



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 21, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bremer Bank, National Association
Charter Number: 23286

321 S. 7th Street
Brainerd, MN 56401-3614

Office of the Comptroller of the Currency

MINNEAPOLIS NORTH
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Minneapolis, MN 55402

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

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated Satisfactory.

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	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.

Major factors that support this rating include:

- Bremer’s overall Lending Test performance is good, as demonstrated by excellent lending activity for both small loans to businesses and farms. Bremer has adequate geographic distribution of home mortgage loans and small loans to businesses while the geographic distribution of small loans to farms is excellent. Bremer also has adequate borrower income distributions for home mortgage loans, excellent borrower income distribution for small loans to businesses and good borrower income distribution for small loans to farms.
- Bremer’s overall Investment Test performance is good. Given their limited investment opportunities, their investments provide satisfactory levels of investments targeted to the specific needs of their community.
- Bremer’s Service Test performance is adequate based on the location of branches and ATM’s for accessibility to low- and moderate-income customers, along with community development services.

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 additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

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

Upper-Income: Individual income that is 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 located in Brainerd, Minnesota. Other Bremer characteristics include:

- Bremer is a full-service bank offering a variety of deposit, loan and other products and services through its intrastate banking facilities. These branches include three full-service stand-alone banking branches and two limited-service branches located within grocery stores. Two of these facilities are located in moderate-income geographies and the other three are in middle-income geographies.
- Key financial information of the bank includes, as of December 31, 2007:
 - Total assets of \$371 million;
 - Net loans to total assets ratio of 72%;
 - A \$271 million loan portfolio comprised of 66% business loans, 29% home loans, 4% loans to individuals, and 1% farm and other loans; and
 - Net Tier 1 capital of \$27.3 million.
- Bremer is a subsidiary of Bremer Financial Corporation (BFC). BFC is a \$7.3 billion financial services company with banking affiliates in over 100 locations throughout Minnesota, North Dakota and Wisconsin. BFC non-bank affiliates include trust and insurance companies. BFC is owned by the Otto Bremer Foundation (Foundation) and its employees. The Foundation is headquartered in St. Paul, Minnesota. The Foundation's profits are distributed to support nonprofit activities through its grant-making activities in communities served by BFC affiliates. At Bremer's request, we considered qualified investments of the Foundation in the evaluation of the bank's Investment Test performance.
- There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its AA.
- There was no merger, acquisition, branch opening nor closing activity during the evaluation period.
- Bremer's last CRA examination was February 7, 2005 and the bank received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Bremer's small business, small farm and home mortgage lending data for the period starting January 1, 2004 and ending December 31, 2007. For community development loans, investments and services, the evaluation period began January 1, 2005 and ended December 31, 2007.

We evaluated performance with consideration given to each product's weight. Small loans to businesses represented 54% of the number of loans generated during the evaluation period, while home mortgage loans represented 41% and farm loans 5%. Of the home mortgage loans, refinance loans represented 57% of the total, purchase loans 36%, and home improvement 6%. As loans for multifamily dwellings represented only 1% of total home mortgage loans, an analysis of that product would not be meaningful and was not done for this evaluation.

Data Integrity

Bremer is not required to publicly report data on the home mortgage loans that it originates; however, it does gather HMDA data for internal use. The validity of that data was verified and was used to draw conclusions about the bank's home mortgage lending activities.

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

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

Selection of Areas for Full-Scope Review

This evaluation includes a full-scope review of Bremer's sole assessment area (AA), which includes the entire Minnesota counties of Aitkin, Cass, and Crow Wing.

Ratings

The bank's overall rating is based upon our full-scope review of the sole AA.

Other

We made one community contact during this evaluation. We used the information gathered to determine opportunities for participation by banks in helping to meet local credit needs and understand perceptions on the performance of banks in helping to meet these needs. This local business development contact noted small business lending as a primary credit need and described the local financial institutions as aggressive in meeting these needs.

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.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Full-Scope Review

The bank's performance under the lending test is rated High Satisfactory. Based on the full-scope review, Bremer's performance in the AA is good.

Lending Activity

Refer to Tables 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's lending activity.

Bremer's lending activity is excellent. Bremer reports the highest market share, by dollar, of those banks within the AA reporting CRA data, for small business and small farm loans at 45.5% and 59.6%, respectively. By number of loans, Bremer ranks sixth, out of thirty-six lenders in the AA, for small business loans with a market share of 8.5%. Bremer ranked first, of eight lenders in the AA reporting CRA data, for small farm loans with a market share of 42.5%. Because Bremer is not required to report mortgage information under the Home Mortgage Disclosure Act, market share information on its mortgage loans is not available.

