



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: 23295

3100 S. Columbia Road
Grand Forks, North Dakota 58201

Office of the Comptroller of the Currency

Minneapolis Field Office
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Minneapolis, Minnesota 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 Satisfactory.

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

Performance Levels	Bremer Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory			X
Low Satisfactory		X	
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:

- Bremer Bank achieved excellent lending performance in all rated areas. The geographic distribution of loans is adequate and borrower distribution is excellent.
- Community development lending was positively considered in the Grand Forks Metropolitan Statistical Area. The bank’s overall responsiveness is excellent given its size, lending capacity and opportunities.
- A substantial majority of the bank’s loans are made in its assessment area. This volume of local lending demonstrates excellent responsiveness to area credit needs.
- Bremer Bank provided an adequate level of qualified investments in the Grand Forks Metropolitan Statistical Area and the state of North Dakota. Performance in the state of Minnesota is poor.
- Bank delivery systems are accessible to low- and moderate-income geographies and to low- and moderate-income individuals in all assessment areas.
- Bank personnel provided their financial expertise through participation in community development services in each rated area. Additional services are provided through a dedicated Non-Profit Resource Specialist position.

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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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 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 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 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.

Description of Institution

Bremer Bank, National Association (Bremer) is an \$861 million interstate institution headquartered in Grand Forks, North Dakota. Bremer is wholly owned by Bremer Financial Corporation (BFC), a \$7.7 billion banking organization headquartered in St. Paul, Minnesota. BFC affiliates have more than 100 banking locations throughout Minnesota, North Dakota, and Wisconsin. 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.

Bremer is a full service bank offering a variety of loan and deposit products. Its lending focus is commercial, agricultural, and residential mortgage loans. As of December 31, 2008, net loans totaled \$688 million, representing 80 percent of total assets and 119 percent of deposits. Tier 1 Capital totaled \$61 million. The loan portfolio consisted of the following composition: agriculture 35 percent; commercial 34 percent; consumer 17 percent, residential real estate 10 percent and 4 percent other loans.

Bremer operates 11 banking offices throughout its three assessment areas. The Grand Forks North Dakota-Minnesota Multistate Metropolitan Statistical Area (Grand Forks MSA) includes the main office and Grand Forks Northside locations as well as Larimore and Gilby, North Dakota and Crookston and Fisher, Minnesota. The Pembina and Walsh Counties, North Dakota assessment area includes locations in Grafton, Fordville, Hoople and St. Thomas. The Minnesota assessment area includes one full-service location in Warren.

There are no financial, legal or other factors that impede the bank's ability to help meet the credit needs of its assessment areas. Bremer received a Satisfactory rating on its last CRA evaluation dated January 12, 2005.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the lending test, including community development loans, is January 1, 2004 through December 31, 2008. Products reviewed in the lending test include home mortgage, small business, and small farm loans. We used 2007 peer lending data, the most recent data available, for home mortgage, small business, and small farms to compare Bremer's lending performance to other reporting lenders in the assessment areas.

We evaluated Bremer's community development lending, investments, community development services and retail services for the period beginning January 1, 2005 through December 31, 2008.

We used deposit information, reported to the Federal Deposit Insurance Corporation annually, to determine the bank's deposit market share and market presence within its assessment areas. The most recent deposit information available is as of June 30, 2008.

Data Integrity

To assess the accuracy of the data, we conducted an independent test of data for small business, small farm, and home mortgage loan products. We found the data to be accurate and it is used without exception in the evaluation.

We also reviewed community development loans, investments and services provided by Bremer management and qualified investments provided by the Foundation to ensure they met the regulatory definition of community development. Only those activities meeting the definition of community development are included in this evaluation.

Selection of Areas for Full-Scope Review

In each state and multistate metropolitan area where the bank has an office, a sample of assessment areas within that state and multistate metropolitan area was selected for full-scope reviews. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were selected.

Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating and state ratings. We weighted the bank's CRA performance in the Grand Forks MSA most heavily because it constitutes 73 percent of the bank's deposit base, and 68 percent of reported loan originations during this evaluation period, and is the bank's headquarters. We gave the state of North Dakota and the state of Minnesota equal weight.

The multistate metropolitan area rating and state ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each State and Multistate Metropolitan Area Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Inside/Outside Ratio

For the geographic distribution analysis under the Lending Test, we performed an inside/outside ratio analysis at the bank level. A substantial majority of the bank's loans by number, 90 percent, are inside its assessment area. By product type, 90 percent of home mortgage loans, 91 percent of small business loans and 90 percent of small farm loans are originated to borrowers inside the bank's assessment areas. We viewed this as a positive characteristic in our analysis of lending performance.

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 credit needs.

Multistate Metropolitan Area Rating

Grand Forks Multistate Metropolitan Statistical Area

CRA rating for the Grand Forks, MSA¹: Outstanding

The lending test is rated: **Outstanding**

The investment test is rated: **Low Satisfactory**

The service test is rated: **Outstanding**

The major factors that support this rating include:

- The lending volume in the Grand Forks MSA is excellent. Bremer's geographic distribution of loans is adequate and the borrower distribution of loans is excellent.
- Bremer provides an adequate level of qualified investments and provides good responsiveness to credit and community economic development needs.
- Branch distribution is good and accessible to geographies and individuals of different income levels.
- Bremer is a leader in providing community development services, primarily through a dedicated Non-Profit Resource Specialist position.

Description of Institution's Operations in Grand Forks MSA

Bremer's Grand Forks MSA assessment area consists of Grand Forks County, North Dakota and Polk County, Minnesota. Based on the 2000 Census information, the assessment area is comprised of 27 census tracts, including one low- and two moderate-income Census Tracts.

Bremer maintains six full-service branch locations in the Grand Forks MSA. As of June 30, 2008, Bremer ranks first in deposit market share among the 21 financial institutions with branch offices in the Grand Forks MSA. Bremer's deposits total \$388 million and represent 22 percent of aggregate market deposits.

