



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

February 7, 2005

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Bremer Bank, National Association
Charter Number 23289**

**345 4th Avenue
International Falls, MN 56649**

**Comptroller of the Currency
Minneapolis North Field Office
920 Second Avenue South, Suite 800
Minneapolis, MN 55402**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution

Description of Institution

Bremer Bank, National Association (Bremer) has its main office in International Falls, Minnesota, which is its sole location. The bank also has three automated teller machines (ATMs) in its assessment area, including one deposit-taking ATM. Bremer has one assessment area that consists of Koochiching County, Minnesota (AA) in its entirety. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income (LMI) areas. For additional information on Bremer's AA, refer to the Market Profile – Demographic Information Tables in Appendix B.

As of December 31, 2004, Bremer had total assets of \$75 million and held \$5 million in Tier 1 capital. The bank's primary focus is residential real estate and small business lending. As of December 31, 2004, Bremer's \$40 million loan portfolio consisted of 51% residential real estate, 36% commercial loans, and 13% consumer loans.

Bremer is owned by Bremer Financial Corporation (BFC), a \$6.1 billion holding company headquartered in St. Paul, Minnesota. BFC affiliates have more than 100 locations throughout Minnesota, North Dakota, and Wisconsin. Non-bank affiliates include trust and insurance companies. BFC is owned by the Otto Bremer Foundation (Foundation). A majority of the Foundation's assets are invested in BFC. Earnings generated by BFC and other investments support local nonprofit activities through the grant-making activities of the Foundation. At the bank's request, we considered qualified investments of the Foundation in the evaluation of the bank's Investment Test performance.

Bremer's performance was rated "Satisfactory" at its last CRA evaluation on July 12, 1999.

Evaluation Period

We evaluated Bremer's small business, small farm, and mortgage data for the period beginning January 1, 1999 through December 31, 2003. The evaluation of this data was completed using two separate analysis periods due to changes in the census data available. Small business, small farm, and mortgage loans originated through 2002 were compared to demographic data based on 1990 census information while loans originated in 2003 were compared to demographic data based on 2000 census information. Small business and small farm loans through 2002 were compared to 2002 peer data and 2003 peer data was used for comparison with the 2003 small business and small farm loans originated.

For community development loans, investments, community development services and retail services, the evaluation period was July 13, 1999 through December 31, 2004. The bank's branch distribution was compared to demographics based on 2000 census data.

Scope of the Evaluation

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 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. The few that did not meet the definition were excluded from this evaluation.

Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Outstanding**.

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

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

An analysis of the geographic distribution of loans in the AA is not meaningful, and therefore was not included in our analysis. According to the 2000 census data, the AA did not include any low- or moderate-income census tracts. This was a change from the composition of the AA according to the 1990 census data, when the AA included one low-income census tract. An analysis of the distribution of loans in that tract is not meaningful due its extremely low population. Per the 1990 census information, the census tract included only 25 families, 36% of which were below the poverty level.

In our analysis of borrower distribution, we considered the difficulties that families living below the poverty level have in purchasing a home by affecting their ability to obtain loans. We also considered housing costs relative to area incomes and the limiting affects those costs could have on the demand for loans by lower income families. Refer to Appendix B: Demographic Information Tables for poverty levels and housing costs for the AA.

The major factors that support this overall rating and conclusions with respect to the performance tests are detailed on the following pages:

Lending

Due to Bremer’s business focus, we gave the greatest weight to small business lending. Small business loans represent 56%, by number, of the loans made by the bank during the evaluation period and 55% by dollar volume. Residential real estate (RRE) lending is also a large portion of Bremer’s lending and was given consideration as RRE represented 43% of loans by number and 44% by dollar volume. Of the RRE lending, approximately 67% by number and dollar volume were refinance loans. For analysis purposes, refinance lending

activity carried more weight than home purchase lending. During the evaluation period, Bremer did not track or report loans for home improvement purposes. The attached tables indicate that one home improvement loan was reported. However this was due to a coding error, therefore no analysis was performed on home improvement lending.

We did not consider small farm lending in the analysis due to the very low level of farm lending performed by the bank and the few farm lending opportunities available in the AA. Bremer made only six farm loans during the entire evaluation period. A representative from a local economic development agency contacted during the examination confirmed the relative lack of farm lending opportunities in the AA.

For analysis purposes, more weight was applied to lending activity during the 1999 – 2002 evaluation period due to the longer time period and higher lending activity than the 2003 evaluation period.

