



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

August 13, 2012

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Bremer Bank, National Association
Charter Number 23204

1444 45th Street SW
Fargo, ND 58103

Office of the Comptroller of the Currency

Campbell Mithun Tower
222 South Ninth Street, Suite 800
Minneapolis, MN 55402-3393

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.

Table of Contents

OVERALL CRA RATING	2
DEFINITIONS AND COMMON ABBREVIATIONS	3
DESCRIPTION OF INSTITUTION	7
SCOPE OF THE EVALUATION.....	8
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	9
MULTISTATE METROPOLITAN AREA RATING	10
FARGO NORTH DAKOTA-MINNESOTA MULTISTATE METROPOLITAN AREA.....	10
STATE RATING	16
STATE OF NORTH DAKOTA	16
STATE OF MINNESOTA.....	22
APPENDIX A: SCOPE OF EXAMINATION.....	A-1
APPENDIX B: SUMMARY OF MULTISTATE METROPOLITAN AREA AND STATE RATINGS.....	B-1
APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS	C-1
APPENDIX D: TABLES OF PERFORMANCE DATA	D-1

Overall CRA Rating

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

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

Performance Levels	Bremer Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Bremer’s Lending Test is good. The bank’s lending activity is good in the Fargo ND-MN Multistate assessment area and in the state of North Dakota and excellent in the state of Minnesota. Lending within one of the bank’s assessment areas is excellent with 90% of all bank loans made in one of the designated assessment areas.
- The bank provides an overall excellent level of qualified investments. Qualified investments are primarily from charitable contributions that address the needs of low- and moderate-income individuals.
- Bremer’s performance under the Service Test is good. Bank employees are involved in a good level of services to organizations that address the needs of low- and moderate-income people and meet the business needs of small businesses. Bremer’s delivery systems are readily accessible to low- and moderate-income individuals and geographies.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

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

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

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

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

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan 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 (MSA): 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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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 a \$1.562 billion interstate bank headquartered in Fargo, North Dakota. Bremer is wholly-owned by Bremer Financial Corporation (BFC), an \$8 billion banking organization headquartered in St. Paul, Minnesota. BFC affiliates have more than 100 banking locations throughout Minnesota, North Dakota, and Wisconsin. BFC is owned by the Otto Bremer Foundation (Foundation) and its employees. A majority of the Foundation's assets are invested in BFC. Earnings generated by BFC and other investments support local nonprofit activities through the grant-making activities of the Foundation.

Bremer is a full-service bank offering a variety of loan and deposit products. The bank's lending focus is commercial, agricultural, and home mortgage lending. Bremer has a total of 18 locations with the main office and two branches located in Fargo, North Dakota. The other locations are in Bismarck, Carrington, Casselton, Devils Lake, Lisbon, Max, Minnewaukan, Minot (three locations), Richardton, and Rugby in North Dakota. There are three branch locations in Minnesota including Moorhead, Detroit Lakes, and Perham. During the evaluation period, the bank opened the Bismarck location. No mergers or acquisitions took place during this evaluation period.

As of December 31, 2011, net loans totaled \$1.221 billion, representing 78% of total assets. The bank's loan-to-deposit ratio was 101% and Tier 1 Capital totaled \$149 million. Loan portfolio composition consists of commercial (23%), residential real estate (60%), agriculture (13%), consumer (4%), and other loans (less than 1%).

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs of its assessment areas.

Bremer received a Satisfactory rating on its last CRA examination dated September 29, 2008.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Bremer's small business, small farm and home mortgage data for the period beginning January 1, 2008 through December 31, 2011. Products reviewed in the Lending Test include home mortgage, small business, and small farm loans. We used 2010 peer lending data for small business, small farms, and peer mortgage data for HMDA to compare Bremer's lending performance to other reporting lenders in the assessment areas. All loans were evaluated using 2000 census data.

Small loans to farms represent the largest portion of lending activity overall during the evaluation period with 5,056 loans totaling \$480 million. These account for 43% of loans evaluated. During the same time period, small loans to businesses represented 30%, and home mortgage loans represented 27%.

The evaluation period for community development loans, investments, and services is January 1, 2008 through June 30, 2012. At the bank's request, we considered qualified investments made by the Foundation.

We used deposit information, reported to the Federal Deposit Insurance Corporation annually, to determine the bank's deposit market share and market presence within its assessment areas. The most recent deposit information available is as of June 30, 2011.

Data Integrity

We conducted testing of the collected and reported HMDA, small business and small farm data. We found the information to be substantially accurate and used it for this evaluation.

We also reviewed loans, investments, and services that were presented by management with a primary purpose of community development. In addition, we considered community development investments made by the Otto Bremer Foundation. Those activities that meet the definition of community development are included in this evaluation.

Selection of Areas for Full-Scope Review

In each state and multistate metropolitan area where the bank has an office, we selected one assessment area (AA) for a full-scope review. Refer to the "Scope" section under each state and multistate metropolitan area rating section for details regarding how the areas were selected.

Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating(s) and state ratings in which Bremer has branch offices. We placed the most weight on the bank's performance in the state of North Dakota because it represented 55% of the bank's total deposit base and 47% of reported loan originations and purchases during the evaluation period. The Fargo North Dakota-Minnesota MSA AA had 26% of the deposits and 36% of reported loans. The Minnesota non-MSA AA had 19% of deposits and 17% of reported loan originations.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Multistate Metropolitan Area Rating

Fargo North Dakota-Minnesota Multistate Metropolitan Area

CRA rating for the Fargo MSA AA¹: High Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Outstanding

The service test is rated: High Satisfactory

The major factors that support this rating include:

- Bremer's volume of lending in the Fargo ND-MN multistate MSA is good. This is based on good borrower and geographic distribution of loans.
- Bremer has an excellent level of qualified community development investments given the bank's resources and capacity.
- Bremer's performance under the Service Test is demonstrated by good accessibility to products and services and a good level of community development services.