The latest Market Share Deposit Report from the Federal Deposit Insurance Corporation, dated June 30, 2007, shows Bremer as having the highest deposit market share at 15.5% of the 21 institutions with offices within the AA.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Bremer's geographic distribution of home mortgage loans is adequate. Moderate-income geographies represent 23% of the AA's owner-occupied housing units. Bremer's home purchase loan distribution was good with 20% of home purchase loans in moderate-income geographies. Bremer's geographic distribution of home improvement loans and home refinance loans are adequate with 16% of each product to borrowers located in the moderate-income geographies.

Small Loans to Businesses

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's originations and purchase of small loans to businesses.

Bremer's geographic distribution of small loans to businesses throughout the AA is adequate. Moderate-income geographies represent 25% of the AA's small businesses. The percentage of Bremer's small loans to businesses in moderate-income geographies is somewhat lower than the percentage of small businesses located in those geographies at 16%. Bremer's market share in moderate-income geographies is also somewhat lower than its overall market share.

Small Loans to Farms

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

Bremer's geographic distribution of small loans to farms is excellent and exceeds the demographics. Moderate-income geographies include 18% of the AA's small farms and Bremer originated 23% of its small loans to farms within these geographies. Bremer reported a strong market share for this loan type of 43% in moderate-income geographies, which exceeded its overall market share.

Lending Gap Analysis

Bremer's geographic distribution included a review for lending gaps, particularly in moderate-income areas. We did not identify any unexplained conspicuous gaps.

Inside/Outside Ratio

Ninety-two percent of Bremer's loan originations were made within the AA. Similar levels of distribution are also reported individually for small business and home mortgage loans.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Bremer's distribution of home mortgage loans to borrowers of different income levels is adequate. Families reporting low- and moderate-income levels in the AA made up 21% and 21% of the total AA families, respectively.

Bremer's distribution of home purchase loans to borrowers of different income levels is excellent. Although loans to low-income borrowers were somewhat lower than the demographics, loans to moderate-income borrowers exceeded the demographics at 25%.

Bremer's distribution of home improvement loans to borrowers of different income levels is adequate. Loans to low-income borrowers were somewhat lower than the demographics and loans to moderate-income borrowers were near the demographics of the AA at 15%.

Bremer's distribution of home mortgage refinance loans to borrowers of different income levels is adequate. Loans to low-income borrowers were somewhat lower than the demographics, yet adequate, at 9% and loans to moderate-income borrowers were near the demographics of the AA at 17%.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchase of small loans to businesses.

Bremer's distribution of loans to small businesses is excellent. Loan volume to businesses with revenues of less than \$1 million is nearly equal to the percentage of businesses in the AA with revenues of less than \$1 million. Bremer's market share of small loans to businesses exceeded its overall market share.

Small Loans to Farms

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchase of small loans to farms.

Bremer's distribution of small loans to farms is good. Loans to farms with revenues of less than \$1 million comprised 83% of Bremer's total small loans to farmers. This level is near the AA's demographics of 95%. Market share for farm loans exceeds the bank's overall market share and shows excellent penetration.

Community Development Lending

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

The impact of Bremer's community development lending on the bank's overall lending test is neutral. Bremer originated one CD loan during this evaluation period. Originated in December 2006, this \$2.4 million loan is to finance the construction and permanent financing of a 22-bed assisted living facility. To reside in the facility, individuals must qualify with income and assets considered to be at poverty levels. The facility is located in adjacent Morrison County, Minnesota.

Product Innovation and Flexibility

Bremer's loan products are consistent with those found throughout the Bremer banking organization. The products are not considered to be innovative or flexible, and had a neutral impact on the lending test performance.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated High Satisfactory. Based on our full-scope review, the bank's performance in the AA is good.

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

To evaluate Bremer's performance under the investment test, we considered the amount of community development investment opportunities available within the AA. We noted that there are fewer opportunities compared to those found in larger, metropolitan areas. Bremer has actively sought out opportunities within its AA, and near to its AA, that benefit individuals and/or small businesses within the AA.

Bremer's level of investments is good given the bank's capacity and the AA's limited investment opportunities. During the evaluation period, Bremer funded \$299 thousand of qualified investments within the AA, \$350 thousand in counties adjacent to the AA, and another \$242 thousand within the State of Minnesota. Due to their immediate proximity to the AA and clear positive effects these investments have on the AA itself, we gave the investment in adjacent counties positive consideration. The effects of the remaining investments located throughout greater Minnesota were given lesser weight in our analysis.