Refer to Tables 1 through 12 in Appendix C for facts and data used to evaluate the bank's lending. Tables 3 and 9 are intentionally excluded as information on home improvement loans is not available. Bremer is not required to publicly report data on the home mortgage loans that it originates and has chosen not to gather data on its home improvement loans.

Lending performance is rated Outstanding.

- 92% of Bremer's loans were made inside its assessment area, which represents a substantial majority of loans originated.
- Bremer's lending activity is excellent. The bank's deposit market share is the strongest within its AA at 36%. Bremer's small business lending market share, of those banks reporting CRA data within the AA, reflects a second place market share, with 22% of loans by number but 53% of loans by dollar volume. Because the bank is not required to report mortgage information under the Home Mortgage Disclosure Act (HMDA), market share information on its mortgage lending is not available.
- Bremer's distribution of small loans to businesses is excellent. Loans to businesses with revenues of \$1 million or less represented 72% of the bank's reportable loans in 1999 - 2002. This is essentially equal to the demographic, which shows that 73% of reporting businesses in the AA have annual revenues of \$1 million or less. For 2003, the bank reported 71% of loans to businesses with revenues of \$1 million or less. The bank's performance exceeds the demographics, which shows 65% of businesses in the AA with revenues of \$1 million or less.
- Bremer's distribution of residential real estate loans to low- and moderate-income individuals during the evaluation period is good. Home mortgage refinance loans represented the largest category of residential real estate lending during the evaluation period and was therefore weighted accordingly for our analysis. Furthermore, approximately 76% of Bremer's residential real estate loans made during the evaluation period were originated between 1999 and 2002, with 2003 lending representing the balance. The years were weighted accordingly in our analysis.

- Bremer's distribution of refinance loans to borrowers of different income levels is good. Eleven percent of refinance loans were made to low-income borrowers in 1999 to 2002, which is somewhat lower than the 20% of families of that income level in the AA; however, it is considered good given that almost 9% of those families are living below the poverty level. Eleven percent of Bremer's refinance loans in 1999 to 2002 were made to moderate-income borrowers, which is considered poor when compared to the percentage of moderate-income families in the AA of 20%. For 2003, 10% of Bremer's refinance loans were made to low-income borrowers, which is adequate when compared to the demographic of 22% of families in the AA. For 2003, the number of families living below the poverty level reduced to 8%. Eighteen percent of refinance loans were made to moderate-income borrowers, which exceeds the demographics of 17% and is considered excellent.
- Bremer's distribution of home purchase loans to borrowers of different income levels is excellent. Thirteen percent of Bremer's purchase loans in 1999 to 2002 were made to low-income borrowers, which is good when compared to the AA demographic of 20% and considering the poverty level of almost 9%. Nineteen percent of Bremer's purchase loans in 1999 to 2002 were made to moderate-income borrowers which is near to the demographics of 20% and is considered excellent. During 2003, 42% of Bremer's purchase loans were to low-income families, which exceeds the percentage of families of that income level in the AA of 22% and is considered excellent. Twenty-seven percent of Bremer's purchase loans made in 2003 were originated to moderate-income borrowers, which is considered excellent as it exceeds the AA demographics of 17%.
- Community development lending activity did not affect the bank's rating during this evaluation period. Bremer did not report any specific community development loans. Comments from a representative of an economic development organization in the AA indicated that there are few opportunities for qualifying community development lending in the AA.

Investments

In evaluating the bank's qualified investments, we considered community development opportunities in the AA. While such opportunities do arise, there are fewer opportunities in the AA than there are in other, more populous, areas.

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

Investment Test performance is rated Outstanding. Qualified investments in the bank's AA are limited and the bank has sought out opportunities to make investments. The investments made during the evaluation period are responsive to the identified needs of the AA. Virtually all of the investments attributed to the bank are grants made by the affiliated Otto Bremer Foundation. None of the investments are considered innovative or complex, and all are routinely provided by private investors.

Bremer's level of qualified investments is excellent given the bank's capacity and limited investment opportunities. Qualifying investments in the AA total \$305,765. This represents 6.26% of the bank's Tier I capital. In addition, the bank has investments totaling \$140,613 that

benefit the broader regional area of greater Minnesota and that have the potential to benefit the AA. As we were unable to determine the actual effect these broader regional investments had on the AA, they were given less weight in our analysis.

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

- Bremer provided grants to an organization that assists low-income families achieve economic self-sufficiency.
- Bremer provided grants to an organization that educates low-income, first-time home buyers.
- Bremer provided grants to an organization that provides support for victims of domestic abuse and crime victims. Most of these individuals are low- or moderate-income.
- Bremer provided grants to a local non-profit organization that provides meals on wheels for low-income persons in the AA.