Description of Institution's Operations in Fargo ND-MN MSA

Bremer's Fargo ND-MN MSA consists of Cass County in North Dakota and Clay County in Minnesota. The AA encompasses the entire MSA which is comprised of 40 census tracts. Six of these tracts are moderate-income. Bremer maintains five full-service branch locations and seven automated teller machines (ATMs) in this AA.

The activity in the Fargo ND-MN MSA accounts for 32% of the bank's total deposits and 36% of total loan originations. Small loans to businesses are the primary credit product representing 42% by dollar and 54% by number, of all loan originations.

Based on the FDIC Summary of Deposit report as of June 30, 2011, Bremer maintained \$379 million or 7.5% of deposits in the AA. This is third out of 29 institutions with a presence in the AA. Major competitors include State Bank & Trust and Wells Fargo Bank which accounted for 29.7% and 13.1%, respectively, of the deposit market share.

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

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

Scope of Evaluation in Fargo ND-MN Multistate Metropolitan Area

The scope of evaluation of the Fargo ND-MN MSA is a full-scope review. We considered information from community organizations for this evaluation. Information obtained is included in the Market Profile section in Appendix C.

We performed a full-scope review of Fargo ND-MN MSA. For our evaluation, we placed the most weight on Bremer's small business lending in the AA based on volume. This is followed by home mortgage loans and then small loans to farms.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the Fargo ND-MN MSA is rated "High Satisfactory". Based on a full-scope review, the bank's performance is good.

Lending Activity

Refer to Table 1 Lending Volume in the Fargo ND-MN MSA section of Appendix D for the facts and data used to evaluate the bank's lending activity.

The volume of lending in the Fargo ND-MN MSA AA is good. Lending levels reflect good responsiveness in relation to area credit needs and the bank's deposit market share. Bremer has the third largest deposit share of the 29 financial institutions within its AA, representing 7.46% percent of aggregate deposits and totaling \$379 million.

Bremer originated 1,120 home mortgage loans totaling \$161 million during the evaluation period. Based on 2010 HMDA information, Bremer had 2.68% of the market share and ranked tenth out of 149 financial institutions that reported HMDA loans.

During the evaluation period, Bremer originated 1,267 small loans to businesses totaling \$289 million and 652 small loans to farms totaling \$85 million. The bank ranks fourth among 34 financial institutions in overall market share with 8.43% in 2010 for reportable business and farm loans.

For the Lending Test in the Fargo ND-MN MSA, small loans to businesses account for 42% of total loans originated, and therefore, will receive the greatest weight in the analysis. Home mortgage loans account for 37% and small loans to farms account for 21% of total loans originated.

For the home mortgage loan analysis, we placed the greatest weight on refinance loans and home purchase loans. These loans represent 48% by number each, of Bremer's home mortgage loans, respectively.

Distribution of Loans by Income Level of the Geography

Small Loans to Businesses

Refer to Table 6 in the Fargo ND-MN MSA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of Bremer's small loans to businesses in the Fargo ND-MN MSA AA is excellent. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of businesses located in those geographies. In addition, Bremer's market share of small loans to businesses in moderate-income geographies exceeded the overall market share.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Fargo ND-MN MSA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of Bremer's home mortgage loans is adequate overall. In the Fargo ND-MN MSA home refinance, home purchase, and home improvement loans are slightly below the percent of owner-occupied units in the moderate-income tracts. However, the bank's market share exceeds the overall market share for home refinance and home purchase loans. Bremer's geographic distribution for multi-family loans is comparable to the percentage of units in moderate-income tracts representing adequate performance.

Small Loans to Farms

Refer to Table 7 in the Fargo ND-MN MSA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is poor. The percentage of Bremer's small loans to farms in moderate-income geographies is lower than the percentage of farms located in those tracts. In addition, the bank's market share is below the overall market share. This performance is mitigated due to the moderate-income geographies having only 66 total farms.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in moderate-income areas. We did not identify any conspicuous gaps in the Fargo ND-MN MSA.

Distribution of Loans by Income Level of the Borrower

Small Loans to Businesses

Refer to Table 11 in the Fargo ND-MN MSA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of borrowers in the Fargo ND-MN MSA reflects good penetration among businesses of different sizes.

The percentage of loans to businesses with revenues of \$1 million or less is comparable to the percentage of businesses reporting revenues of \$1 million or less in the Fargo ND-MN MSA. Bremer's market share to businesses with revenues of \$1 million or less is greater than the overall market share.

Home Mortgage Loans

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

Borrower distribution of borrowers in the Fargo ND-MN MSA reflects good penetration among home mortgage loan customers of different incomes. This rating includes consideration of the 12% poverty level of the AA.

Bremer's distribution of all home mortgage types to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. During the evaluation period, the percentage of home refinance, home purchase loans and home improvement loans to low-income borrowers is below the demographic information of families in the AA. This is mitigated by the high poverty rate of 12% and the difficulty these borrowers have in qualifying for home mortgage related loans. Bremer's market share exceeds the overall market share for moderate-income borrowers.

Small Loans to Farms

Refer to Table 12 in the Fargo ND-MN MSA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

Borrower distribution to small farms in the Fargo ND-MN MSA is adequate. Loans to farms with revenues of \$1 million or less is below the percentage of small farms with revenues of \$1 million or less in the Fargo ND-MN MSA. However, Bremer's market share to small farms is slightly above the overall market share.

Community Development Lending

Bremer did not originate any qualifying community development loans in the Fargo ND-MN MSA during the evaluation period.

Product Innovation and Flexibility

There were no products that were considered to be innovative or flexible during this evaluation period.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Fargo ND-MN MSA is rated "Outstanding". Based on a full-scope review the bank's performance in the Fargo ND-MN MSA is excellent. Bremer's qualified investments are numerous, varied, and responsive to the AA's needs.

Bremer's level of investments in the Fargo ND-MN MSA is excellent given the bank's opportunity for making investments in the AA. Bremer made 87 qualified grants and donations totaling \$3.2 million during the evaluation period. This equates to 6.35% of the bank's allocated Tier One Capital for the AA. In addition, the bank has another \$27 thousand in investments that benefit the greater regional area including this AA. The combined volume of community development investments constitutes 6.40% of Tier One Capital.