We conducted two community contacts in the Grand Forks MSA with an Economic Development Corporation and an Urban Development Department. The primary needs of the area are financing of small businesses and economic development. Additionally, contextual research identified revitalization and affordable housing as needs in this market.

Refer to the market profile for the Grand Forks, MSA in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

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.

LENDING TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Lending Test in the Grand Forks MSA is rated Outstanding. Based on a full-scope review, the bank's performance in the Grand Forks MSA is excellent.

Lending Activity

Refer to Table 1, Lending Volume, in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect excellent responsiveness in relation to area credit needs and the bank's deposit market share. During the evaluation period, Bremer originated 1,878 reportable home mortgage loans totaling \$168 million, 1,621 reportable small loans to businesses totaling \$282 million, and 3,133 reportable small loans to farms totaling \$297 million. Bremer ranks first in overall home mortgage and small farm lending, and ranks second in small business lending. Market share for small farm and small business lending exceeds the bank's deposit market share.

Small loans to farms account for 47 percent of total reported loans and therefore received the greatest weight in the analysis. Home mortgage loans account for 28 percent, and small loans to businesses account for 24 percent of total reported loans. An analysis of multi-family lending is not meaningful since this loan type represents less than one percent of reported loans.

Lending opportunities in the low- and moderate-income census tracts are limited. The census tract designated as low-income consists of a college campus, and one of the two moderate-income census tracts consists of an Air Force base. The remaining moderate-income census tract is in East Grand Forks and is primarily agricultural.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans is adequate.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans to borrowers in moderate-income tracts is adequate. The bank's performance for home purchase loans is above the demographic comparator. While the bank's performance is below the demographic comparator for home improvement and home refinance loans, performance is considered adequate due to the low percent of owner-occupied units in the moderate-income geographies of 1.58 percent. The bank ranks fourth in overall market share for home purchase and home improvement lending

and first in home refinance lending. Market share in the moderate-income tracts is less than the bank's overall market share for all home mortgage products.

The geographic distribution of home mortgage loans to borrowers in the low-income tracts is adequate. The bank's performance for all home mortgage products is below the demographic comparator, however performance is considered adequate due to the low percent of owner-occupied units in the low-income geographies of 0.09 percent.

Small Loans to Businesses

Refer to Table 6 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

The geographic distribution of small loans to businesses is adequate. The percent of small loans to businesses in low- and moderate-income tracts is significantly lower than the percentage of businesses located in those geographies. While Bremer did not originate a significant number of loans in those tracts, performance is considered adequate given the percentage of businesses in the low-income census tract was just over two percent, and the percentage of businesses in the moderate-income census tracts was just under five percent of all businesses in the assessment area. Bremer ranks second in overall market share for small loans to businesses. Market share in low- and moderate-income tracts is lower than the bank's overall market share.

Small Loans to Farms

Refer to Table 7 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to farms.

The geographic distribution of small loans to farms is good. While the bank made no loans to farms in the low-income census tract, performance is considered adequate, as demographic information indicates that there is only one farm located in the low-income census tract. The percent of small loans to farms in the moderate-income tracts is lower than the percentage of farms in the moderate-income census tracts. However, the bank ranks first in market share for small loans to farms, and the market share in the moderate-income census tract exceeds the bank's overall market share.

Lending Gap Analysis

Our geographic distribution analysis included a review for lending gaps in low- and moderate-income areas. We did not identify any conspicuous or unexplained lending gaps in the Grand Forks MSA.

Inside/Outside Ratio

For the geographic distribution analysis under the Lending Test, we performed an inside/outside ratio analysis at the bank level. Refer to the Inside/Outside ratio section under the Scope of Evaluation section for documentation.

Distribution of Loans by Income Level of the Borrower

Bremer's overall borrower distribution in the Grand Forks MSA is excellent.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans to low- and moderate-income borrowers is excellent. The percent of home purchase loans to moderate-income families exceeds the percentage of moderate-income families in the assessment area. The bank ranks fourth in overall market share and second in market share to moderate-income borrowers. The bank's market share to moderate-income borrowers exceeds its overall market share. The percent of home refinance and home improvement loans is somewhat lower than the percentage of moderate-income families in the assessment area. For home refinance, the bank ranks first in overall market share and in market share to moderate-income borrowers. For home improvement loans, the bank ranks fourth in overall market share and 22nd in market share to moderate-income borrowers.

The percent of home purchase, home improvement and home refinance loans is less than the percentage of low-income families in the assessment area. However, performance is considered excellent given an almost eight percent family poverty rate in the Grand Forks MSA. Further, the bank ranks first in market share to low-income borrowers for home purchase and home refinance, and eighth for home improvement lending. Market share of home purchase loans to low-income borrowers exceeds the overall market share, home refinance loans to low-income borrowers approximates the overall market share and home improvement loans to low-income borrowers is below the overall market share.

Small Loans to Businesses

Refer to Table 11 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is good. The percent of loans to businesses with revenues of \$1 million or less exceeds the number of businesses in the assessment area who report such information, however approximately half of businesses in the area did not report revenue information. The bank ranks second in overall market share for small loans to businesses and first in market share to businesses with revenues of \$1 million or less. Market share to businesses with revenues of \$1 million or less is greater than its overall market share.

Small Loans to Farms

Refer to Table 12 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to farms.

The borrower distribution of small loans to farms is excellent. Loans to farms with revenues of \$1 million or less is near to the percentage of small farms in the Grand Forks MSA. The bank ranks first in overall market share and in market share to farms with revenues of \$1 million or less. Market share to small farms with revenues of \$1 million or less exceeds the overall market share.

Community Development Lending

Refer to Table 1, Lending Volume, in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. However, Table 5 does not separately list community development loans.

Community development lending in the Grand Forks MSA is excellent given the volume of loans and responsiveness to the identified credit needs of affordable housing and economic development. Community development lending had a positive impact on the bank's overall lending performance. The bank originated 17 community development loans, totaling \$18.7 million, including:

- Nine loans to two entities totaling \$17.9 million that promotes economic development, with \$8 million also providing funds to revitalize or stabilize low-income geographies.
- Three loans to two entities totaling \$556 thousand that provide affordable housing to low- and moderate-income individuals; and
- Five loans to two entities totaling \$267 thousand that provide services to low- and moderate-income individuals.

