



State Profile

Minnesota

Fourth Quarter 2011

ECONOMIC INDICATORS

Employment Growth Rates (change from year ago, unless noted)

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|--|-------|-------|-------|-------|-------|
| Total Nonfarm (share of trailing four quarter employment in parentheses) | 0.7% | 1.4% | 0.8% | 1.3% | -0.5% |
| Manufacturing (11%) | 2.0% | 3.2% | 1.6% | 2.8% | -2.4% |
| Other (non-manufacturing) Goods-Producing (4%) | 2.9% | 5.0% | -1.9% | 4.2% | -5.0% |
| Private Service-Producing (70%) | 1.0% | 2.0% | 1.1% | 1.7% | -0.1% |
| Government (15%) | -2.5% | -3.4% | -0.3% | -2.0% | -0.2% |
| Unemployment Rate (% of labor force) | 5.9% | 6.5% | 7.1% | 6.4% | 7.3% |

Other Indicators (change from year ago, unless noted)

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|---|--------|-------|--------|--------|-------|
| Single-Family Home Permits | 4.4% | 7.5% | -24.2% | -6.8% | -1.5% |
| Multifamily Building Permits | -13.2% | -6.4% | 65.5% | -28.0% | 20.3% |
| Home Price Index | -3.7% | -5.9% | -1.3% | -4.6% | -4.7% |
| Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level) | 3.22 | 3.20 | 3.61 | 3.50 | 4.04 |

BANKING TRENDS

General Information

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|--------------------------------|--------|--------|--------|--------|--------|
| Institutions (#) | 390 | 395 | 404 | 390 | 404 |
| Total Assets (in millions) | 66,857 | 66,394 | 61,233 | 66,857 | 61,233 |
| New Institutions (# < 3 years) | 0 | 0 | 1 | 0 | 1 |
| Subchapter S Institutions | 271 | 274 | 283 | 271 | 283 |

Asset Quality

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|--|-------|-------|-------|------|------|
| Past-Due and Nonaccrual Loans / Total Loans (median %) | 2.55 | 2.93 | 3.12 | 2.55 | 3.12 |
| Noncurrent Loans / Total Loans (median %) | 1.54 | 1.93 | 1.86 | 1.54 | 1.86 |
| ALLL/Total Loans (median %) | 1.64 | 1.67 | 1.63 | 1.64 | 1.63 |
| ALLL/Noncurrent Loans (median multiple) | 0.95 | 0.86 | 0.81 | 0.95 | 0.81 |
| Net Loan Losses / Total Loans (median %) | 0.38 | 0.11 | 0.55 | 0.38 | 0.56 |

Capital / Earnings

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|--|-------|-------|-------|------|------|
| Tier 1 Leverage (median %) | 9.33 | 9.37 | 9.11 | 9.33 | 9.11 |
| Return on Assets (median %) | 0.68 | 0.93 | 0.51 | 0.77 | 0.64 |
| Pretax Return on Assets (median %) | 0.75 | 1.11 | 0.55 | 0.86 | 0.72 |
| Net Interest Margin (median %) | 3.97 | 4.09 | 4.03 | 4.01 | 4.04 |
| Yield on Earning Assets (median %) | 4.83 | 5.03 | 5.25 | 4.96 | 5.41 |
| Cost of Funding Earning Assets (median %) | 0.80 | 0.90 | 1.20 | 0.92 | 1.33 |
| Provisions to Avg. Assets (median %) | 0.15 | 0.14 | 0.34 | 0.23 | 0.42 |
| Noninterest Income to Avg. Assets (median %) | 0.43 | 0.44 | 0.45 | 0.42 | 0.44 |
| Overhead to Avg. Assets (median %) | 3.13 | 2.93 | 3.22 | 3.05 | 3.07 |

Liquidity/Sensitivity

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|--|-------|-------|-------|-------|-------|
| Net Loans to Assets (median %) | 61.41 | 62.34 | 64.84 | 61.41 | 64.84 |
| Noncore Funding to Assets (median %) | 14.17 | 14.58 | 16.23 | 14.17 | 16.23 |
| Long-term Assets to Assets (median %, call filers) | 16.20 | 15.97 | 14.09 | 16.20 | 14.09 |
| Brokered Deposits (number of institutions) | 153 | 163 | 176 | 153 | 176 |
| Brokered Deposits to Assets (median % for those above) | 3.27 | 3.41 | 4.27 | 3.27 | 4.27 |

Loan Concentrations (median % of Total Risk-Based Capital)

| | Q4-11 | Q3-11 | Q4-10 | 2011 | 2010 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Commercial and Industrial | 84.02 | 82.58 | 87.43 | 84.02 | 87.43 |
| Commercial Real Estate | 157.58 | 161.81 | 172.31 | 157.58 | 172.31 |
| Construction & Development | 14.93 | 17.04 | 19.49 | 14.93 | 19.49 |
| Multifamily Residential Real Estate | 4.89 | 5.23 | 3.98 | 4.89 | 3.98 |
| Nonresidential Real Estate | 123.70 | 127.84 | 128.49 | 123.70 | 128.49 |
| Residential Real Estate | 128.57 | 131.99 | 143.08 | 128.57 | 143.08 |
| Consumer | 24.48 | 25.52 | 28.10 | 24.48 | 28.10 |
| Agriculture | 76.91 | 76.90 | 78.29 | 76.91 | 78.29 |

BANKING PROFILE

Largest Deposit Markets (from 2011 Summary of Deposits)

| | Institutions in Market | Deposits (\$ millions) | Asset Distribution | Institutions |
|---|------------------------|------------------------|--------------------------------|--------------|
| Minneapolis-St. Paul-Bloomington, MN-WI | 162 | 110,213 | < \$100 million | 220 (56.4%) |
| Fargo, ND-MN | 29 | 5,083 | \$100 million to \$250 million | 109 (27.9%) |
| Rochester, MN | 26 | 4,144 | \$250 million to \$1 billion | 52 (13.3%) |
| Duluth, MN-WI | 31 | 3,902 | \$1 billion to \$10 billion | 9 (2.3%) |
| St. Cloud, MN | 35 | 3,673 | > \$10 billion | 0 (0%) |