



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act
Performance Evaluation

Bremer Bank, National Association
Charter Number: 23290

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South St. Paul MN 55075

Office of the Comptroller of the Currency

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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 following table indicates the performance level of **Bremer Bank, National Association** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- A substantial majority of Bremer’s loans are made in its assessment areas (AAs). During the evaluation period, Bremer originated 96% of its HMDA loans by number and 94% by dollar volume within its AAs. For small loans to businesses, 97% by number and 96% by dollar volume were within the AAs. For small loans to farms, 95% by number and 88% by dollar volume were within the AAs. This volume of local lending demonstrates excellent responsiveness to area credit needs.
- Bremer’s deposit market share is good, ranking 4th in the Minneapolis/St. Paul MSA AA and 3rd in the non-MSA AA.
- Bremer’s geographic distribution of home mortgage loans is good and the geographic distribution of small loans to businesses is excellent.
- Bremer’s distribution for home mortgage loans is excellent in relation to the family income characteristics of the Minneapolis/St. Paul MSA and good for small loans to businesses.
- Bremer’s community development lending is excellent in the Minneapolis/St. Paul MSA and had a positive impact on the bank’s Lending Test rating.
- Bremer’s investments in the Minneapolis/St. Paul MSA represent 11.72% of the bank’s Tier 1 Capital allocated to this AA. These levels represent excellent responsiveness to community needs.
- The accessibility of Bremer’s retail delivery systems is excellent in the Minneapolis/St. Paul MSA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an

employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

Description of Institution

Bremer Bank, National Association (Bremer) is a \$2.1 billion intrastate bank headquartered in South St. Paul, Minnesota. Bremer operates 26 locations in the Minneapolis/St. Paul MSA, including one seasonal branch at the Minnesota State Fair, in addition to four branch locations in the adjacent non-MSA counties of Mille Lacs and Kanabec.

Bremer is owned by Bremer Financial Corporation (BFC), a \$6.2 billion holding company headquartered in St. Paul, Minnesota. BFC affiliates have more than 100 locations throughout Minnesota, North Dakota and Wisconsin. Non-bank affiliates include trust and insurance companies. BFC is owned by the Otto Bremer Foundation (Foundation) and its employees. A majority of the Foundation's assets are invested in BFC. Earnings generated by BFC and other investments support local nonprofit activities through the grant-making activities of the Foundation. At the bank's request, we considered qualified investments of the Foundation in the evaluation of the bank's Investment Test performance.

Bremer is a full-service bank offering a variety of loan and deposit products. Its lending focus is commercial and residential mortgage loans. As of December 31, 2004, net loans totaled \$1.5 billion, representing 75% of total assets. Tier 1 capital totaled \$169 million. The loan portfolio consisted of the following composition: commercial 66%, residential mortgage loans 27%, consumer 4% and other 3%.

There are no legal, financial, or other factors that impede Bremer's ability to help meet the credit needs in its assessment areas. Bremer received an Outstanding rating as of its last CRA examination dated October 15, 2002.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Bremer's small business, small farm and residential mortgage data for the period beginning January 1, 2002 through December 31, 2003. The evaluation of this data was completed using two separate analysis periods due to changes in the census data available. Small business, small farm and residential mortgage loans originated through 2002 were compared to demographic data based on 1990 census information while loans originated in 2003 were compared to demographic data based on 2000 census information. Small business and small farm loans through 2002 were compared to 2002 peer data and 2003 peer data was used for comparison with the 2003 small business and small farm loans originated.

We evaluated Bremer's community development lending, investments, community development services and retail services for the period beginning January 1, 2002 through December 31, 2004.

The bank's branch distribution was compared to the demographics based on 2000 census data.

Products reviewed under the Lending Test include home mortgage loans, small loans to businesses and community development loans. As small farm lending represented less than 1% of the banks reported originations during the evaluation period, small farm lending was not considered meaningful in our Lending Test analysis.

Our analysis of home mortgage loans did not include home improvement loans as the bank did not separately report these loans. We also did not consider multi-family loans as the bank originated less than 1% of their reported originations as multi-family loans during the evaluation period.

For analysis purposes, equal weight was applied to the lending activity in 2002 and 2003 as they represented equal timeframes and nearly equal originations.

In our analysis of borrower distribution, we considered the level of poverty in each assessment area and the impact it could have on the ability of lower-income families to own homes and obtain financing.

Data Integrity

Prior to conducting this evaluation, we tested the accuracy of the bank's HMDA, small business and small farm loan data. We found the data to be accurate and used the data in the evaluation.