The bank's qualified investments consisted primarily of charitable contributions to various organizations that provide community services and affordable housing targeted to low- and moderate-income individuals and support activities that promote economic development.

Refer to Table 14 in the "Multistate Metropolitan Area(s)" section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Fargo ND-MN MSA is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Fargo ND-MN MSA is good.

Retail Banking Services

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

Bremer's delivery systems are readily accessible to individuals of different income levels and in geographies of different income levels in the Fargo ND-MN MSA AA. Bremer operates five full-service branch locations and seven ATMs in this AA. One branch location and one ATM are located in a moderate-income census tract. There are no low-income geographies in this AA, but six moderate-income geographies. One branch, located in a middle-income census tract, was closed during the evaluation period.

Services do not vary in a way that inconveniences low- or moderate-income individuals or persons living in the moderate-income census tracts. Bremer offers a wide variety of traditional banking products and services to meet the needs of the AA. All but one location has Saturday drive-up hours and two facilities offer Saturday lobby hours. Four of the seven ATMs are deposit-taking.

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (eBank), and bank by mail.

Community Development Services

Bremer provides a good level of community development services in the Fargo ND-MN MSA AA. This is based on the opportunities in the AA and the type of organizations that benefit from the services provided.

Eighteen bank employees provided their financial expertise and services to 21 organizations that promote various community development initiatives in the AA. This includes community services targeted to low- and moderate-income individuals, affordable housing programs for low- and moderate-income individuals, and activities that promote economic development by financing small businesses and small farms. In addition, Bremer has a designated non-profit specialist for this AA. Throughout this evaluation period, this person assisted Bremer with targeting its community development services towards non-profits that explicitly impact individuals and/or families with low- or moderate-income levels.

State Rating

State of North Dakota

CRA Rating for North Dakota²: High Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: Outstanding

The major factors that support this rating:

- Bremer's volume of lending in the state of North Dakota is good. This is based on good borrower and geographic distribution of loans.
- Bremer has an adequate level of qualified community development investments given the bank's resources and capacity.
- Bremer's performance under the Service Test is demonstrated by a good accessibility to products and services and an excellent level of community development services.

Description of Institution's Operations in North Dakota

Bremer's North Dakota non-MSA AA consists of 13 counties throughout North Dakota. These counties include Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Ransom, Stark, Stutsman and Ward. Bremer operates nine full-service branch locations, one drive-up/walk-up location, and twelve ATMs in this AA.

The activity in the state of North Dakota accounts for 52% of the bank's total deposits and 55% of total loan originations. Small loans to farms are the primary credit product, representing 63% by number and 54% by dollar volume of all loan originations.

Bremer ranks first in deposit market share among 42 financial institutions operating in the North Dakota non-MSA AA. According to the June 30, 2011 FDIC Summary of Deposit report, Bremer had \$606 million in deposits representing 13.00% of market. Major competitors include First Western Bank & Trust with a 10.55% deposit market share and Wells Fargo Bank at 9.44% deposit market share.

Refer to the market profiles for the State of North Dakota in Appendix C for detailed demographics and other performance context information.

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

Scope of Evaluation in North Dakota

We performed a full-scope review of Bremer's North Dakota non-MSA AA. For our evaluation, we gave the most weight to Bremer's small farm lending in the ND AA based on volume. This was followed by small loans to businesses, then home mortgage loans. We also considered information from community organizations for this evaluation. Information obtained is included in the Market Profile section in Appendix C.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in North Dakota is rated "High Satisfactory". Based on a full-scope review, the bank's performance in the North Dakota non-MSA AA is good.

Lending Activity

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

Lending levels reflect good responsiveness in relation to area credit needs and the bank's deposit market share. Bremer has the largest deposit share of the 42 financial institutions within its AA, representing 13% percent of aggregate deposits and totaling \$606 million.

Bremer originated 842 home mortgage loans totaling \$93 million during the evaluation period. Based on 2010 HMDA information, Bremer had 3.76% of the market share and ranked eighth out of 97 financial institutions that reported HMDA loans.

During the evaluation period, Bremer originated 1,490 small loans to businesses totaling \$221 million and 4,047 small loans to farms totaling \$364 million. The bank ranks first among 40 financial institutions in overall market share with 34.91% in 2010 for reportable business and farm loans.

For the Lending Test in the North Dakota non-MSA AA, small loans to farms account for 63% of total loans originated, and therefore, will receive the greatest weight in the analysis. Small loans to businesses account for 23% and home mortgage loans account for 14% of total loans originated.

For the home mortgage loan analysis, we placed the greatest weight on home purchase and refinance loans. These loans represent 46% and 45% by number, of Bremer's home mortgage loans, respectively.

Distribution of Loans by Income Level of the Geography

Small Loans to Farms

Refer to Table 7 in the state of North Dakota section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The geographic distribution of small loans to farms is excellent. The percentage of Bremer's small loans to farms in moderate-income geographies is higher than the percentage of farms located in those tracts. In addition, the bank's market share is above the overall market share.

Small Loans to Businesses

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

The geographic distribution of Bremer's small loans to businesses in the North Dakota non-MSA AA is excellent. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses located in those geographies. In addition, Bremer's market share of small loans to businesses in moderate-income geographies exceeds the overall market share.

Home Mortgage Loans

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

The geographic distribution of Bremer's home mortgage loans is good overall. In the North Dakota non-MSA AA all home mortgage products and multi-family housing loans are comparable to the percent of owner-occupied units in the moderate-income tracts. In addition, Bremer's market share exceeds the overall market share for home purchase, home improvement, and multi-family loans.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in moderate-income areas. We did not identify any conspicuous gaps in the North Dakota non-MSA AA.

Inside/Outside Ratio

In the state of North Dakota, Bremer originated or purchased a substantial majority of loans in one its two designated AAs. A total of 91% of all loans were originated or purchased within the AA. By product type, 93% of home loans, 96% of small business loans, and 88% of small farm loans were originated within the AA. This reflects positively on the geographic distribution portion of the lending test.