Services

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

Performance under the Service Test is rated Low Satisfactory.

- Bremer's service delivery systems are accessible to individuals of different income levels. The bank operates one full-service banking office and three ATMs, one of which is deposit-taking. Bremer did not open or close any branch offices during the evaluation period. Our evaluation of services was based on the 2000 census information, which defines 100% of the AA as middle-income geographies.
- Bremer's business hours are reasonable and its services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals. Bremer offers a wide variety of standard banking products and services to meet the needs of the AA.
- The alternative delivery systems the bank offers include automated teller machines, Internet banking, and telephone banking. Because Bremer does not maintain information on how the alternative delivery systems impact low- and moderate-income individuals, we did not place significant weight on these systems for this evaluation.
- Bremer's community development services are considered good. Through its services, the bank works on a variety of community development issues. Bank employees are involved in teaching classes for low-income persons to assist them as first-time home buyers and working as financial consultants for organizations benefiting LMI individuals and determining housing needs for the AA. Employees also serve on area Boards for organizations that promote small businesses in the area, using their financial expertise to

provide advice and feedback to these organizations as they provide opportunities for small businesses.

- Bremer's community development services also include accounts or services that increase access to financial services for low- and moderate-income individuals. Specifically, they offer free government check cashing and also offer a thrift savings account free of charge in conjunction with a state operated match funding project for low-income persons.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Appendix B: Market Profile - Demographic Information Tables

International Falls Assessment Area

Demographic Information for Full Scope Area: Bremer International Falls - 1990 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	6	16.67	0.00	66.67	16.67	0.00
Population by Geography	16,299	0.52	0.00	91.37	8.10	0.00
Owner-Occupied Housing by Geography	4,695	0.62	0.00	90.01	9.37	0.00
Businesses by Geography	997	0.10	0.00	92.48	7.42	0.00
Farms by Geography	49	0.00	0.00	91.84	8.16	0.00
Family Distribution by Income Level	4,307	20.06	19.62	21.24	39.08	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,709	1.29	0.00	92.63	6.09	0.00
Median Family Income		28,933	Median Housing Value		47,512	
HUD Adjusted Median Family Income for 2002		48,500	Unemployment Rate (1990 US Census)		2.78%	
Households Below Poverty Level		14.41%				

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

Source: 1990 US Census and 2002 HUD updated MFI

Demographic Information for Full Scope Area: Bremer International Falls - 2000 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	4	0.00	0.00	100.00	0.00	0.00
Population by Geography	14,355	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	4,856	0.00	0.00	100.00	0.00	0.00
Businesses by Geography	935	0.00	0.00	100.00	0.00	0.00
Farms by Geography	42	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	3,997	22.07	17.41	22.99	37.53	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	1,578	0.00	0.00	100.00	0.00	0.00
Median Family Income		46,129	Median Housing Value		86,981	
HUD Adjusted Median Family Income for 2003		51,700	Unemployment Rate (2000 US Census)		2.52%	
Households Below Poverty Level		10.13%				

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

Source: 2000 US Census and 2003 HUD updated MFI

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: 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. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

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

Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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												
Geography: INTERNATIONAL FALLS												
Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003												
Assessment Area:	% of Rated Area Loans (#) in AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Bremer International Falls (Loans from 1999-2002)	100.00	359	22,758	517	29,343	6	102	0	0	882	52,203	100
Bremer International Falls (Loans from 2003)	100.00	117	7,920	107	8,802	0	0	0	0	224	16,722	100

* Loan Data as of December 31, 2002 compared to 1990 Census Data; Loan Data as of December 31, 2003 compared to 2000 Census Data. Rated area refers to Bremer's entire AA.

** The evaluation period for Community Development Loans is From July 13, 1999 to December 31, 2004.

*** Deposit Data as of December 31, 2003. Rated area refers to Bremer's entire AA.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: INTERNATIONAL FALLS Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003												
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	Over all	Low	Mod	Mid	Upp
Full Review:															
Bremer International Falls															
1999-2002	114	100	0.62	0.00	0.00	0.00	90.01	92.98	9.37	7.02	N/A	N/A	N/A	N/A	N/A
2003	41	100	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

** Home purchase loans originated and purchased in the 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information for 1999 -2002 loans and based on 2000 Census information for loans in 2003.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: INTERNATIONAL FALLS Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003													
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	Over all	Low	Mod	Mid	Upp
Full Review:															
Bremer International Falls															
1999-2002	243	100	0.62	0.00	0.00	0.00	90.01	87.65	9.37	12.35	N/A	N/A	N/A	N/A	N/A
2003	75	100	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information for 1999 -2002 loans and based on 2000 Census information for 2003 loans.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: INTERNATIONAL FALLS						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF units***	% BANK Loans	% of MF units***	% BANK Loans	% of MF units***	% BANK Loans	% of MF units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Bremer International Falls															
1999-2002	1	100	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A
2003	1	100	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A