We also reviewed community development loans, investments and services provided by Bremer management to ensure they met the regulatory definition of community development. The few that did not meet the definition were excluded from this evaluation.

Selection of Areas for Full-Scope Review

We performed a full-scope review of the bank's performance in the Minneapolis/St. Paul Metropolitan Statistical Area (MSA AA). The MSA AA is the bank's most significant assessment area as it represents 87% of the bank's offices, 90% of its reported loans, and 94% of its deposits. Bremer's only other assessment area (Mille Lacs and Kanabec counties) received a limited-scope review. Refer to the table in Appendix A for additional information about the scope of the evaluation.

Ratings

The bank's overall rating is based primarily on the area that received the full-scope review. The weighting we gave to each loan product in assigning the Lending Test rating is reflective of the relative volume of originations and purchases of that loan product over the evaluation period. Bremer's community development loans had a positive impact on the Lending Test rating.

Fair Lending or Other Illegal Credit Practices Review

An analysis of the most recent public comments and consumer complaint information, and HMDA, small business, and small farm lending data was performed according to the OCC's risk-based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in conjunction with this CRA evaluation. The latest comprehensive fair lending examination was performed in 2005.

Conclusions with Respect to Performance Tests

MINNEAPOLIS/ST. PAUL MSA

CRA rating for the MSA¹:	Outstanding
The lending test is rated:	Outstanding
The investment test is rated:	Outstanding
The service test is rated:	Outstanding

The major factors that support this rating include:

- In the Minneapolis/St. Paul MSA, Bremer demonstrated good lending activity, good geographic distribution, and excellent borrower distribution.
- Bremer's level of community development loans is excellent and has a positive impact on the Lending Test performance.
- Bremer provides a significant level of qualified investments and provides excellent responsiveness to credit and community development needs.
- Bremer's service delivery systems are accessible to all customers, including low- and moderate-income customers. The bank provides convenient services including thirteen branch locations with bilingual employees. Changes made during the evaluation period did not adversely affect low- or moderate-income geographies.

Description of Institution's Operations in the Minneapolis/St. Paul MSA

Bremer's Minneapolis/St. Paul MSA AA consists of the Minnesota portion of the MSA including the entire counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington and Wright. Based on the 1990 U.S. Census information, the assessment area was comprised of 640 census tracts (CTs), including 52 low-income CTs and 104 moderate-income CTs. AA composition based on the 2000 Census information includes 728 CTs. The AA now includes 47 low-income CTs and 153 moderate-income CTs.

Bremer maintains twenty-six branch locations in this AA including a seasonal branch that is open during the Minnesota State Fair and a new branch that opened October 3, 2005 in Woodbury. In addition, Bremer operates 55 automated teller machines (ATM) in the Minneapolis/St. Paul MSA AA, including 20 that accept deposits. As of June 30, 2005, Bremer maintained approximately 2.76% of deposits in the AA, which ranks fourth out of 154 institutions in the AA, behind Wells Fargo, U.S. Bank and TCF who account for 70% of the deposits in the AA.

¹ This rating reflects performance within the multistate metropolitan area. The statewide evaluations do not reflect performance in the parts of those states contained within the multistate metropolitan area.

Refer to the market profile for the Minneapolis/St. Paul MSA in appendix C for detailed demographics and other performance context information.

LENDING TEST

Bremer's performance under the Lending Test in the Minneapolis/St. Paul MSA is rated "Outstanding." Based on a full scope review, the bank's performance in the AA is excellent. Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's lending activity.

Lending Activity

Lending levels reflect good responsiveness in relation to area credit needs and the bank's deposit market share. Bremer's lending activity was strongest for small loans to businesses, where Bremer was ranked 18th in the number of loans originated in the Minneapolis/St. Paul MSA AA with .88% of the market share and 4.84% of the market share based on dollar of loans originated.

During the evaluation period, Bremer originated 3,215 reportable HMDA loans totaling \$402 million in the Minneapolis/St. Paul MSA AA. Based on 2003 HMDA data, Bremer's HMDA loans represent a .27% market share. Bremer was ranked 62nd out of 799 financial institutions that reported HMDA loans in 2003. Several of the HMDA reporters in the Minneapolis/St. Paul AA are non-bank lenders or are banks that do not have a branch office in the AA.

Bremer originated 1,422 reportable small loans to businesses during the evaluation period totaling \$248 million. Based on 2003 numbers, Bremer had a .88% market share by number of loans originated and 4.84% market share by dollar amount of loans originated. Bremer ranked 18th out of 179 financial institutions that reported business loans.