Qualified investments consist of both investments and grants. Bremer supports organizations that provide social services and affordable housing to low- and moderate-income persons. Such organizations include Habitat for Humanity for affordable housing opportunities and Bridges of Hope for community services to low- and moderate-income persons. Bremer also is a strong supporter of educational opportunities directed to low- and moderate-income families.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

Bremer's performance under the Service Test is rated Low Satisfactory. Based on the full-scope review, the bank's performance in the AA is adequate.

Retail Banking Services

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Bremer's performance with regards to retail banking services is adequate. The distribution of branches in the AA fosters accessibility to individuals of all income levels and is given positive consideration in our evaluation. Bremer has two branches (40%) located within moderate-income census tracts with 25% of the AA's population residing in those tracts. The distribution of automated teller machines (ATMs) also fosters such accessibility. Two of the seven ATMs (29%) are located within moderate-income census tracts. Bremer has not opened or closed any offices during this evaluation period. Hours of operation are reasonable and consistent throughout Bremer's branches. Alternative delivery systems for small business and retail banking services are routine to the industry. Bremer utilizes Internet banking, telephone banking, ATMs, and bank-by-mail systems to provide accessibility to all customers. Bremer does not track the impact of these services on its low- and/or moderate-income customers. Absent this impact data, and given the routine nature of these services, such alternative delivery systems are not heavily weighted in our evaluation.

Community Development Services

The bank's community development services performance in the AA is adequate. Bremer is involved with various local organizations focused upon the needs of individuals of different income levels. For example, Bremer has been involved with the Central Minnesota Housing Partnership in offering guidance to consumers regarding home ownership, financing, and loan application processes, along with Lutheran Social Services, in hosting forums to foster community awareness of the various local agencies providing needed social and support services. Bremer officers and directors have leadership roles in organizations that provide services to individuals of different income levels. Such organizations and their focus include Habitat for Humanity (housing), Brainerd Mainstreet Committee (small business support), Kinship Partners (at-risk youth mentoring), Sharing Bread Soup Kitchen, Community Loan Technologies (nonprofit supporter), and Bridges of Hope (family crisis).

Bremer also has a designated non-profit specialist for this AA. Throughout this evaluation period, this person has hosted local nonprofit training, provided a quarterly newsletter to over 300 nonprofit contacts, worked with the United Way regarding the community allocation process, served on the Baxter/Brainerd Housing Cooperative, and consulted with a variety of nonprofit groups, including the local Community Education Advisory Board. Many of these nonprofits focus their efforts upon serving individuals with low and moderate incomes.

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 (excludes CD Loans): (01/01/04 to 12/31/07) Investment and Service Tests and CD Loans: (01/01/05 to 12/31/07)	
Financial Institution	Products Reviewed	
Bremer Bank, National Association Brainerd, Minnesota	Home mortgage, small loans to businesses, small loans to farms, multifamily and CD loans.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Otto Bremer Foundation	Owner	Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Bremer Brainerd (Aitkin/Cass/Crow Wing Counties in the State of Minnesota)	Full Scope	Entire Counties

Appendix B: Market Profiles for Full-Scope Areas

Aitkin/Cass/Crow Wing Counties Nonmetropolitan Assessment Area

Demographic Information for Full-Scope Area: Aitkin/Cass/Crow Wing Counties, Minnesota						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	0	31	69	0	0
Population by Geography	97,550	0	25	75	0	0
Owner-Occupied Housing by Geography	32,751	0	23	77	0	0
Businesses by Geography	10,298	0	25	75	0	0
Farms by Geography	384	0	18	82	0	0
Family Distribution by Income Level	27,510	21	21	24	34	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	27,510	0	30	70	0	0
Median Family Income = \$42,403 HUD Adjusted Median Family Income for 2007 = \$54,700 Households Below the Poverty Level = 4,484 / 11%			Median Housing Value = \$105,591 Unemployment Rate = 2.9%			

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2007 HUD updated MFI.

Bremer's AA is one contiguous group of 26 census tracts encompassing the whole counties of Aitkin, Cass, and Crow Wing in the State of Minnesota. This AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The AA is not located in a Metropolitan Statistical Area. The AA is primarily comprised of rural woodlands, lakes and small towns and population pockets dispersed along major highways and popular lakes. The adjoining cities of Baxter and Brainerd comprise the largest population and economic center with approximately 22% of the AA's 97,550 residents. The AA is located approximately 120 miles northwest of the Twin Cities (Minneapolis and St. Paul, Minnesota). The proximity to the Twin Cities, number of area lakes, and the lake home market has a significant impact on the local economy and residential housing market.