Distribution of Loans by Income Level of the Borrower

Small Loans to Farms

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

Borrower distribution to small farms in the North Dakota non-MSA AA is good. Loans to farms with revenues of \$1 million or less is slightly below the percentage of small farms with revenues of \$1 million or less in the North Dakota non-MSA AA. However, Bremer's market share to small farms is greater than the overall market share.

Small Loans to Businesses

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

The distribution of borrowers in the North Dakota non-MSA AA reflects good penetration among business customers of different sizes.

The percentage of loans to businesses with revenues of \$1 million or less is comparable to the percentage of businesses reporting revenues of \$1 million or less in the North Dakota non-MSA AA. Bremer's market share to businesses with revenues of \$1 million or less is greater than the overall market share.

Home Mortgage Loans

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

Borrower distribution of borrowers in the North Dakota non-MSA AA reflects good penetration among home mortgage loan customers of different incomes. This rating includes consideration of the 13% poverty level of the AA.

Bremer's distribution of home purchase loans to moderate-income borrowers exceeds the percentage of these families in the AA. The percentage of home refinance loans and home improvement loans to moderate-income borrowers is comparable to the demographics of the AA. Home purchase, home improvement, and home refinance loans to low-income borrowers is below the percentage of low-income families in the AA. This is due to the higher degree of difficulty in low-income families qualifying for home mortgage related loans. Bremer market share for low- and moderate-income borrowers is at or above the overall market share for all mortgage loan types.

Community Development Lending

Refer to Table 1 Lending Volume in the state of North Dakota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all 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.

Bremer did not originate any qualifying community development loans in the North Dakota non-MSA during the evaluation period.

Product Innovation and Flexibility

There were no products that were considered to be innovative or flexible during this evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Bismarck MSA is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test in North Dakota. Refer to the Tables 1 through 13 in the state of North Dakota section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in the North Dakota non-MSA AA is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the North Dakota non-MSA AA is adequate.

Bremer's level of investments in the North Dakota non-MSA AA is adequate given the bank's opportunities for investment in the AA. Bremer made 59 qualified grants and donations totaling \$1.7 million during the evaluation period. This equates to 2.19% of the bank's allocated Tier One Capital for the AA. In addition, the bank has another \$91 thousand in investments that benefit the greater regional area including this AA. The combined volume of community development investments constitutes 2.30% of Tier One Capital.

The bank's qualified investments consisted primarily of charitable contributions to various organizations that provide community services and affordable housing targeted to low- and moderate-income individuals and support activities that promote economic development.

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

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Bismarck ND MSA is stronger than the bank's overall performance in the state. The bank made 15 qualifying investments totaling over \$671 thousand during the evaluation period. Refer to the Table 14 in the state of North Dakota section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in North Dakota is rated "Outstanding". Based on a full-scope review, the bank's performance in the North Dakota non-MSA AA is excellent.

Retail Banking Services

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

Bremer's delivery systems are readily accessible to individuals of different income levels and geographies of different income levels in the AA. Bremer operates nine full-service and one limited-service branch locations with two located in moderate-income geographies. In addition, Bremer has twelve ATMs in this AA with two located in moderate-income tracts. There are no low-income geographies in this AA, but nine moderate-income geographies. The bank closed one branch location in a middle-income tract during the evaluation period.

Services do not vary in a way that inconveniences the AA, particularly low- and moderate-income individuals. Bremer offers a wide variety of traditional banking products and services to meet the needs of the AA. All but two locations have Saturday drive-up hours and one facility offers Saturday lobby hours. Five of the twelve ATMs are deposit-taking.

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (*eBank*), and bank by mail.

Community Development Services

Bremer provides an excellent level of community development services in the North Dakota non-MSA AA. This is based on the opportunities in the AA and the type of organizations that benefit from the services provided.

Forty-five bank employees provided their financial expertise and services to 49 organizations that promote various community development initiatives in the AA. This includes community services targeted to low- and moderate-income individuals, affordable housing programs for low- and moderate-income individuals, and activities that promote economic development by financing small businesses and small farms. In addition, Bremer has a designated non-profit specialist for this AA. Throughout this evaluation period, this person assisted Bremer with targeting its community development services towards non-profits that explicitly impact individuals and/or families with low- or moderate-income levels.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Bismarck MSA the bank's performance is weaker than the bank's overall performance in the state. One employee was involved with one community service organization during the evaluation period. Refer to Table 15 in the state of North Dakota section of Appendix D for the facts and data that support these conclusions.

State Rating

State of Minnesota

CRA Rating for Minnesota³: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: High Satisfactory

The major factors that support this rating include:

- Bremer's volume of lending in the Minnesota non-MSA AA is excellent. This is based on excellent geographic distribution and good borrower distribution of loans.
- Bremer has an excellent level of qualified community development investments given the bank's resources and capacity.
- Bremer's performance under the Service Test is demonstrated by excellent accessibility to products and services and an adequate level of community development services.

Description of Institution's Operations in Minnesota

Bremer has one AA in the state of Minnesota. This non-MSA AA consists of Becker and Otter Tail counties in west-central Minnesota. Bremer maintains two full-service branch locations and six ATMs in this AA.

The activity in the state of Minnesota accounts for 16% of the bank's total deposits and 19% of total loan originations. Home mortgage loans are the primary credit product, representing 51% by dollar volume and number, of all originations.

Bremer ranks second in deposit market share among 23 financial institutions operating in the Minnesota non-MSA AA. According to the June 30, 2011 FDIC Summary of Deposit report, Bremer had \$195 million in deposits representing 11.82% of market. Major competitors include Wells Fargo Bank with a 14.06% deposit market share and United Community Bank with a 10.46% deposit market share.