Bremer originated 38 reportable small loans to farms totaling \$2 million during the evaluation period. Of the 37 financial institutions that reported farm loans in 2003 in the Minneapolis/St. Paul MSA AA, Bremer ranked 7th with a 2.32% market share.

For the Lending Test in the MSA, we gave the most weight to Bremer's home mortgage loans as they represented 65% by number and 58% by dollar of the loan originations during the evaluation period. Of the home mortgage loans, we gave the most weight to refinances which represented 67% of the number of mortgage loans originated during the evaluation period. Small loans to businesses represented 34% by number and 42% by dollar of the loan originations during the evaluation period. Small farm lending represented less than 1% of originations during the evaluation period and was not considered meaningful for analysis.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 4, and 5 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases in the Minneapolis/St. Paul MSA.

For the 2002 portion of the evaluation period using 1990 census information, there were 52 low-income CTs (8.13%) and 104 moderate-income CTs (16.25%). Based on the 2000 census information which the 2003 loan originations were compared to, there were 47 low-income CTs (6.46%) and 153 moderate-income CTs (21.02%).

Bremer's overall geographic distribution of home mortgage loans in the Minneapolis/St. Paul MSA is good.

Home Purchase Loans

Bremer's geographic distribution of home purchase loans in the Minneapolis/St. Paul MSA is excellent. The percentage of Bremer's home purchase loans in low- and moderate-income geographies for 2002 is near to the percentage of owner-occupied housing units in those geographies and considered good. For 2003, the percentage of Bremer's home purchase loans in low- and moderate income geographies exceeds demographics and is considered excellent. In addition, Bremer's market share in those geographies is higher than its overall market share.

Home Refinance Loans

Bremer's geographic distribution of home refinance loans in the Minneapolis/St. Paul MSA is adequate. The percentage of Bremer's home refinance loans in the low- and moderate-income geographies are below the percentage of owner-occupied housing units in those geographies in both 2002 and 2003. However, Bremer's market share in those geographies is above its overall market share which provides a positive consideration.

Small Loans to Businesses

Refer to Table 6 in appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of Bremer's small loans to businesses in the Minneapolis/St. Paul MSA is excellent. In 2002, the percentage of Bremer's small loans to businesses in low-income geographies was somewhat lower than the demographics of businesses located in those geographies based on the 1990 census, which is considered adequate. In 2003, the percentage of Bremer's small loans to businesses in low-income geographies exceeded the demographics of businesses located in those geographies, which is considered excellent. For both 2002 and 2003, the percentage of Bremer's small loans to businesses in moderate-income geographies were considered excellent as they exceeded the demographics of businesses located in those areas.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in low- and moderate-income geographies. We did not identify any unexplained or conspicuous lending gaps in the Minneapolis/St. Paul MSA.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8 and 10 in appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Borrower distribution of home mortgage loans in the Fargo MMSA reflects excellent penetration among loan customers of different income levels.

Home Purchase Loans

Bremer's distribution of home purchase loans to borrowers of different income levels is excellent.

Throughout the evaluation period, the percentage of Bremer's home purchase loans to low- and moderate-income borrowers was nearly equal to or exceeded the percentage of low- and moderate-income families in the Minneapolis/St. Paul MSA, which represents excellent performance.

In addition, throughout the evaluation period, Bremer's market share of loans to low- and moderate-income borrowers generally exceeded its overall market shares. The only exception was that Bremer's 2002 market share to moderate-income borrowers was slightly below its overall market share, still demonstrating good performance.

Refinance Loans

Bremer's distribution of refinance loans to borrowers of different income levels in the Minneapolis/St. Paul MSA is excellent.

In 2002, the percentage of Bremer's refinance loans to low-income borrowers is near to the percentage of low-income families in the assessment area, which demonstrates good performance. In 2003, the percentage of Bremer's refinance loans to low-income borrowers is nearly equal to the percentage of low-income families in the AA, which is considered excellent. For the entire evaluation period, Bremer's refinance loans to moderate-income borrowers exceeded the demographics of moderate-income families in the AA. Bremer's market share of refinance loans to low- and moderate-income borrowers nearly equaled or exceeded its overall market share throughout the evaluation period.

Small Loans to Businesses

Refer to Table 11 in appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses in the Minneapolis/St. Paul MSA is good. Bremer's distribution of small loans to businesses reflects excellent penetration among business customers with revenues of less than \$1 million for 2002 based on 1990 census information. For loans originated in 2003, which are compared to 2000 census information, the distribution of small loans to businesses in the Minneapolis/St. Paul MSA reflects

adequate performance. The percentage of Bremer's loans to small businesses is somewhat lower than the percentage of businesses in the Minneapolis/St. Paul MSA in the same revenue category. For the entire evaluation period, Bremer's market share of loans to small businesses exceeded its overall business loan market share which provided positive consideration.