Product Innovation and Flexibility

The bank offers various lending programs with flexible features to help meet the needs of the assessment area. These programs include first time homebuyer programs through the Minnesota and North Dakota Housing Finance Agencies, Small Business Association loan programs and programs to assist farmers who do not qualify for standard financing arrangements through the North Dakota and Minnesota Farm Service Agency and the USDA. For the Grand Forks MSA, the bank also offers the American Dream Program and the Homebuyers Incentive Program through the Grand Forks Housing Authority. These loan products are targeted to low- and moderate-income borrowers and feature low down payment and other flexible underwriting features.

INVESTMENT TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Investment Test in the Grand Forks MSA is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Grand Forks MSA is adequate. Refer to Table 14 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The number and dollar volume of Bremer's qualified investments is adequate based on the opportunities to make investments in the assessment area. Qualified investments in the Grand Forks MSA are responsive to the areas identified needs. Bremer made 61 qualified investments totaling \$853 thousand which represents 1.91 percent of Tier 1 Capital allocated for this assessment area. Bremer provided funds to organizations that provide community services to low- and moderate-income individuals. Of the investments made during the evaluation period, approximately 72 percent were for community services that primarily benefited low- and moderate-income Individuals. The services included support for homeless shelters and charitable organizations that primarily serve low- and moderate-income individuals. Bremer also made 17 percent of investments for affordable housing projects, 7 percent for economic development and 3 percent for revitalization and stabilization activities.

SERVICE TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Service Test in the Grand Forks MSA is rated Outstanding. Based on a full-scope review, the bank's performance in the Grand Forks assessment is excellent

Retail Banking Services

Refer to Table 15 in the Multistate Metropolitan Area section 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.

Bremer's delivery systems are accessible to individuals of different income levels in the Grand Forks MSA. Bremer has six full-service offices within the Grand Forks MSA, and four deposit taking ATMs located at the Larimore, Grand Forks Main and Crookston branch locations, and the Memorial Student Union location at the University of North Dakota. These full-service ATMs are disbursed throughout the assessment area, including the low-income census tract. There are an additional seven non-deposit taking ATM's located in the low-income census tract, and eight additional non-deposit taking ATM's disbursed throughout the assessment area.

Services do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income individuals. Bremer offers a wide variety of standard banking products and services to meet the needs of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Drive-up facilities offer extended hours.

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (eBank), and bank by mail. However the bank does not monitor the use of these systems by low- and moderate-income individuals. As a result, we did not place significant weight on these systems to reach conclusions on Bremer's performance under the Service Test.

Community Development Services

Bremer provided an excellent level of community development services in the Grand Forks MSA assessment area. Approximately nineteen bank employees provided their financial expertise to twenty-four organizations that promote community development initiatives in the assessment area. These organizations primarily utilize the employee's expertise to facilitate community education designed to enhance the economic development through serving on a board of directors to assist with economic growth in the area.

Bremer also collaborates with the Foundation in a funding a full-time Non-Profit Resource Specialist position. This person is responsible for working with the various non-profit organizations to provide training, education, and career building opportunities. This position has been instrumental in assisting with obtaining funding for organizations that focus on providing community services to low- and moderate-income individuals. This position also conducts research to identify opportunities where the bank and its employees can help with volunteer needs of the community, ensuring that the appropriate products and services are available where the biggest impact can be made.

State Rating

State of North Dakota

CRA Rating for North Dakota²:	Satisfactory
The lending test is rated:	Outstanding
The investment test is rated:	Low Satisfactory
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- The volume of lending in the state of North Dakota is excellent. Bremer's borrower distribution of loans is excellent.
- The level of qualified investments is adequate based on available opportunities and the financial capacity of the bank.
- Bremer's service delivery systems are reasonably accessible, and the bank provides convenient services for individuals of different income levels.
- Bremer provides a relatively high level of community development services, primarily through the Non-Profit Resource Specialist position.

Description of Institution's Operations in North Dakota

Bremer's North Dakota assessment area consists of Pembina and Walsh Counties. Based on the 2000 Census information, the assessment area was comprised of 11 census tracts. There are no low- or moderate-income tracts in the assessment area.

Bremer operates four full-service branch locations in the North Dakota assessment area. As of June 30, 2008, Bremer ranks second in deposit market share among 13 financial institutions with branch offices in the North Dakota assessment area. Bremer's deposits total \$91 million and represent approximately 14 percent of aggregate market deposits.

Refer to the market profiles for the state of North Dakota in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

² For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Scope of Evaluation in North Dakota

We evaluated the bank's performance in the state of North Dakota by performing a full-scope review of the combined Pembina and Walsh Counties. Of Bremer's loan originations during the evaluation period, we gave the most weight to the small loans to farms, as these constitute the majority of loans with 69 percent by number and 71 percent by dollar. Home mortgage loans are 15 percent by number with only eight percent by dollar, while small loans to businesses are 17 percent by number and 21 percent by dollar.

For the home mortgage loan analysis, we gave the most weight to home refinance with limited reliance on home purchase and minimal reliance on home improvement. Home refinance constitutes 54 percent by number and 49 percent by dollar. Home purchase constitutes 32 percent by number and 44 percent by dollar while home improvement constitutes only 14 percent by number and seven percent by dollar. An analysis of multi-family property lending is not meaningful since this loan type is a negligible portion of reported loans in the assessment area.

LENDING TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Lending Test in North Dakota is rated Outstanding. Based on a full-scope review, the bank's performance in the North Dakota assessment area is excellent.

