



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

December 06, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Park Midway Bank, National Association
Charter Number 24878

2300 Como Avenue
St. Paul, MN 55108-1722

Office of the Comptroller of the Currency

Minneapolis Field Office
222 S. Ninth 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, 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.

INSTITUTION'S CRA RATING: This institution is rated Outstanding.

The major factors supporting this rating include:

- The bank's loan-to-deposit ratio is reasonable.
- A substantial majority of the bank's loans are made inside the bank's assessment area.
- Loan distribution reflects reasonable penetration among businesses of different sizes.
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area.

SCOPE OF EXAMINATION

We assessed Park Midway Bank's (PMB) record of meeting the credit needs of the community, consistent with the provisions set forth in the Community Reinvestment Act (CRA). The assessment period spanned from June 2004 to November 2010.

Our examination focused on the bank's assessment area (AA), a portion of the Minneapolis/St. Paul MSA. In order to determine the bank's lending performance, we selected primary products based on loan originations for the period beginning January 1, 2009 and ending September 30, 2010. We determined that business loans are the banks only primary product, representing 92% by dollar volume and 83% by number of originations. We selected a random sample of 20 business loans to conduct our analysis.

DESCRIPTION OF INSTITUTION

PMB is a \$263 million commercial bank located in the Minneapolis/St. Paul Metropolitan Statistical Area (MSA). During the evaluation period, the bank switched from a state to national charter on October 15, 2008. The bank has locations on Como Avenue and University Avenue, in St. Paul. In September 2007 PMB closed its main location located on 2265 Como Ave and moved to a new building at 2300 Como Avenue in St. Paul. The Como Avenue and University Avenue locations both offer full-service banking and 24-hour deposit-taking Automatic Teller Machine (ATM) service.

PMB's primary product is commercial loans. As of September 30, 2010, PMB reported outstanding loans (by dollar amount and percent of loans) in the following categories: commercial (\$174,689M or 82%), residential real estate (\$38,347M or 17%) and other loans (\$1,229M or 1%). Net loans and leases are 82.81% of total assets.

PMB's mission statement states the bank strives to be "The leader in improving our urban community". This mission is achieved by providing a variety of banking products and services to meet the needs of all members in the assessment area, not just the most capable. In 2004, the

Sunrise Community Banks started the Socially Responsible Deposit Fund. This deposit account provides depositors a choice of using their deposits to help finance affordable housing, small businesses, or community facilities. PMB currently averages \$20 million of deposits in the Socially Responsible Deposit Fund, which are used to help fund community development loans.

The bank is 100 percent owned by University Financial Corp., Inc. dba Sunrise Community Banks Holding Company, a \$541 million three-bank holding company, located in St. Paul, Minnesota.

FNB received an “Outstanding” rating at its May 19, 2004 CRA examination conducted by the Federal Deposit Insurance Corporation. There are no financial, legal or other factors which impede the bank's ability to meet the credit needs in its assessment area.

Minneapolis /St. Paul MSA AA

FNB’s assessment area (AA) consists of 434 whole contiguous census tracts (CTs). Of these CTs, 47 are designated low-income, 124 are designated moderate-income, 162 are designated middle-income, 99 are designated upper-income and 2 are labeled “unknown”. The assessment area includes the entire city of Minneapolis and the entire city of St. Paul. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate- income census tracts.

Demographic and Economic Characteristics of Minneapolis/St. Paul AA	
<i>Population</i>	
Number of Families	390,005
Number of Households	657,657
Number of Low-Income Families	78,105
% of Low-Income Families	20.03%
Number of Moderate-Income Families	74,688
% of Moderate-Income Families	19.15%
Number of Middle-Income Families	93,460
% of Middle-Income Families	23.96%
Number of Upper-Income Families	143,752
% of Upper-Income Families	36.86%