Community Development Lending

Refer to Table 1 of appendix D for the facts and data used to evaluate the bank's level of community development lending. The bank's level of community development lending is excellent and had a positive impact on the Lending Test performance.

Bremer originated or purchased 75 community development loans during the evaluation period in the Minneapolis/St. Paul MSA AA (including 8 OBF loans) Those loans totaled \$43 million and helped finance construction of affordable housing and helped to stabilize and revitalize low- and moderate-income geographies. Bremer's community development loans also helped to provide community services to low- and moderate-income individuals.

In addition, Bremer also originated or purchased two community development loans totaling \$4 million in a broader regional area that includes the Minneapolis/St. Paul MSA. We gave positive consideration to these community development loans as Bremer has adequately addressed the community development needs of its AAs.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, Bremer's performance under the lending test in the non-MSA AA is somewhat weaker than the bank's overall "Outstanding" lending performance, however, is deemed to be adequate. The bank's performance in the limited-scope AA had a minimal impact on the overall performance. The non-MSA AA represents only 1.28% of the total population in the bank's combined AAs and 1.05% of the businesses.

INVESTMENT TEST

Refer to Table 14 in appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Investment Test performance is rated Outstanding. Qualified investments in the MSA are numerous and responsive to the identified needs of the MSA. None of the investments are considered innovative or complex, and all are routinely provided by private investors.

Bremer's level of investments in the MSA is considered excellent. Qualifying investments in the MSA total \$18,666,876. This represents 11.72% of the bank's Tier 1 capital allocated to this AA. In addition, the bank has investments totaling \$50,000 in the non-MSA AA and additional investments totaling \$754,000 that benefit the broader regional area of Minnesota and that have the potential to benefit the MSA. As we were unable to determine the actual effect these broader regional investments had on the AA, they were given less weight in our analysis.

Bremer provided funds primarily to organizations that provide social services and affordable housing to LMI individuals. The following are examples of Bremer's qualified investments:

- ❑ Bremer provided funds to several organizations that provide community services to LMI individuals.
- ❑ Bremer provided funds to various organizations that assist with affordable housing such as the Achievement Plus Housing Opportunity Program through the East Side Neighborhood Development Company, Inc. and the Home Ownership Project for single parent families through the Model Cities of St. Paul, Inc..
- ❑ Bremer provided funds to several organizations for renovation projects including various homeless shelters such as Avenues for Homeless Youth which provides shelters and services for homeless youth and Alliance Housing, Inc. who provides transitional housing for people who have been homeless.
- ❑ Bremer provided funds to organizations that provides services, including loans, to minority entrepreneurs/business owners.
- ❑ Bremer provided funds to a several organizations that provide access to needed medication for low-income individuals and health services to the underserved elderly population of the Twin Cities.

SERVICE TEST

Retail Banking Services

Refer to Table 15 of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings. We performed our analysis using the 2000 census data.

Performance under the Service Test is rated Outstanding.

- ❑ Bremer's service delivery systems are accessible to individuals of different income levels. The bank operates 26 offices within the Minneapolis/St. Paul MSA AA. Seven of these locations are located in moderate-income CTs (27%) and one branch is located in a low-income CT (4%). Six branches are located in upper-income CTs (23%) and the remaining twelve branches are located in middle-income CTs (46%). An analysis of the geographic distribution of the bank's offices relative to the populations of low- and moderate-income individuals in the MSA shows that branch offices are readily accessible to these individuals. Bremer closed one branch in the MSA AA during the evaluation period. This in-store Festival Foods branch was closed due to the opening of a stand alone branch located in the same geography.
- ❑ In Bremer's non-MSA AA, there are four branch locations and five ATMs, one of which accepts deposits. All are located in middle-income CTs, which is consistent with the geography of this AA. The non-MSA AA contains eleven CTs, one is moderate-income and the remaining ten CTs are middle-income.