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

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

Scope of Evaluation in Minnesota

We performed a full-scope review of Bremer's Minnesota Dakota non-MSA AA. For our evaluation, we gave the most weight to Bremer's home mortgage lending in the Minnesota non-MSA AA based on volume. This was followed by small loans to businesses, then small loans to farms. We also considered information from community organizations for this evaluation. Information obtained is included in the Market Profile section in Appendix C.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Lending Activity

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

Lending levels reflect excellent responsiveness in relation to area credit needs and the bank's deposit market share. Bremer has the second largest deposit share of the 23 financial institutions within its AA, representing 12% percent of aggregate deposits and totaling \$195 million.

Bremer originated 1,150 home mortgage loans totaling \$132 million during the evaluation period. Based on 2010 HMDA information, Bremer had 6.54% of the market share and ranked fifth out of 177 financial institutions that reported HMDA loans.

During the evaluation period, Bremer originated 777 small loans to businesses totaling \$97 million and 314 small loans to farms totaling \$28 million. The bank ranks second among 29 financial institutions in overall market share with 12.89% in 2010 for reportable business and farm loans.

For the Lending Test in the Minnesota non-MSA AA, home mortgage loans account for 51% of total loans originated, and therefore, will receive the greatest weight in the analysis. Small loans to businesses account for 35% and small loans to farms account for 14% of total loans originated.

For the home mortgage loan analysis, we placed the greatest weight on refinance loans and home purchase loans. These loans represent 64% and 23% by number, of Bremer's home mortgage loans, respectively. An analysis of multi-family housing is not meaningful due to the low volume of this loan type.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

The geographic distribution of Bremer's home mortgage loans is excellent. In the Minnesota non-MSA AA home refinance, home purchase, and home improvement loans in moderate-income geographies exceed the percentage of owner-occupied units in those geographies. Bremer's market share exceeds the overall market share for home refinance loans and was comparable for home improvement loans.

Small Loans to Businesses

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

The geographic distribution of Bremer's small loans to businesses in the Minnesota non-MSA AA is excellent. The percentage of small loans to businesses in moderate-income geographies significantly exceeds the percentage of businesses located in those geographies. Bremer's market share of small loans to businesses in moderate-income geographies is slightly below the overall market share.

Small Loans to Farms

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

The geographic distribution of small loans to farms is excellent. The percentage of Bremer's small loans to farms in moderate-income geographies is significantly higher than the percentage of farms located in those geographies. In addition, the bank's market share is well above the overall market share.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in moderate-income areas. We did not identify any conspicuous gaps in the Minnesota non-MSA AA.

Inside/Outside Ratio

In the state of Minnesota, Bremer originated or purchased a majority of loans in one its designated AA. A total of 90% of all loans were originated or purchased within the AA. By product type, 91% of home loans, 91% of small business loans, and 82% of small farm loans were originated within the AA. This reflects positively on the geographic distribution portion of the lending test.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Borrower distribution of borrowers in the Minnesota non-MSA AA reflects excellent penetration among home mortgage loan customers of different incomes. This rating includes consideration of the 12% poverty level of the AA.

Bremer's distribution of home purchase loans exceeds the demographic of moderate-income families of the AA. Home improvement loans and home refinance loans to moderate-income borrowers in comparable to the percentage of these families in the AA. The percentage of these home loans to lower-income borrowers is slightly lower than the percentage of the families in the AA. This is anticipated due to the difficulty of low-income families qualifying for home mortgage related loans. Bremer market share for low- and moderate-income borrowers exceeds the overall market share for all mortgage loan types.

Small Loans to Businesses

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

The distribution of borrowers in the Minnesota non-MSA AA reflects excellent penetration among business customers of different sizes.

The percentage of loans to businesses with revenues of \$1 million or less exceeds the percentage of businesses reporting revenues of \$1 million or less in the Minnesota non-MSA AA. In addition, Bremer's market share to businesses with revenues of \$1 million or less is greater than the overall market share.

Small Loans to Farms

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

Borrower distribution to small farms in the Minnesota non-MSA AA is good. Loans to farms with revenues of \$1 million or less is slightly below the percentage of small farms with revenues of \$1 million or less in the Minnesota non-MSA AA. However, Bremer's market share to small farms is greater than the overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in the state of Minnesota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all 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.

Community development lending in the Minnesota AA area is excellent given the volume of loans and responsiveness to the identified credit needs of affordable housing and economic development. Community development lending had a positive impact on the bank's overall lending performance. Bremer originated 16 community development loans within this AA totaling \$12.9 million during the evaluation period. This volume of community development lending constitutes 51% of the allocated Tier One Capital. These loans supported economic development through support of small businesses as well as helped to provide affordable housing to low- and moderate-income individuals.

Product Innovation and Flexibility

There were no products that were considered to be innovative or flexible during this evaluation period.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test in Minnesota is rated "Outstanding". Based on a full-scope review, the bank's performance in the Minnesota non-MSA AA is excellent.

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

Bremer's level of investments in Minnesota is excellent given the bank's opportunities for investment. The bank provided 40 qualified investments totaling \$1.4 million during the evaluation period. In addition, the bank has another \$19 thousand in investments that benefit the greater statewide area including this AA. The combined volume of community development investments constitutes 5.50% of Tier One Capital.

Qualified investments provided funds to organizations that provide community services targeted to low- and moderate-income individuals, support affordable housing for low- and moderate-income individuals, and support activities that promote economic development by financing small businesses and small farms. Examples include the Otter Tail-Wadena Community Action Council, Inc., The Salvation Army, and the White Earth Reservation Tribal Council.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Retail Banking Services

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

Bremer's delivery systems are readily accessible to individuals of different income levels and geographies of different income levels in the AA. Bremer operates two full-service branch locations with one located in a moderate-income geography. In addition, Bremer has six ATMs in this AA with four located in a moderate-income tract. There are no low-income geographies in this assessment area, but two moderate-income geographies. The bank did not close any branches in this AA during the evaluation period.

Services do not vary in a way that inconveniences the AA, particularly low- and moderate-income individuals. Bremer offers a wide variety of traditional banking products and services to meet the needs of the AA. Both locations have Saturday drive-up hours. Three of the six ATMs are deposit-taking.

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (*eBank*), and bank by mail.