Lending Activity

Refer to Table 1, Lending Volume, in the state of North Dakota section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect excellent responsiveness in relation to area credit needs and the bank's deposit market share. During the evaluation period, Bremer originated 231 reportable HMDA loans totaling \$12 million, 258 reportable small loans to businesses totaling \$33 million, and 1,072 reportable small loans to farms totaling \$112 million. Bremer's lending activity was strongest for small loans to farms, where the bank ranks first with 55 percent of the market. The bank ranks second in overall market share for home mortgage lending at 15 percent and eighth for small loans to businesses at six percent. Market share for small loans to farms and home mortgage lending exceeds the bank deposit market share.

Distribution of Loans by Income Level of the Geography

The geographic distribution of Bremer's loans within the assessment area is not meaningful because it does not include any low- or moderate-income tracts.

Lending Gap Analysis

Our geographic distribution analysis included a review for lending gaps. We did not identify any unexplained conspicuous gaps in the North Dakota assessment area.

Inside/Outside Ratio

For the geographic distribution analysis under the Lending Test, we performed an inside/outside ratio analysis at the bank level. Refer to the Inside/Outside ratio section under the Scope of Evaluation section for documentation.

Distribution of Loans by Income Level of the Borrower

The overall borrower distribution is excellent.

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of North Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans to low- and moderate-income borrowers is excellent. The percent of home refinance, home purchase, and home improvement loans to moderate-income families exceeds the percentage of moderate-income families in the assessment area. Bremer ranks first in overall market share for home refinance loans with 24 percent of the market. Market share to moderate-income borrowers is slightly higher at 26 percent. The bank ranks fourth in overall market share for home purchase loans with six percent of the market and market share to moderate-income borrowers is lower at five percent. For home improvement loans, Bremer ranks second in overall market share with 15 percent and second in market share to moderate-income borrowers, which is slightly higher at 17 percent.

The percent of home refinance and home purchase loans to low-income families is less than the percentage of low-income families in the assessment area. However, performance is considered excellent given an almost 10 percent family poverty rate in the assessment area. The percent of home improvement loans exceeds the percent of low-income families in the assessment area. Market share to borrowers in low-income tracts is greater than the bank's overall market share for home purchase and home improvement loans. Market share to borrowers in low-income tracts is less than the bank's overall market share for home refinance loans.

Small Loans to Businesses

Refer to Table 11 in the state of North Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. The percent of loans to businesses with revenues of \$1 million or less exceeds the number of businesses in the assessment area who report such information; approximately half of businesses in the area did not report this information. The bank ranks eighth in overall market share at six percent and ranks fourth in market share to businesses with revenues of \$1 million or less. Market share to businesses with revenues of \$1 million or less is greater than its overall market share.

Small Loans to Farms

Refer to Table 12 in the state of North Dakota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to farms.

The borrower distribution of small loans to farms is excellent. Loans to farms with revenues of \$1 million or less is near to the percentage of small farms in the assessment area. The bank ranks first in overall market share and market share to farms with revenues of \$1 million or less. Market share to small farms with revenues of \$1 million or less exceeds the overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in the state of North Dakota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. However, Table 5 does not separately list community development loans.

Community development lending had a neutral impact on lending performance in the North Dakota assessment area. The bank originated two loans to one entity totaling \$85 thousand that provide affordable housing to low- and moderate-income individuals.

Product Innovation and Flexibility

The bank offers various lending programs with flexible features to help meet the needs of the assessment area. These programs include first time homebuyer programs through the North Dakota Housing Finance Agencies, Small Business Association loan programs and programs to assist farmers who do not qualify for standard financing arrangements through the North Dakota Farm Service Agency and the United States Department of Agriculture. These loan products are targeted to low- and moderate-income borrowers and feature low down payment and other flexible underwriting features.

INVESTMENT TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Investment Test in North Dakota is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the North Dakota assessment area is adequate. Refer to Table 14 in the state of North Dakota section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Bremer has an adequate level of qualified investments based on the opportunities to make investments in the assessment area. The bank made 13 qualified investments in the assessment area totaling \$30 thousand. Additionally, the bank made 12 investments totaling \$201 thousand that benefit a broader regional area of North Dakota that includes the bank's assessment area. As we were unable to determine the actual effect these broader regional investments had on the assessment area, they were given less weight in our analysis. Qualified investments represent 2.21 percent of Tier 1 Capital allocated to this assessment area. Of the investments made during the evaluation period, 63 percent were for community services that primarily benefited low- and moderate-income individuals, 32 percent for affordable housing, three percent for economic development, and two percent to revitalize and stabilize the assessment area. None of the investments are considered innovative or complex.

SERVICE TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Service Test in North Dakota is rated High Satisfactory. Based on a full-scope review, the bank's performance in the North Dakota assessment area is good.

Retail Banking Services

Refer to Table 15 in the state of North Dakota section 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.

Bremer's delivery systems are reasonably accessible to individuals of different income levels in the assessment area. Bremer has four full-service offices within the assessment area, and one deposit taking ATM located at the Grafton site. There are no low- or moderate-income geographies in this assessment area.

Services do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Bremer offers a wide variety of standard banking products and services to meet the needs of the assessment area. Drive-up facilities offer extended banking hours.

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (eBank), and bank by mail. However, the bank does not monitor the use of these systems by low- and moderate-income individuals. As a result, we did not place significant weight on these systems to reach conclusions on Bremer's performance under the Service Test.

Community Development Services

Bremer provides a relatively high level of community development services in the assessment area. Approximately five bank employees provided their financial expertise to two organizations that promote community development initiatives in the assessment area. These organizations utilize the employees expertise to facilitate community education designed to help reduce poverty in rural communities faced with economic decline, and to enhance the economic development through serving on a board of directors to assist with fundraising for economic expansion of a major employer in the area.

Bremer also collaborates with the Otto Bremer Foundation in a funding a full-time Nonprofit Resource Specialist position. While this position primarily benefits the Grand Forks MSA, there are many activities performed that also impact the North Dakota assessment area.

