
Bank Products Reviewed:	Lending Test: Small business loans CD Test: CD loans, qualified investments, and CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Minnesota:		
Minneapolis AA	Full-Scope	Ramsey County; southern portion of Anoka County; northern portion of Dakota County, eastern half of Hennepin County; and western Washington County

Appendix B: Summary of MMSA and State Ratings

RATINGS Sunrise Banks, N.A.			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State Rating
Sunrise Banks, N.A.	Outstanding	Outstanding	Outstanding
State:			
Minnesota	Outstanding	Outstanding	Outstanding

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder’ and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-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, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low-Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. 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: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2017-18
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Minneapolis AA	20	15,315	100.0	38,927	8.2	15.0	7.3	22.5	30.0	21.7	43.1	35.0	43.0	25.7	20.0	27.7	0.6	--	0.3	
Total	20	15,315	100.0	38,927	8.2	15.0	7.3	22.5	30.0	21.7	43.1	35.0	43.0	25.7	20.0	27.7	0.6	--	0.3	

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2019
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Minneapolis AA	60	23,532	100.0	38,927	8.2	20.0	7.3	22.5	20.0	21.7	40.4	36.7	43.0	28.4	23.3	27.7	0.5	--	0.3	
Total	60	23,532	100.0	38,927	8.2	20.0	7.3	22.5	20.0	21.7	40.4	36.7	43.0	28.4	23.3	27.7	0.5	--	0.3	

*Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-18
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Minneapolis AA	60	44,050	100.0	38,927	82.0	50.0	51.9	7.9	50.0	10.1	--	
Total	60	44,050	100.0	38,927	82.0	50.0	51.9	7.9	50.0	10.1	--	

*Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2019
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Minneapolis AA	20	5,667	100.0	38,927	84.5	50.0	51.9	6.7	50.0	8.9	--	
Total	20	5,667	100.0	38,927	84.5	50.0	51.9	6.7	50.0	8.9	--	

*Source: 2019 D&B Data; 01/01/2019 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*