<i>Geographies</i>	
Number of Census Tracts	434
% Low-Income Census Tracts	10.83%
% Moderate-Income Census Tracts	28.57%
% Middle-Income Census Tracts	37.33%
% Upper-Income Census Tracts	22.81%
% N/A Census Tracts	.46%
<i>Median Family Income (MFI)</i>	
2000 MSA MFI for AA	\$64,885
2000 HUD-2009 Adjusted MFI	\$83,900
<i>Economic Indicators</i>	
Unemployment Rate Hennepin County (updated 2009)	7.40%
Unemployment Rate Ramsey County (updated 2009)	7.80%
Median Housing Value	\$143,826
% of Households Below Poverty Level	7.97%

Source: 2000 U.S. Census

Bank competition is strong with 91 financial institutions having offices in Hennepin and Ramsey Counties. Of those financial institutions, PMB had the twenty fourth highest deposit volume, with .27% of the market share according to the June 30, 2010 Federal Deposit Insurance Corporation Deposit Market Share Report.

Our community contact indicated that local financial institutions are active in the community and have a positive impact in the AA by financing the needs of local business, consumer and residential needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank's Loan-to-Deposit (LTD) ratio is reasonable based on its financial capacity and lending opportunities. The quarterly LTD ratio averaged 99% in the 26 calendar quarters from June 30, 2004 to September 30, 2010. PMB's LTD compares reasonably to other community banks of similar size in the AA. We compared the bank to other institutions within Ramsey County. The average LTD ratio for the five similarly situated banks is 96%.

Average Loan-to-Deposit Ratio	Assets Size	Average LTD Ratio
Institution	(As of 9/30/2010)	(2Q04 to 3Q10)
American Bank of St. Paul	\$528.8 million	99.72%
Western Bank	\$364.5 million	108.73%
Park Midway Bank, NA	\$262.7 million	99.26%
BankCherokee	\$235.6 million	78.79%
University National Bank	\$192.8 million	95.62%

Source: OCC Financial Institution Data Retrieval System (FINDRS)

Lending in Assessment Area

PMB originated a substantial majority of its loans to borrowers inside its defined AA. Based on the sample of 20 commercial loans, 99% by dollar and 95% by number were made to businesses within the banks AA during the evaluation period.

Lending in Minneapolis and St. Paul AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Commercial	19	95.00	1	5.00	20	3,439,141	99.37	21,712	.63	3,460,853
Totals	19	95.00	1	5.00	20	3,439,141	99.37	21,712	.63	3,460,853

Source: OCC Loan Sample

Lending to Businesses of Different Sizes

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the bank’s AA. Commercial lending activity in the AA is reasonable compared to the community demographics. The following table compares the bank’s commercial lending activity by revenue size to community demographics

Borrower Distribution of Loans to Businesses in AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	74.90%	6.25%	18.85%	100%
% of Bank Loans in AA by #	80.00%	20.00%	0.00%	100%
% of Bank Loans in AA by \$	80.00%	20.00%	0.00%	100%

Source: OCC Loan Sample and 2010 Geo Demographic Data

Geographic Distribution of Loans

The geographic distribution of loans throughout the AA reflects an excellent dispersion of lending to businesses located in low- and moderate-income CTs. The following chart shows PMB’s lending compared to demographics.

Geographic Distribution of Loans to Businesses in AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans
Commercial	6.40%	25.00%	21.67%	25.00%	42.61%	45.00%	29.04%	5.00%

Source: Loan Sample and 2010 Geo Demographic Data (.28% of demographic data is N/A)

Community Development Activities

Community development lending and activities have a positive impact in the AA. PMB is one of four nationally chartered Community Development Financial Institutions (CDFI), in Minnesota.

Community development loans consist of new market tax credit loans, city program loans, non-profit loans and charter school loans. The new markets tax credit is a federal program tax credit that provides tax credits for investments in highly distressed communities. PMB originated \$8 million in new market tax credit loans in 2009. These funds were concentrated in 6 large products located in north Minneapolis. PMB currently has 21 city program loans totaling \$800 thousand, with these loans located throughout Minneapolis and St. Paul. Community investment lending remains core to the overall mission of the bank.

The bank is also a leader in SBA lending with over \$19 million in originations in 2009 and \$14 million year-to-date originations in 2010.

Responses to Complaints

PMB has not received any CRA related complaints since the last CRA evaluation.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community needs.