- ❑ Thirteen of Bremer's branch locations in the Minneapolis/St. Paul MSA AA are able to provide bilingual services for their customers. Some of the locations are able to provide up to three different languages, in addition to English. Languages spoken include Cambodian, French, German, Gussi, Hindi, Hmong, Laos, Portuguese, Spanish, Swahili and Tagalog.
- ❑ Bremer has fifty-five ATMs in the MSA AA, including twenty deposit-taking ATMs. One of these is located in a low-income CT and six are located in moderate-income CTs. Several of the remaining ATMs are located at Kwik Trip locations which are conveniently located and easily accessible and are typically utilized by individuals from all economic backgrounds. All of the Bremer-owned ATMs include Spanish as a language option. In addition, Bremer has signed an agreement with FastBank allowing Bremer customers to utilize US Bank-owned ATMs located at US Bank branch locations without an ATM surcharge added to their transactions.
- ❑ Bremer's business hours are reasonable and its services do not vary in a way that inconveniences its customers, particularly low- and moderate-income individuals.
- ❑ Bremer offers a wide variety of standard banking products and services to meet the needs of the MSA. Bremer has also introduced several loan products to assist low and moderate-income borrowers. Bremer's Gateway to Homeownership programs specifically targets LMI persons. They have originated 34 loans totaling just over \$4 million since this products inception. In addition, Bremer works with various local and state housing agencies to afford the best possible terms and conditions to lower income borrowers.
- ❑ Bremer's Family Assets for Independence in Minnesota helps low income persons build assets and develop positive financial management skills and habits through a deposit product. This product provides for match funds that may be used to purchase a home, start a business or for post-secondary education costs. Bremer has 243 active FAIM accounts.
- ❑ The alternative delivery systems the bank offers include bank-by-mail, telephone banking, and Internet banking. Bremer also offers mortgage on-line applications which allow customers to apply for a mortgage loan 24 hours a day. We did not place significant weight on these systems for this evaluation because Bremer does not maintain information on how the alternative delivery systems impact low- and moderate-income individuals.

Community Development Services

Bremer's community development services are considered good. Through its services, the bank works on a variety of community development issues. Many bank employees are involved with non-profit organizations that provide services for LMI individuals. Employees serve on Boards of Directors of local organizations including the United Way Affordable Housing Taskforce, Community action Council, Minnesota Business Finance Corporation and various Economic Development groups.

- ❑ Bremer has formed a Community Development Committee which oversees its

Community Development activities. The purpose of the Committee is to coordinate Bremer's efforts and make a bigger impact on local issues that affects Bremer's customers and employees. Affordable housing has been their primary focus and they are working on developing products to address the problem. They continue to work with affordable housing resources to help attain affordable housing in the MSA.

- Bremer employees teach Home Stretch classes which are pre-purchase educational classes coordinated through the Home Ownership Center. This organization promotes sustainable home ownership for low- and moderate-income persons through the development and delivery of quality education and counseling.
- Employees are also involved with providing financial expertise to such organizations including the United Way Housing Connection, Minnesota Housing Finance Agency, Minnesota Council on Economic Education and Workforce Center.
- Bremer's community development services also include accounts or services that increase access to financial services for low- and moderate-income individuals. Specifically, Bremer offers free government check cashing for both customers and non-customers.

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 metropolitan and non-metropolitan areas 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 (excludes CD Loans): (1/1/2002 to 12/31/2003) Investment and Service Tests and CD Loans: (1/1/2002 to 12/31/2004)	
Financial Institution		Products Reviewed
Bremer Bank, National Association South St. Paul, Minnesota		Home purchase, home mortgage refinance, small business, small farm and community development loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
Otto Bremer Foundation (OBF), Bremer Financial Services, Inc.	Parent Company Sister Company	CD loans and investments ATMs and CD services
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Minneapolis/St. Paul MSA Non-MSA AA (Mille Lacs and Kanabec Counties, MN)	Full Scope Limited Scope	Minnesota portion of MSA only

Appendix B: Market Profiles for Full-Scope Areas

Minneapolis/St. Paul MSA 1990

Demographic Information for Full Scope Area: Minneapolis/St. Paul MSA 1990						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	640	8.13	16.25	54.84	19.22	1.56
Population by Geography	2,455,818	5.42	12.80	60.50	21.15	0.12
Owner-Occupied Housing by Geography	640,163	1.75	11.07	63.16	24.02	0.00
Business by Geography	227,499	4.59	9.54	60.33	25.46	0.08
Farms by Geography	5,850	0.91	12.79	70.82	15.47	0.02
Family Distribution by Income Level	632,062	16.66	18.50	27.78	37.07	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	222,221	8.43	19.80	60.91	10.86	0.00
Median Family Income	43,063	Median Housing Value		92,440		
HUD Adjusted Median Family Income for 2002	76,700	Unemployment Rate (1990 US Census)		2.62%		
Households Below Poverty Level	7.87%					