The AA is unique with regards to its high level of seasonal residents, the related out-of-area income brought to the area, and the concentration in second home purchases of lakeshore properties. The 2000 census data reports that up to 42% of all housing units in the AA are seasonally or occasionally occupied. Seasonal resident high points throughout the year are the summer months, weekends, and holidays. Seasonal residents are predominately comprised of residents of the Twin Cities.

The AA is economically sound, unemployment is moderate, real estate values have recently declined yet stabilized, and the population base is slowly growing. The local economy is centered in tourism, medical services, retail, and the timber industries. External factors, such as the strength of the Twin Cities economy, impact the strength of the AA's economy. For example, local home values are impacted by the level of demand for lake home property, with much of this demand emanating from the Twin Cities area.

The AA has numerous financial institutions serving the area and competition for deposits and loans is high. There is a combination of national and state banks, credit unions, finance companies, mortgage companies and other financial service entities competing for market share. Of the 21 institutions insured by the Federal Deposit Insurance Corporation as of June 30, 2007, with a total of 61 offices, Bremer ranks first in deposit market share with 15.45%.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area.

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

Table 1. Lending Volume

LENDING VOLUME 2007		Geography: BREMER BRAINERD						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,				
MA/Assessment Area (2007):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Bremer Brainerd	100.00	1,002	120,965	1,286	204,334	113	3,548	1	2,400	2,401	328,847	0.00

* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2005 to December 31, 2007.

*** Deposit Data as of June 30, 2007. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2007		Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Purchase 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
Full Review:															
Bremer Brainerd	365	100.00	0.00	0.00	23.15	20.27	76.85	79.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 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 DECEMBER 31, 2007		Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO					
MA/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	Over all	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	56	100.00	0.00	0.00	23.15	16.07	76.85	83.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 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 DECEMBER 31, 2007			Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO				
MA/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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	574	100.00	0.00	0.00	23.15	15.68	76.85	84.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 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 31, 2007		Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO DECEMBER					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	7	100.0 0	0.00	0.00	24.25	42.86	75.75	57.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

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

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 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: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007				
MA/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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	1,286	100.00	0.00	0.00	24.99	16.41	75.01	83.59	0.00	0.00	8.46	0.00	7.00	9.56	0.00

* Based on 2006 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2007).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS TO DECEMBER 31, 2007				Geography: BREMER BRAINERD				Evaluation Period: JANUARY 1, 2004							
MA/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
Full Review:															
Bremer Brainerd	113	100.00	0.00	0.00	18.49	23.01	81.51	76.99	0.00	0.00	42.47	0.00	42.86	45.83	0.00

* Based on 2006 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2007).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2007		Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	365	100.00	20.57	10.45	21.10	24.58	24.21	27.68	34.12	37.29	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 3.0% 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 MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2007		Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO					
MA/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 ²	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	56	100.00	20.57	9.43	21.10	15.09	24.21	33.96	34.12	41.51	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 5.4% 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 MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2007		Geography: BREMER BRAINERD								Evaluation Period: JANUARY 1, 2004 TO					
MA/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 ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Bremer Brainerd	574	100.00	20.57	8.96	21.10	16.64	24.21	27.97	34.12	46.44	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 4.7% 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 MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2007			Geography: BREMER BRAINERD				Evaluation Period: JANUARY 1, 2004 TO		
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Bremer Brainerd	1,286	100.00	63.84	62.60	59.02	21.93	19.05	8.46	10.59

* Based on 2006 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2007).

**** 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 2.72% 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 DECEMBER 31, 2007		Geography: BREMER BRAINERD				Evaluation Period: JANUARY 1, 2004 TO			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Bremer Brainerd	113	100.00	95.31	83.19	96.46	3.54	0.00	42.47	46.55

* Based on 2006 Peer Small Business Data -- US and PR

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2007).

**** 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 10.62% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 31, 2007		Geography: BREMER BRAINERD				Evaluation Period: JANUARY 1, 2004 TO DECEMBER			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
AA	0	0	91	330	91	330	35.79	0	0
Adjacent to AA	0	0	8	350	8	350	37.96	0	0
Within State of MN	0	0	9	242	9	242	26.25	0	0
Total	0	0	108	922	108	922	100.00	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 JANUARY 1, 2004 TO DECEMBER 31, 2007								Geography: BREMER BRAINERD				Evaluation Period:					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Bremer Brainerd	100.00	5	100.00	0.00	40.00	60.00	0.00	0	0	0	0	0	0	0.00	24.76	75.24	0.00