State Rating

State of Minnesota

CRA Rating for Minnesota³:	Satisfactory
The lending test is rated:	Outstanding
The investment test is rated:	Needs to Improve
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- The volume of lending in the state of Minnesota is excellent. Bremer's borrower distribution of loans is excellent.
- The level of qualified investments is poor based on available opportunities and the financial capacity of the bank.
- Bremer's service delivery systems are reasonably accessible, and the bank provides convenient services for individuals of all income levels.
- Bremer provides a relatively high level of community development services, primarily through the Non-Profit Resource Specialist position.

Description of Institution's Operations in Minnesota

Bremer's Minnesota assessment area consists of Marshall County. Based on 2000 Census information, the assessment area was comprised of four census tracts, none of which were designated as low- or moderate-income census tracts.

Bremer maintains one full-service branch location in the assessment area. As of June 30, 2004, Bremer has the largest share of deposits of the eight financial institutions with branch offices in the assessment area. Bremer's deposits total \$51 million and represents 27 percent of aggregate market deposits.

Refer to the market profiles for the state of Minnesota in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

³ For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Scope of Evaluation in Minnesota

For the lending test in the Minnesota assessment area, we evaluated performance for home mortgage loans, small loans to businesses, and small loans to farms. Of Bremer's loan originations during the evaluation period, we gave the most weight to the small loans to farms, as these constitute the majority of loans with 77 percent by number and 81 percent by dollar. Home mortgage loans are six percent by number with only five percent by dollar, while small loans to businesses are 17 percent by number and 14 percent by dollar.

For the home mortgage loan analysis, we gave the most weight to home purchase and home refinance with minimal reliance on home improvement. Home purchase constitutes 48 percent by number and 44 percent by dollar. Home refinance constitutes 38 percent by number and 48 percent by dollar while home improvement constitutes only 13 percent by number and seven percent by dollar. An analysis of multi-family property lending is not meaningful since this loan type is a negligible portion of reported loans in the assessment area.

LENDING TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Lending Test in Minnesota is rated Outstanding. Based on a full-scope review, the bank's performance in the Minnesota assessment area is excellent.

Lending Activity

Refer to Table 1, Lending Volume, in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect excellent responsiveness in relation to area credit needs and the bank's deposit market share. During the evaluation period, Bremer originated 160 reportable home mortgage loans totaling \$10 million, 413 reportable small loans to businesses totaling \$27 million, and 1,919 reportable small loans to farms totaling \$154 million. Bremer ranks first in market share for home mortgage (13 percent), small business (24 percent) and small farm loans (83 percent)

Distribution of Loans by Income Level of the Geography

The geographic distribution of Bremer's loans within the assessment area is not meaningful because it does not include any low- or moderate-income tracts.

Lending Gap Analysis

Our geographic distribution analysis included a review for lending gaps. We did not identify any unexplained conspicuous gaps in the Minnesota assessment area.

Inside/Outside Ratio

For the geographic distribution analysis under the Lending Test, we performed an inside/outside ratio analysis at the bank level. Refer to the Inside/Outside ratio section under the Scope of Evaluation section for documentation.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9 and 10 in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans to low- and moderate-income borrowers is excellent. The percent of home purchase and home refinance loans to moderate-income families exceeds the percentage of moderate income families in the assessment area. Bremer ranks first in overall market share for home purchase loans and third in market share to moderate-income borrowers. Market share to moderate-income borrowers is lower than the bank's overall market share. The bank ranks second in overall market share for home refinance loans and fourth in market share to moderate-income borrowers. Market share to moderate-income borrowers exceeds the bank's overall market share. The distribution of home improvement loans is somewhat lower than the percentage of moderate-income families in the assessment area. The bank ranks second in overall market share for home improvement loans and first in market share to moderate-income borrowers. Market share to moderate-income borrowers significantly exceeds the bank's overall market share.

The percent of home purchase, home refinance and home improvement loans is less than the percentage of low-income families in the assessment area. However, performance is considered excellent given a six percent family poverty rate in the state of Minnesota. The bank ranks first in market share to low-income borrowers for all home mortgage loan types. Market share to low-income borrowers exceeds the bank's overall market share for all home mortgage types.

Small Loans to Businesses

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

The borrower distribution of small loans to businesses is excellent. The percent of loans to businesses with revenues of \$1 million or less exceeds the number of businesses in the assessment area who report such information. Approximately 55 percent of businesses in the area did not report this information however the bank's performance is over twice the demographic comparator. The bank ranks first in overall market share at 24 percent, and ranks first in market share to businesses with revenues of \$1 million or less. Market share to businesses with revenues of \$1 million or less is greater than its overall market share.

Small Loans to Farms

Refer to Table 12 in the state of Minnesota section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to farms.

The borrower distribution of small loans to farms is excellent. Loans to farms with revenues of \$1 million or less is very near to the percentage of small farms in the state of Minnesota. The bank ranks first in overall market share and market share to farms with revenues of \$1 million or less. Market share to small farms with revenues of \$1 million or less exceeds the overall market share.

Community Development Lending

Refer to Table 1, Lending Volume, in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all community development loans, including multifamily loans that also qualify as community development loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as community development loans. However, Table 5 does not separately list community development loans.

Community development lending had a neutral impact on lending performance in the Minnesota assessment area. The bank originated two loans to one entity totaling \$80 thousand that provide economic development through the financing of small businesses.

Product Innovation and Flexibility

The bank offers various lending programs with flexible features to help meet the needs of the assessment area. These programs include first time homebuyer programs through the Minnesota Housing Finance Agencies, SBA loan programs and programs to assist farmers who do not qualify for standard financing arrangements through the Minnesota Farm Service Agency and the USDA. Minnesota also provides loans through Rural Development with an income based program which does not require a down payment. These loan products are targeted to low- and moderate-income borrowers and feature low down payment and other flexible underwriting features.

INVESTMENT TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Investment Test in Minnesota is rated Needs to Improve. Based on a full-scope review, the bank's performance in the Minnesota assessment area is poor. Refer to Table 14 in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

Bremer provided a poor level of qualified investments based on the opportunities to make investments in the assessment area. Qualified investments in the assessment area are generally responsive to the identified needs of the area. The bank made 17 investments totaling \$20 thousand which represents 0.32 percent of Tier 1 Capital allocated to this assessment area. Of the investments made during the evaluation period, 59 percent were for community services that primarily benefited low- and moderate-income Individuals, 23 percent were to revitalize and stabilize this distressed area, and 18 percent for economic development. None of the investments are considered innovative or complex.