Community Development Services

Bremer provides an adequate level of community development services in the Minnesota non-MSA AA. This is based on the opportunities in the AA and the type of organizations that benefit from the services provided.

Six bank employees provided their financial expertise and services to six organizations that promote various community development initiatives in the AA. This includes community services targeted to low- and moderate-income individuals. In addition, Bremer has a designated non-profit specialist for this AA. Throughout this evaluation period, this person assisted Bremer with targeting its community development services towards non-profits that explicitly impact individuals and/or families with low- or moderate-income levels.

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): 01/01/2008 to 12/31/2011 Investment and Service Tests and CD Loans: 01/01/2008 to 06/30/2012	
Financial Institution	Products Reviewed	
Bremer Bank, National Association (Bremer) Fargo, North Dakota	Home Mortgage, Small Business, Small Farm and Community Development Loans; Qualified Investments; Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Otto Bremer Foundation	Holding Company	Qualified Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Fargo North Dakota-Minnesota MSA #22020	Full-Scope	Cass County, ND and Clay County, MN
North Dakota: North Dakota non-MSA	Full-Scope	ND counties of Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Ransom, Stark, Stutsman, & Ward
Bismarck MSA #13900	Limited-Scope	ND counties of Burleigh and Morton
Minnesota: Minnesota non-MSA	Full-Scope	MN counties of Becker and Ottertail

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS FOR BREMER BANK, NATIONAL ASSOCIATION (FARGO)				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Bremer Bank	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory
Multistate Metropolitan Area or State:				
Fargo ND-MN MSA	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory
North Dakota	High Satisfactory	Low Satisfactory	Outstanding	High Satisfactory
Minnesota	Outstanding	Outstanding	High Satisfactory	Outstanding

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

Appendix C: Market Profiles for Full-Scope Areas

Fargo ND-MN Multistate Metropolitan Area

Demographic Information for Full-Scope Area: Fargo ND-MN Multistate Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	40	0.00	15.00	72.50	12.50	0.00
Population by Geography	174,367	0.00	16.18	67.69	16.12	0.00
Owner-Occupied Housing by Geography	41,269	0.00	8.26	72.89	18.86	0.00
Businesses by Geography	22,004	0.00	22.48	58.95	18.56	0.00
Farms by Geography	1,229	0.00	5.37	83.08	11.55	0.00
Family Distribution by Income Level	42,527	17.69	18.73	26.50	37.08	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	15,492	0.00	17.58	72.43	9.99	0.00
Median Family Income = \$50,758		Median Housing Value = \$89,182				
HUD Adjusted Median Family Income = \$69,400		Unemployment Rate = 2.48%				
Households Below the Poverty Level = 12%						

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

Source: 2000 U.S. Census, and 2011 HUD updated MFI.

The assessment area (AA) consists of Cass County in North Dakota and Clay County in Minnesota. As of June 30, 2011, Bremer had \$379MM in deposits in this AA. Bremer ranks third in deposit market share out of the 29 institutions with a presence in the MSA.

The primary industries located in the Fargo, ND-MN Multistate MSA are retail trade, health, education, and entertainment/recreation. The largest employers are Sanford Health, North Dakota State University, Fargo public schools, Blue Cross Blue Shield of ND/Noridian, and Case New Holland. Unemployment in 2011 was 6.4% for Minnesota and 3.5% for North Dakota. Both unemployment rates were below the national unemployment rate of 8.9%.

Community and credit needs in the AA include credit to assist with start-up and small businesses and affordable housing.

State of North Dakota

North Dakota Nonmetropolitan Area

Demographic Information for Full-Scope Area: North Dakota Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	63	0.00	14.29	71.43	11.11	3.17
Population by Geography	165,497	0.00	9.30	75.50	15.19	0.00
Owner-Occupied Housing by Geography	45,454	0.00	7.71	75.23	17.06	0.00
Businesses by Geography	21,241	0.00	7.32	77.38	15.30	0.00
Farms by Geography	2,787	0.00	5.17	82.35	12.49	0.00
Family Distribution by Income Level	43,974	17.22	18.52	24.49	39.77	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	15,713	0.00	12.93	76.06	11.01	0.00
Median Family Income = \$39,651		Median Housing Value = \$60,934				Unemployment Rate = 2.37%
HUD Adjusted Median Family Income = \$63,000						
Households Below the Poverty Level = 13%						

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, and 2011 HUD updated MFI.

The Assessment Area (AA) consists of twelve counties in throughout northwestern ND including Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Stark, Stutsman, and Ward counties. As of June 30, 2011 Bremer Bank had \$606 million in deposits in this AA. Bremer ranks first in deposit market share out of the 42 institutions with a presence in the AA. The AA represented 24.61% of the state population in 2010.

Major industries in the AA include health care, education, retail trade, transportation, and construction. Unemployment of AA is 2.37% which is lower than the state average of 3.5% and is below the nationwide rate of 8.9%.

Community and credit needs in the AA include for lending to small farms and businesses and home and retail lending, including loans for affordable housing.

State of Minnesota

Minnesota Nonmetropolitan Area

Demographic Information for Full-Scope Area: Minnesota Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	0.00	7.69	92.31	0.00	0.00
Population by Geography	87,159	0.00	8.55	91.45	0.00	0.00
Owner-Occupied Housing by Geography	27,668	0.00	7.28	92.72	0.00	0.00
Businesses by Geography	12,128	0.00	11.56	88.44	0.00	0.00
Farms by Geography	1,230	0.00	7.07	92.93	0.00	0.00
Family Distribution by Income Level	24,037	19.78	21.38	25.71	33.13	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	9,893	0.00	10.32	89.68	0.00	0.00
Median Family Income = \$45,608		Median Housing Value Unemployment Rate				\$86,974
HUD Adjusted Median Family Income = \$59,200						= 2.72%
for 2011						
Households Below the Poverty Level = 12%						

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, and 2011 HUD updated MFI.