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

Minneapolis/St. Paul MSA 2000

Demographic Information for Full Scope Area: Minneapolis/St. Paul MSA 2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	728	6.46	21.02	48.76	23.08	0.69
Population by Geography	2,868,847	4.72	18.21	52.42	24.57	0.08
Owner-Occupied Housing by Geography	795,932	1.55	14.46	56.38	27.60	0.00
Business by Geography	236,672	3.91	16.56	53.72	25.68	0.13
Farms by Geography	6,627	0.86	9.17	65.73	24.19	0.05
Family Distribution by Income Level	723,128	16.89	18.71	26.31	38.09	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	257,441	7.27	26.04	53.72	12.96	0.00
Median Family Income	65,450	Median Housing Value		145,292		
HUD Adjusted Median Family Income for 2002	76,700	Unemployment Rate (1990 US Census)		1.98%		
Households Below Poverty Level	6.33%					

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2002 HUD updated MFI

[Complete a market profile for each MA or non-metropolitan area that received a full-scope review.]

Non-MSA 1990

Demographic Information for Limited Scope Area: Non-MSA 1990						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	11	0.00	18.18	81.82	0.00	0.00
Population by Geography	31,472	0.00	11.92	88.08	0.00	0.00
Owner-Occupied Housing by Geography	9,432	0.00	12.54	87.46	0.00	0.00
Business by Geography	2,476	0.00	15.63	84.37	0.00	0.00
Farms by Geography	349	0.00	5.16	94.84	0.00	0.00
Family Distribution by Income Level	8,559	21.98	18.74	24.31	34.97	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,485	0.00	16.67	83.33	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		28,933 48,500 14.41%	Median Housing Value Unemployment Rate (1990 US Census)		47,512 2.78%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

Non-MSA 2000

Demographic Information for Limited Scope Area: Non-MSA 2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	11	0.00	9.09	90.91	0.00	0.00
Population by Geography	37,326	0.00	7.44	92.56	0.00	0.00
Owner-Occupied Housing by Geography	11,736	0.00	6.37	93.63	0.00	0.00
Business by Geography	2,518	0.00	8.78	91.22	0.00	0.00
Farms by Geography	338	0.00	1.18	98.82	0.00	0.00
Family Distribution by Income Level	10,182	18.71	20.24	26.83	34.22	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,966	0.00	8.85	91.15	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		46,129 48,500 10.13%	Median Housing Value Unemployment Rate (1990 US Census)		86,981 2.52%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2002 HUD updated MFI

Appendix C: Tables of Performance Data

Content of Standardized 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 loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As 25.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As 25.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Institution ID: BREMER BANK, NA (SOUTH ST PAUL)

Table 1. Lending Volume

LENDING VOLUME												
Geography: BREMER BANK												
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Minneapolis/St. Paul MSA 1990	90.18	1,452	154,908	702	101,717	22	1,260	21	9,407	2,197	267,292	0.00
Minneapolis/St. Paul MSA 2000	90.21	1,289	185,073	722	146,735	16	867	46	30,515	2,073	363,190	
Limited Review:												
Non MSA 1990	9.82	141	10,308	51	3,516	45	2,030	0	0	237	15,854	0.00
Non MSA 2000	9.79	162	16,810	37	2,717	21	869	0	0	220	20,396	

* Loan Data as of December 31, 2002 and December 31, 2003. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2002 to December 31, 2004.

*** Deposit Data as of October 19, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: BREMER BANK, NA (SOUTH ST PAUL)

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Minneapolis/St. Paul MSA 1990	529	96.01	1.75	1.51	11.07	10.21	63.16	65.22	24.02	23.06	0.58	0.39	0.56	0.60	0.55	
Minneapolis/St. Paul MSA 2000	374	91.00	1.55	2.41	14.46	18.18	56.38	60.43	27.60	18.98	0.36	0.34	0.45	0.38	0.25	
Limited Review:																
Non MSA 1990	22	3.99	0.00	0.00	12.54	9.09	87.46	90.91	0.00	0.00	2.48	0.00	1.85	2.57	0.00	
Non MSA 2000	37	9.00	0.00	0.00	6.37	0.00	93.63	100.00	0.00	0.00	3.17	0.00	0.00	3.31	0.00	

* Based on 2002 and 2003 Peer Mortgage Data (Western)