SERVICE TEST

Conclusions for Area Receiving A Full-Scope Review

The bank's performance under the Service Test in Minnesota is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Minnesota assessment area is good.

Retail Banking Services

Refer to Table 15 in the state of Minnesota section 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.

Bremer's delivery systems are reasonably accessible to individuals of different income levels in the assessment area. Bremer has one full-service office within the assessment area, and one deposit taking ATM located on the same site. The assessment area does not have any low- or moderate-income tracts. One branch location was closed during the evaluation period, however the closing of this branch did not adversely affected the accessibility of the delivery systems to low- and moderate-income individuals.

Services do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Bremer offers a wide variety of standard banking products and services to meet the needs of the assessment area. Drive-up facilities offer extended banking hours.

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (eBank), and bank by mail. However, the bank does not monitor the use of these systems by low- and moderate-income individuals. As a result, we did not place significant weight on these systems to reach conclusions on Bremer's performance under the Service Test.

Community Development Services

Bremer provides a relatively high level of community development services in the Minnesota assessment area. Two bank employees provided their financial expertise to three organizations that promote community development initiatives in the assessment area. These organizations utilize the employee's expertise to enhance the economic development through serving on the board of organizations that provide technical assistance on financial matters to small businesses and assists with obtaining needed funds.

Bremer also collaborates with the Otto Bremer Foundation in a funding a full-time Non-Profit Resource Specialist position. While this position primarily benefits the Grand Forks MSA, there are many activities that also impact the Minnesota assessment area.

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 nonmetropolitan 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 (including CD loans): January 1, 2004 to December 31, 2008 Investment and Service Tests and Community Development Loans: January 1, 2005 to December 31, 2008	
Financial Institution	Products Reviewed	
Bremer Bank, National Association (Grand Forks)	Home Mortgage, Small Business, Small Farm and Community Development Loans Investments and Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Otto Bremer Foundation	Holding Company	Community Development Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Grand Forks Multistate MSA	Full-Scope	Grand Forks County, North Dakota Polk County, Minnesota
State of North Dakota	Full-Scope	Walsh and Pembina Counties
State of Minnesota	Full-Scope	Marshall County

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS				
Bremer Bank, National Association				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Bremer Bank, N.A.	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
Grand Forks Multistate MSA	Outstanding	Low Satisfactory	Outstanding	Outstanding
State of North Dakota	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
State of Minnesota	Outstanding	Needs to Improve	High Satisfactory	Satisfactory

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

Grand Forks Multistate MSA

Demographic Information for Full-Scope Area: Grand Forks Multistate MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	27	3.70	7.41	70.37	18.52	0.00
Population by Geography	97,478	5.13	6.27	70.35	18.25	0.00
Owner-Occupied Housing by Geography	22,582	0.09	1.58	75.52	22.81	0.00
Businesses by Geography	8,861	2.07	4.79	73.47	19.67	0.00
Farms by Geography	869	0.12	3.45	81.47	14.96	0.00
Family Distribution by Income Level	23,881	17.59	19.53	25.02	37.86	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,866	4.15	8.82	77.22	9.81	0.00
Median Family Income	45,777					
HUD Adjusted Median Family Income for 2008	60,100			Median Housing Value		80,357
Households Below the Poverty Level	13%			Unemployment Rate (December 2008)		3.70%

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, 2008 HUD updated MFI, and Bureau of Labor Statistics

The Grand Forks MSA assessment area consists of the entire North Dakota-Minnesota Metropolitan Statistical Area. The assessment area complies with the regulation and does not arbitrarily exclude any low- and moderate-income areas.

Economic conditions in the assessment area are stable. The December 2008 unemployment rate in the Grand Forks MSA of 3.70 percent is well below the national rate of 7.20 percent for the same period.

Major employers in the Grand Forks MSA are the University of North Dakota, Grand Forks Air Force Base, Altru Health Systems and Grand Forks Public Schools. The primary industries are Educational Health and Social Services at 29 percent, government at 20 percent and retail trade at 14 percent.

Primary competitors in the assessment area are Alerus Financial Corporation, US Bank, Citizens Community Credit Union, Community Bank of the Red River Valley, Ag Country and Crookston National Bank

We reviewed two community contacts performed in the North Dakota MSA assessment area. Credit needs identified include: affordable housing (rental and first time homebuyers) and small business funding. Opportunities to participate in community development activities are available in this assessment area.

State of North Dakota

Demographic Information for Full-Scope Area: Pembina and Walsh Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	NA	NA	81.82	18.18	0.00
Population by Geography	20,974	NA	NA	84.70	15.30	0.00
Owner-Occupied Housing by Geography	6,632	NA	NA	84.67	15.33	0.00
Businesses by Geography	2,556	NA	NA	84.43	15.57	0.00
Farms by Geography	524	NA	NA	88.55	11.45	0.00
Family Distribution by Income Level	5,690	14.62	16.92	26.08	42.38	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,795	NA	NA	87.63	12.37	0.00
Median Family Income	39,651					
HUD Adjusted Median Family Income for 2008	52,800			Median Housing Value	52,288	
Households Below the Poverty Level	11%			Unemployment Rate (December 2008)	5.08%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, 2008 HUD updated MFI, and Bureau of Labor Statistics

The North Dakota assessment area consists of the Pembina and Walsh Counties in North Dakota. The assessment area complies with the regulation and does not arbitrarily exclude any low- and moderate-income areas.

Economic conditions in the assessment area are stable. The December 2008 unemployment rate for the combined counties of Pembina and Walsh of 5.08 percent is higher than the state rate of 3.3 percent, yet well below the national rate of 7.2 percent for the same period.