The Assessment Area (AA) consists of Becker and Otter Tail counties. As of June 30, 2011, Bremer Bank had \$195 million in deposits in the AA. Bremer ranks second in deposit market share out of the 23 institutions with a presence in the AA. The AA represented 1.64% of the state population in 2010.

Major industries in the AA include retail trade, manufacturing, health care, and education. Unemployment in the AA is below the statewide average of 6.4% and below the nationwide rate of 8.9%.

Community and credit needs in the AA include small farms, businesses, affordable housing, and retail lending.

Appendix D: Tables of Performance Data

Content of Standardized Tables

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. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

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

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.

Tables of Performance Data

Fargo ND-MN Multistate Metropolitan Area

State of North Dakota

State of Minnesota

Table 1. Lending Volume

LENDING VOLUME												
Geography: FARGO BREMER ASSESSMENT AREAS												
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011												
Assessment Area (2011):	% 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:												
Fargo ND- MN MSA	25.84	1,120	160,572	1,267	288,603	652	85,097	0	0	3,039	534,272	7.46
North Dakota Non-MSA	54.23	842	93,014	1,490	221,265	4,047	363,806	0	0	6,379	678,085	13.00
Minnesota Non- MSA	19.05	1,150	131,609	777	96,576	314	28,431	16	12,941	2,257	269,557	11.82
Limited Review:												
Bismarck MSA	0.88	25	3,492	36	5,583	43	2,912	0	0	104	11,987	0.49

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2008 to December 31, 2011.

*** Deposit Data as of July 02, 2011. 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		Geography: FARGO BREMER ASSESSMENT AREAS						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
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:															
Fargo ND- MN MSA	534	44.35	0.00	0.00	8.26	6.37	72.89	64.79	18.86	28.84	3.92	0.00	5.38	4.03	3.48
North Dakota Non-MSA	386	32.06	0.00	0.00	7.71	6.22	75.23	79.02	17.06	14.77	3.66	0.00	5.49	4.17	1.74
Minnesota Non- MSA	269	22.34	0.00	0.00	7.28	14.87	92.72	85.13	0.00	0.00	6.80	0.00	0.00	6.95	0.00
Limited Review:															
Bismarck MSA	15	1.25	0.00	0.00	19.62	6.67	69.12	60.00	11.26	33.33	0.17	0.00	0.00	0.19	0.18

* Based on 2010 Peer Mortgage Data (USPR)

** 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			Geography: FARGO BREMER ASSESSMENT AREAS						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Fargo ND- MN MSA	30	12.99	0.00	0.00	8.26	6.67	72.89	70.00	18.86	23.33	1.07	0.00	0.00	1.04	1.47
North Dakota Non-MSA	56	24.24	0.00	0.00	7.71	7.14	75.23	83.93	17.06	8.93	3.16	0.00	13.64	2.41	3.03
Minnesota Non- MSA	143	61.90	0.00	0.00	7.28	11.89	92.72	88.11	0.00	0.00	12.33	0.00	11.11	12.39	0.00
Limited Review:															
Bismarck MSA	2	0.87	0.00	0.00	19.62	0.00	69.12	100.00	11.26	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** 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			Geography: FARGO BREMER ASSESSMENT AREAS						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MSA	536	32.31	0.00	0.00	8.26	3.54	72.89	74.07	18.86	22.39	2.02	0.00	3.55	1.94	2.04
North Dakota Non-MSA	382	23.03	0.00	0.00	7.71	6.28	75.23	78.80	17.06	14.92	3.74	0.00	3.54	4.73	1.21
Minnesota Non- MSA	735	44.30	0.00	0.00	7.28	10.88	92.72	89.12	0.00	0.00	5.99	0.00	9.00	5.88	0.00
Limited Review:															
Bismarck MSA	6	0.36	0.00	0.00	19.62	16.67	69.12	66.67	11.26	16.67	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** 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															Geography: FARGO BREMER ASSESSMENT AREAS					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Fargo ND-MN MSA	20	46.51	0.00	0.00	30.13	25.00	60.36	75.00	9.51	0.00	9.26	0.00	7.14	12.12	0.00									
North Dakota Non-MSA	18	41.86	0.00	0.00	13.61	11.11	76.72	72.22	9.68	16.67	31.58	0.00	33.33	26.67	100.00									
Minnesota Non-MSA	3	6.98	0.00	0.00	13.79	33.33	86.21	66.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Bismarck MSA	2	4.65	0.00	0.00	4.08	0.00	84.44	100.00	11.48	0.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2010 Peer Mortgage Data (USPR)

** 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: FARGO BREMER ASSESSMENT AREAS						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011						
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:															
Fargo ND-MN MSA	1,267	35.49	0.00	0.00	22.48	27.47	58.95	54.85	18.56	17.68	6.19	0.00	6.50	7.25	4.91
North Dakota Non-MSA	1,490	41.74	0.00	0.00	7.32	16.71	77.38	72.21	15.30	11.07	13.99	0.00	31.49	14.70	10.39
Minnesota Non-MSA	777	21.76	0.00	0.00	11.56	24.97	88.44	75.03	0.00	0.00	11.45	0.00	7.14	13.00	0.00
Limited Review:															
Bismarck MSA	36	1.01	0.00	0.00	19.30	36.11	68.43	55.56	12.27	8.33	0.32	0.00	1.00	0.21	0.00

* Based on 2010 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 (2011).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: FARGO BREMER ASSESSMENT AREAS						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
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:															
Fargo ND-MN MSA	652	12.90	0.00	0.00	5.37	0.61	83.08	93.56	11.55	5.83	21.80	0.00	7.69	23.23	13.33
North Dakota Non-MSA	4,047	80.04	0.00	0.00	5.17	6.30	82.35	84.43	12.49	9.27	71.15	0.00	86.57	72.35	60.45
Minnesota Non- MSA	314	6.21	0.00	0.00	7.07	25.48	92.93	74.52	0.00	0.00	19.39	0.00	86.67	16.40	0.00
Limited Review:															
Bismarck MSA	43	0.85	0.00	0.00	29.84	25.58	62.20	34.88	7.96	39.53	8.18	0.00	3.70	2.99	50.00

* Based on 2010 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 (2011).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FARGO BREMER ASSESSMENT AREAS						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011							
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 4	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MSA	534	44.35	17.69	14.91	18.73	31.41	26.50	28.23	37.08	25.45	4.40	4.92	5.54	4.15	3.37
North Dakota Non-MSA	386	32.06	17.22	8.61	18.52	23.74	24.49	24.33	39.77	43.32	4.03	6.98	3.88	3.56	4.20
Minnesota Non-MSA	269	22.34	19.78	13.36	21.38	22.90	25.71	25.19	33.13	38.55	7.48	11.54	6.25	5.23	7.77
Limited Review:															
Bismarck MSA	15	1.25	17.38	0.00	18.54	20.00	27.27	46.67	36.81	33.33	0.19	0.00	0.17	0.47	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 8.1% of loans originated and purchased by bank.