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 and 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Minneapolis/St. Paul MSA 1990	0	0.00	1.75	0.00	11.07	0.00	63.16	0.00	24.02	0.00	0.00	0.00	0.00	0.00	0.00	
Minneapolis/St. Paul MSA 2000	1	100.00	1.55	0.00	14.46	0.00	56.38	0.00	27.60	100.00	0.01	0.00	0.00	0.00	0.04	
Limited Review:																
Non MSA 1990	0	0.00	0.00	0.00	12.54	0.00	87.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Non MSA 2000	0	0.00	0.00	0.00	6.37	0.00	93.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

^{*} Based on 2002 and 2003 Peer Mortgage Data (Western)

^{**} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 and 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Minneapolis/St. Paul MSA 1990	922	88.57	1.75	1.30	11.07	6.83	63.16	69.09	24.02	22.78	0.40	0.37	0.32	0.45	0.33	
Minneapolis/St. Paul MSA 2000	901	87.82	1.55	0.67	14.46	11.76	56.38	59.38	27.60	28.19	0.27	0.12	0.27	0.29	0.23	
Limited Review:																
Non MSA 1990	119	11.43	0.00	0.00	12.54	0.84	87.46	99.16	0.00	0.00	6.03	0.00	0.45	6.74	0.00	
Non MSA 2000	125	12.18	0.00	0.00	6.37	0.00	93.63	100.00	0.00	0.00	3.87	0.00	0.00	4.02	0.00	

^{*} Based on 2002 and 2003 Peer Mortgage Data (Western)

^{**} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 and 2000 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Minneapolis/St. Paul MSA 1990	1	100.00	13.63	0.00	14.85	0.00	56.92	100.00	14.60	0.00	0.17	0.00	0.00	0.39	0.00									
Minneapolis/St. Paul MSA 2000	13	100.00	10.03	30.77	30.32	15.38	47.38	30.77	12.27	23.08	2.05	4.04	0.80	1.79	5.00									
Limited Review:																								
Non MSA 1990	0	0.00	0.00	0.00	9.25	0.00	90.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
Non MSA 2000	0	0.00	0.00	0.00	13.19	0.00	86.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00									

^{*} Based on 2002 and 2003 Peer Mortgage Data (Western)

^{**} Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

^{***} Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 1990 and 2000 Census information.

Institution ID: BREMER BANK, NA (SOUTH ST PAUL)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans						
Full Review:																
Minneapolis/St. Paul MSA 1990	699	93.20	4.59	3.43	9.54	11.59	60.33	64.09	25.46	20.89	0.93	0.88	1.24	0.99	0.79	
Minneapolis/St. Paul MSA 2000	722	95.13	3.91	4.43	16.56	19.81	53.72	58.31	25.68	17.45	0.88	1.21	1.15	0.93	0.62	
Limited Review:																
Non MSA 1990	51	6.80	0.00	0.00	15.63	0.00	84.37	100.00	0.00	0.00	6.92	0.00	0.00	8.92	0.00	
Non MSA 2000	37	4.87	0.00	0.00	8.78	0.00	91.22	100.00	0.00	0.00	4.52	0.00	0.00	5.23	0.00	

^{*} Based on 2002 and 2003 Peer Small Business Data -- US and PR

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2002 and 2003).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans	% of Farms ^{***}	% BANK Loans	% of Farms ^{***}	% BANK Loans	% of Farms ^{***}	% BANK Loans						
Full Review:																
Minneapolis/St. Paul MSA 1990	22	32.84	0.91	0.00	12.79	22.73	70.82	68.18	15.47	9.09	8.24	0.00	10.42	8.52	5.00	
Minneapolis/St. Paul MSA 2000	16	43.24	0.86	0.00	9.17	0.00	65.73	100.00	24.19	0.00	2.32	0.00	0.00	3.00	0.00	
Limited Review:																
Non MSA 1990	45	67.16	0.00	0.00	5.16	0.00	94.84	100.00	0.00	0.00	93.75	0.00	0.00	95.74	0.00	
Non MSA 2000	21	56.76	0.00	0.00	1.18	0.00	98.82	100.00	0.00	0.00	63.64	0.00	0.00	65.63	0.00	

^{*} Based on 2002 and 2003 Peer Small Business Data -- US and PR

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2002 and 2003).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share [*]				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis/St. Paul MSA 1990	529	96.01	16.66	16.48	18.50	30.27	27.78	30.46	37.07	22.80	0.66	0.79	0.62	0.68	0.60	
Minneapolis/St. Paul MSA 2000	374	91.00	16.89	23.10	18.71	38.32	26.31	19.84	38.09	18.75	0.41	0.72	0.47	0.28	0.29	
Limited Review:																
Non MSA 1990	22	3.99	21.98	14.29	18.74	28.57	24.31	38.10	34.97	19.05	2.73	6.12	3.35	3.09	1.42	
Non MSA 2000	37	9.00	18.71	5.41	20.24	27.03	26.83	35.14	34.22	32.43	3.65	2.41	3.73	3.85	3.69	

^{*} Based on 2002 and 2003 Peer Mortgage Data (Western)

^{**} As a percentage of loans with borrower income information available. No information was available for 1.5% of loans originated and purchased by bank for both analysis periods.