Major employers in the area are Marvins Windows and Doors, Wally's Inc, Home of Economy of Grafton, Lutheran Sunset Home, Inc. and Unity Christian Hospital, Inc. Pembina and Walsh counties leading industries are agriculture and health services.

Primary competitors in the assessment area consist of Choice Financial Group, First United Bank, Ag Country, Wells Fargo and US Bank.

Credit needs identified include: affordable housing and small business funding. Opportunities to participate in community development activities are available in this assessment area.

State of Minnesota

Demographic Information for Full-Scope Area: Marshall County							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts)	4	NA	NA	100.00	0.00	0.00	
Population by Geography	10,155	NA	NA	100.00	0.00	0.00	
Owner-Occupied Housing by Geography	3,437	NA	NA	100.00	0.00	0.00	
Businesses by Geography	1,014	NA	NA	100.00	0.00	0.00	
Farms by Geography	278	NA	NA	100.00	0.00	0.00	
Family Distribution by Income Level	2,859	20.25	20.15	28.61	30.99	0.00	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	1,155	NA	NA	100.00	0.00	0.00	
Median Family Income	45,925						
HUD Adjusted Median Family Income for 2008	56,700	Median Housing Value				53,194	
Households Below the Poverty Level	11%	Unemployment Rate (December 2008)				9.90%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, 2008 HUD updated MFI, and Bureau of Labor Statistics

The Minnesota assessment area consists of Marshall County. The assessment area complies with the regulation and does not arbitrarily exclude any low- and moderate-income areas.

Economic conditions in the assessment area are generally stable. The December 2008 unemployment rate in Marshall County of 9.90 percent is well above the state rate of 6.60 percent and the national rate of 7.2 percent for the same period.

Major employers in Marshall County are Schwan Foods Company, Archer Daniels Midland Company, Avera Marshall Regional Medical Center, and Affiliated Community Medical Center. Marshall County’s leading industries are agriculture, health services and education.

Primary competitors in the assessment area consist of Community Bank of the Red River Valley, American Federal Bank and Ag Country.

Credit needs identified include: affordable housing (rental and first time homebuyers) and small business funding. Opportunities to participate in community development activities are available in this assessment area.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas 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 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 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. 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 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by 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 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 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 assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each assessment area. 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 __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments.

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 assessment area. The table also presents data on branch openings and closings in each assessment area.

Tables of Performance Data

Grand Forks Multistate Metropolitan Area

State of North Dakota

State of Minnesota

Table 1. Lending Volume

LENDING VOLUME		Geography: NORTH DAKOTA & MINNESOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008				
Assessment Area (2008):	% 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)	
Multistate MSA												
Grand Forks	100.00	1,878	168,018	1,621	282,047	3,133	297,372	17	18,733	6,649	766,170	100.00
State of North Dakota												
Pembina & Walsh Counties	100.00	231	12,465	258	33,341	1,072	112,115	2	85	1,563	158,006	100.00
State of Minnesota												
Marshall County	100.00	160	10,344	413	26,793	1,919	154,337	2	80	2,494	191,554	100.00

* Loan Data as of December 31, 2008. Rated area refers to either state or multi-state MSA rating area.

** The evaluation period for Community Development Loans is from January 01, 2004 to December 31, 2008.

*** Deposit Data as of June 30, 2008. Rated Area refers to either the state, multi-state MSA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NORTH DAKOTA & MINNESTOA					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008					Market Share (%) by Geography*				
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****						
Multistate MSA																
Grand Forks	846	100.00	0.09	0.47	1.58	1.77	75.52	76.71	22.81	21.04	8.44	0.00	5.26	9.06	7.47	
State of North Dakota																
Pembina & Walsh Co.	73	100.00	NA	NA	NA	NA	84.67	95.89	15.33	4.11	6.11	NA	NA	6.03	0.00	
State of Minnesota																
Marshall County	77	100.00	NA	NA	NA	NA	100.00	100.00	NA	NA	15.69	NA	NA	15.69	NA	

* Based on 2007 Peer Mortgage Data (Western)

** Home purchase loans originated and purchased in the MSA/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 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: NORTH DAKOTA & MINNESTOA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008								
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Multistate MSA															
Grand Forks	133	100.00	0.09	0.00	1.58	1.50	75.52	81.95	22.81	16.54	7.38	0.00	0.00	9.72	4.07
State of North Dakota															
Pembina & Walsh Co.	32	100.00	NA	NA	NA	NA	84.67	100.00	15.33	0.00	16.67	NA	NA	17.78	0.00
State of Minnesota															
Marshall County	21	100.00	NA	NA	NA	NA	100.00	100.00	NA	NA	20.69	NA	NA	20.69	NA

* Based on 2007 Peer Mortgage Data (Western)

** Home improvement loans originated and purchased in the MSA/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 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE Geography: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Multistate MSA															
Grand Forks	889	100.00	0.09	0.00	1.58	1.01	75.52	78.07	22.81	20.92	11.69	0.00	2.56	13.03	9.33
State of North Dakota															
Pembina & Walsh Co.	125	100.00	NA	NA	NA	NA	84.67	99.20	15.33	0.80	22.30	NA	NA	27.50	0.00
State of Minnesota															
Marshall County	61	100.00	NA	NA	NA	NA	100.00	100.00	NA	NA	9.16	NA	NA	9.16	NA

* Based on 2007 Peer Mortgage Data (Western)

** Home refinance loans originated and purchased in the MSA/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 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY Geography: NORTH DAKOTA & MINNESTOA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008															
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
Multistate MSA															
Grand Forks MSA	10	100.00	7.01	10.00	3.65	10.00	80.23	60.00	9.11	20.00	5.26	0.00	0.00	0.00	66.67
State of North Dakota															
Pembina & Walsh Co.	1	100.00	NA	NA	NA	NA	84.60	100.00	15.40	0.00	100.00	NA	NA	100.00	0.00
State of Minnesota															
Marshall County	1	100.00	NA	NA	NA	NA	100.00	100.00	NA	NA	0.00	NA	NA	0.00	NA