4 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		Geography: FARGO BREMER ASSESSMENT AREAS								Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011					
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 ⁵	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MSA	30	12.99	17.69	3.85	18.73	23.08	26.50	30.77	37.08	42.31	0.96	0.00	1.60	0.00	1.53
North Dakota Non-MSA	56	24.24	17.22	10.00	18.52	18.00	24.49	30.00	39.77	42.00	3.35	5.56	3.75	4.90	2.13
Minnesota Non-MSA	143	61.90	19.78	10.00	21.38	21.43	25.71	30.00	33.13	38.57	12.92	23.08	22.86	13.33	7.92
Limited Review:															
Bismarck MSA	2	0.87	17.38	0.00	18.54	0.00	27.27	0.00	36.81	100.00	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 6.3% of loans originated and purchased by bank.

5 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			Geography: FARGO BREMER ASSESSMENT AREAS				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011					Market Share*				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families**	% BANK Loans****	% Families ⁶	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Fargo ND-MN MSA	536	32.31	17.69	3.64	18.73	22.27	26.50	31.91	37.08	42.18	2.27	1.50	2.43	2.86	1.95	
North Dakota Non-MSA	382	23.03	17.22	3.01	18.52	15.57	24.49	30.05	39.77	51.37	4.42	4.35	5.65	5.06	3.81	
Minnesota Non-MSA	735	44.30	19.78	10.00	21.38	19.73	25.71	28.63	33.13	41.64	6.92	8.53	8.40	8.19	5.75	
Limited Review:																
Bismarck MSA	6	0.36	17.38	0.00	18.54	66.67	27.27	16.67	36.81	16.67	0.00	0.00	0.00	0.00	0.00	

* Based on 2010 Peer Mortgage Data (USPR)

** 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 6.0% of loans originated and purchased by bank.

⁶ 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		Geography: FARGO BREMER ASSESSMENT AREAS			Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011				
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:									
Fargo ND-MN MSA	1,267	35.49	68.65	65.43	47.75	23.52	28.73	6.19	9.23
North Dakota Non-MSA	1,490	41.74	69.98	69.26	65.23	17.38	17.38	13.99	20.08
Minnesota Non-MSA	777	21.76	73.38	75.80	71.17	16.47	12.36	11.45	14.78
Limited Review:									
Bismarck MSA	36	1.01	70.11	75.00	50.00	41.67	8.33	0.32	0.63

* Based on 2010 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 - 2011).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.32% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FARGO BREMER ASSESSMENT AREAS			Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011				
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:									
Fargo ND-MN MSA	652	12.90	97.31	80.21	57.52	27.15	15.34	21.80	23.54
North Dakota Non-MSA	4,047	80.04	99.10	90.49	72.30	18.85	8.85	71.15	76.68
Minnesota Non-MSA	314	6.21	98.29	89.81	73.25	18.79	7.96	19.39	24.79
Limited Review:									
Bismarck MSA	43	0.85	99.07	100.00	76.74	20.93	2.33	8.18	11.11

* Based on 2010 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 - 2011).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.58% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FARGO BREMER ASSESSMENT AREAS				Evaluation Period: JANUARY 1, 2008 TO JUNE 30, 2012			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Fargo ND- MN MSA	0	0	79	2,922	79	2,922	38.54	0	0
North Dakota Non-MSA	0	0	54	1,273	54	1,273	26.34	0	0
Minnesota Non-MSA	0	0	40	1,388	0	0	19.51	0	0
Limited Review:									
Bismarck MSA	0	0	15	671	15	671	7.32	0	0
Regional or Statewide	0	0	17	137	17	137	8.29	0	0

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: FARGO BREMER ASSESSMENT AREAS																	
Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011																	
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:																	
Fargo ND-MN MSA	32.0	5	100.0	0.00	20.0	80.0	0.00	0	1	0	0	1	0	0.00	16.18	67.69	16.12
North Dakota Non-MSA	51.20	10	100.0	0.00	20.0	80.0	0.00	0	1	0	0	1	0	0.00	9.30	75.50	15.19
Minnesota Non-MSA	16.50	2	100.0	0.00	50.0	50.0	0.00	0	0	0	0	0	0	0.00	8.55	91.45	0.00
Limited Review:																	
Bismarck MSA	0.30	1	100.0	0.00	0.00	100	0.00	1	0	0	0	1	0	0.00	17.05	71.16	11.79

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System				Geography: FARGO BREMER ASSESSMENT AREAS				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2011									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Fargo ND-MN MSA	32.00	5	27.8	0.00	20.0	80.0	0.00	7	26.90	0	1	6	0	0.00	16.18	67.69	16.12
North Dakota Non-MSA	51.20	10	55.6	0.00	20.0	70.0	10.0	12	23.10	0	2	9	1	0.00	9.30	75.50	15.19
Minnesota Non-MSA	16.50	2	11.1	0.00	50.0	50.0	0.00	6	46.20	0	4	2	0	0.00	8.55	91.45	0.00
Limited Review:																	
Bismarck MSA	0.30	1	5.6	0.00	0.00	100	0.00	1	3.80	0	0	1	0	0.00	17.05	71.16	11.79