^{***} Percentage of Families is based on the 1990 and 2000 Census information.

^{****} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share [*]				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis/St. Paul MSA 1990	0	0.00	16.66	0.00	18.50	0.00	27.78	0.00	37.07	0.00	0.00	0.00	0.00	0.00	0.00	
Minneapolis/St. Paul MSA 2000	1	100.00	16.89	0.00	18.71	0.00	26.31	0.00	38.09	100.00	0.01	0.00	0.00	0.00	0.03	
Limited Review:																
Non MSA 1990	0	0.00	21.98	0.00	18.74	0.00	24.31	0.00	34.97	0.00	0.00	0.00	0.00	0.00	0.00	
Non MSA 2000	0	0.00	18.71	0.00	20.24	0.00	26.83	0.00	34.22	0.00	0.00	0.00	0.00	0.00	0.00	

^{*} Based on 2002 and 2003 Peer Mortgage Data (Western)

^{**} As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 1990 and 2000 Census information.

^{****} Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: BREMER BANK					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Minneapolis/St. Paul MSA 1990	922	88.57	16.66	12.14	18.50	29.91	27.78	34.00	37.07	23.95	0.47	0.46	0.51	0.52	0.38	
Minneapolis/St. Paul MSA 2000	901	87.82	16.89	16.72	18.71	28.36	26.31	28.14	38.09	26.78	0.32	0.47	0.33	0.31	0.28	
Limited Review:																
Non MSA 1990	119	11.43	21.98	5.93	18.74	17.80	24.31	32.20	34.97	44.07	7.34	6.80	6.27	6.57	8.75	
Non MSA 2000	125	12.18	18.71	10.40	20.24	242.00	26.83	32.80	34.22	32.80	4.80	6.67	4.73	4.56	4.68	

^{*} Based on 2002 and 2003 Peer Mortgage Data (Western)

^{**} As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 1990 and 2000 Census information.

^{****} Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: BREMER BANK			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Minneapolis/St. Paul MSA 1990	702	93.23	56.46	61.25	60.68	23.65	15.67	0.93	2.14
Minneapolis/St. Paul MSA 2000	722	95.13	61.60	48.20	49.31	26.73	23.96	0.88	1.29
Limited Review:									
Non MSA 1990	51	6.77	71.16	72.55	82.35	15.69	1.96	6.92	16.97
Non MSA 2000	37	4.87	69.98	56.76	89.19	8.11	2.70	4.52	8.50

^{*} Based on 2002 and 2003 Peer Small Business Data -- US and PR

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002) and 2003.

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.27% of small loans to businesses originated and purchased by the bank in 2002 and 7.77% of small loans to businesses originated and purchased by the bank in 2003.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: BREMER BANK			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Minneapolis/St. Paul MSA 1990	22	32.84	93.30	86.36	90.91	4.55	4.55	8.24	10.00
Minneapolis/St. Paul MSA 2000	16	43.24	91.61	93.75	87.50	12.50	0.00	2.32	2.51
Limited Review:									
Non MSA 1990	45	67.16	97.71	100.00	86.67	11.11	2.22	93.75	95.74
Non MSA 2000	21	56.76	97.04	100.00	95.24	4.76	0.00	63.64	63.64

^{*} Based on 2002 and 2003 Peer Small Business Data -- US and PR

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002 and 2003).

^{****} Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: BREMER BANK									
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Minneapolis/St. Paul MSA	0	0	790	18,667	790	18,667	95.13	0	0
Limited Review:									
Non-MSA	0	0	3	50	3	50	0.25	0	0
Regional Investments	0	0	9	754	9	754	3.84	0	0
Investments Outside AAs	0	0	5	152	5	152	.78	0	0

* 'Prior Period Investments' means investments made in a previous 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.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: BREMER BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Minneapolis/St. Paul MSA	94.0	26	86.67	3.85	26.92	46.15	23.08	1	1	0	0	0	0	5.42	12.80	60.50	21.15
Limited Review:																	
Non-MSA	6.0	4	13.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	11.92	88.08	0.00