*Peer Mortgage Data not available; Bremer is not a HMDA reporter

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: INTERNATIONAL FALLS				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003			
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 Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp				
Full Review:																			
Bremer International Falls																			
1999-2002	517	100.00	0.10	0.00	0.00	0.00	92.48	87.23	7.42	12.77	19.22	0.00	0.00	17.89	37.10				
2003	107	100.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	21.57	0.00	0.00	23.36	0.00				

^{*} Based on 2002 Peer Small Business Data for loans from 1999-2002; 2003 Peer Small Business Data for loans from 2003

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

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

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: INTERNATIONAL FALLS				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003									
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 International Falls															
1999-2002	6	100.00	0.00	0.00	0.00	0.00	91.84	100.00	8.16	0.00	11.11	0.00	0.00	11.11	0.00
2003	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2002 Peer Small Business Data for loans from 1999-2002; Based on 2003 Peer Small Business Data for loans from 2003.

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

*** Source Data - Dun and Bradstreet (2003).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: INTERNATIONAL FALLS										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003				
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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
Full Review:																
Bremer International Falls																
1999-2002	114	100.0	20.06	13.39	19.62	18.75	21.24	36.61	39.08	31.25	N/A	N/A	N/A	N/A	N/A	
2003	41	100.0	22.07	41.46	17.41	26.83	22.99	17.07	37.53	14.63	N/A	N/A	N/A	N/A	N/A	

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

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

*** Percentage of Families is based on the 1990 Census information for 1999 -2002 loans and based on 2000 Census information for 2003 loans.

**** As a percentage of loans with borrower income information available.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: INTERNATIONAL FALLS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003											
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***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
Bremer International Falls															
1999-2002	243	100	20.06	11.34	19.62	11.34	21.24	29.83	39.08	47.48	N/A	N/A	N/A	N/A	N/A
2003	75	100	22.07	9.59	17.41	17.81	22.99	30.14	37.53	42.47	N/A	N/A	N/A	N/A	N/A

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

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

*** Percentage of Families is based on the 1990 Census information for loans in 1999 -2002 and based on 2000 Census information for loans in 2003.

**** As a percentage of loans with borrower income information available.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: INTERNATIONAL FALLS		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003					
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Bremer International Falls									
1999-2002	517	100	72.92	71.95	84.33	12.19	3.48	19.22	27.03
2003	107	100	65.13	71.03	81.31	14.02	4.67	21.57	32.48

[†] Based on 2002 Peer Small Business Data: US for loans from 1999-2002; Based on 2003 Peer Small Business Data for loans from 2003.

^{**} Small loans to businesses originated and purchased in the 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 - 2003).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1999-2002 for 12.19% of small loans to businesses originated and purchased by the bank or for 5.61% of small loans to businesses originated and purchased in 2003.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: INTERNATIONAL FALLS			Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Bremer International Falls									
1999-2002	6	100	97.96	66.67	100.00	0.00	0.00	11.11	11.11
2003	0	0.00	95.24	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2002 Peer Small Business Data: US for loans from 1999-2002.; Based on 2003 Peer Small Business Data for loans from 2003.

** Small loans to farms originated and purchased in the 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 - 2003).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1999-2002 for 33.33% of small loans to farms originated and purchased by the bank or for 0.00% of small loans to farms originated and purchased in 2003.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: INTERNATIONAL FALLS				Evaluation Period: JULY 13, 1999 TO DECEMBER 31, 2004			
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:									
Bremer International Falls AA	0	0	50	\$306	50	\$306	68.44%	0	0
Statewide and/or Regional	0	0	24	\$141	24	\$141	31.49%	0	0

* 'Prior Period Investments' means investments made in a previous evaluation 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 & BRANCH OPENINGS/CLOSINGS																	
Geography: INTERNATIONAL FALLS Evaluation Period: JULY 13, 1999 TO DECEMBER 31, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low*	Mod*	Mid*	Upp*			Low*	Mod*	Mid*	Upp*	Low*	Mod*	Mid*	Upp*
Full Review:																	
Bremer International Falls	100%	1	100%	N/A	N/A	100%	N/A	0	0	N/A	N/A	N/A	N/A	0%	0%	100%	0%

* Income of geographies is based on 2000 Census information.