* Based on 2007 Peer Mortgage Data (Western)

** Multi-family loans originated and purchased in the MSA/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 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008															
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total **	% of Biz***	% BANK Loans	% of Biz***	% BANK Loans	% of Biz***	% BANK Loans	% of Biz***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Multistate MSA															
Grand Forks	1,621	100.00	2.07	0.31	4.79	2.04	73.47	69.34	19.68	28.32	11.43	6.12	2.99	10.42	17.52
State of North Dakota															
Pembina & Walsh Co.	258	100.00	NA	NA	NA	NA	84.43	99.61	15.57	0.39	6.43	NA	NA	7.93	0.00
State of Minnesota															
Marshall County	413	100.00	NA	NA	NA	NA	100.00	100.00	NA	NA	23.57	NA	NA	24.48	NA

* Based on 2007 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS Geography: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008															
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms ***	% BANK Loans	% of Farms ***	% BANK Loans	% of Farms ***	% BANK Loans	% of Farms ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Multistate MSA															
Grand Forks	3,133	100.00	0.12	0.00	3.45	2.62	81.47	90.11	14.96	7.28	75.99	0.00	90.91	79.95	50.00
State of North Dakota															
Pembina & Walsh Co.	1,072	100.00	NA	NA	NA	NA	88.55	99.35	11.45	0.65	54.90	NA	NA	58.21	12.50
State of Minnesota															
Marshall County	1,919	100.00	NA	NA	NA	NA	100.00	100.00	NA	NA	82.81	NA	NA	82.99	NA

* Based on 2007 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2008).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NORTH DAKOTA & MINNESOTA					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008					Market Share*				
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****						
Multistate MSA																
Grand Forks	846	100.00	17.59	13.52	19.53	26.80	25.02	26.55	37.85	33.13	9.27	15.27	10.06	8.54	8.19	
State of North Dakota																
Pembina & Walsh Co.	73	100.00	14.62	11.27	16.92	29.58	26.08	32.39	42.37	26.76	5.65	25.00	5.00	8.11	0.00	
State of Minnesota																
Marshall County	77	100.00	20.25	16.88	20.15	28.57	28.61	36.36	30.99	18.18	16.67	23.53	9.68	30.77	4.55	

* Based on 2007 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.7% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home purchase loans originated and purchased in the MSA/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: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008															
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total **	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Overall	Low	Mod	Mid	Upp
Multistate MSA															
Grand Forks	133	100.00	17.59	9.92	19.53	16.03	25.02	28.24	37.85	45.80	7.80	5.26	1.37	7.76	10.71
State of North Dakota															
Pembina & Walsh Co.	32	100.00	14.62	16.67	16.92	26.67	26.08	26.67	42.37	30.00	15.22	25.00	16.67	7.14	18.75
State of Minnesota															
Marshall County	21	100.00	20.25	9.52	20.15	14.29	28.61	47.62	30.99	28.57	20.69	33.33	66.67	7.14	16.67

* Based on 2007 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

**** Home improvement loans originated and purchased in the MSA/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: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008															
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total **	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	Overall	Low	Mod	Mid	Upp
Multistate MSA															
Grand Forks	889	100.00	17.59	9.13	19.53	17.58	25.02	25.80	37.85	47.49	12.57	12.07	9.80	9.95	15.47
State of North Dakota															
Pembina & Walsh Co.	125	100.00	14.62	8.13	16.92	22.76	26.08	33.33	42.37	35.77	23.57	9.09	25.81	22.00	27.08
State of Minnesota															
Marshall County	61	100.00	20.25	11.67	20.15	28.33	28.61	28.33	30.99	31.67	10.81	17.65	14.29	6.67	10.71

* Based on 2007 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.

*** Percentage of Families is based on the 2000 Census information.

**** Home refinance loans originated and purchased in the MSA/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: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008									
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*	
Assessment Area:	#	% 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
Multistate MSA									
Grand Forks	1,621	100.00	47.04	58.91	61.07	17.03	21.90	11.43	16.53
State of North Dakota									
Pembina & Walsh Co.	258	100.00	45.81	71.32	72.09	13.18	14.73	6.43	10.30
State of Minnesota									
Marshall County	413	100.00	41.03	89.83	86.92	7.99	5.08	23.57	39.73

* Based on 2007 Peer Small Business Data -- US and PR

** Small loans to businesses originated and purchased in the MSA/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 - 2008).

**** 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 3.97% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS Geography: NORTH DAKOTA & MINNESOTA Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2008									
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
Multistate MSA									
Grand Forks	3,133	100.00	97.24	88.38	69.39	21.70	8.91	75.99	79.57
State of North Dakota									
Pembina & Walsh Co.	1,072	100.00	96.95	82.74	68.84	20.90	10.26	54.90	60.56
State of Minnesota									
Marshall County	1,919	100.00	98.56	93.02	75.98	16.15	7.87	82.81	86.72

* Based on 2007 Peer Small Business Data -- US and PR

** Small loans to farms originated and purchased in the MSA/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 - 2008).

**** 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 3.31% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NORTH DAKOTA & MINNESOTA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2008			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Multistate MSA									
Grand Forks	0	0	61	853	61	853	77.26	0	0
State of North Dakota									
Pembina & Walsh Co.	0	0	13	30	13	30	2.72	0	0
Broader/Regional Area	0	0	12	201	12	201	18.21	0	0
State of Minnesota									
Marshall County	0	0	17	20	17	20	1.81	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: NORTH DAKOTA & MINNESOTA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2008									
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
Multistate MSA																	
Grand Forks	100.00	6	100.00	0	0	100.00	0	0	0	0	0	0	0	5.13	6.27	70.35	18.25
State of North Dakota																	
Pembina & Walsh Co.	100.00	4	100.00	NA	NA	100.00	0	0	0	NA	NA	0	0	NA	NA	84.70	15.30
State of Minnesota																	
Marshall County	100.00	1	100.00	NA	NA	100.00	0	0	1	NA	NA	-1	0	NA	NA	100.00	0.00