



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Bremer Bank, National Association
Charter Number 23295

3100 S. Columbia Road
Grand Forks, ND 58201

Office of the Comptroller of the Currency

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

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **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			
High Satisfactory	X	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 Grand Forks ND-MN Multistate assessment area and excellent in the state of Minnesota and North Dakota. Lending within the bank’s designated assessment areas is good with 76% of all bank loans made in one of those areas.
- The bank provides an overall good level of qualified investments. Qualified investments are primarily from charitable contributions that provide services to low- and moderate-income persons and promote economic development in the assessment areas.
- 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 the assessment area. Bremer’s delivery systems are readily accessible to low- and moderate-income individuals.

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: 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

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

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

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

Bremer Bank, National Association (Bremer) is an \$898 million interstate bank headquartered in Grand Forks, 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 nine locations with the main office and one branch located in Grand Forks, North Dakota. The other locations are Gilby, Larimore, Grafton, and Fordville in North Dakota. There are three branches in Crookston, Fisher, and Warren in Minnesota. No mergers or acquisitions took place during this evaluation period.

As of December 31, 2011, net loans totaled \$685 million, representing 76% of total assets. The bank's loan-to-deposit ratio was 98% and Tier 1 Capital totaled \$74 million. Loan portfolio composition consist of commercial (19%), residential real estate (51%), agriculture (27%), and consumer (3%) loans.

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

Bremer received a Satisfactory rating on its last CRA examination dated June 1, 2009.

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, 2009 through December 31, 2011. Products reviewed under the Lending Test include home mortgage, small business, and small farm loans. We used 2010 peer lending data for small business, small farms, and HMDA to compare Bremer's lending performance to other reporting lenders in the AAs. 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 3,468 loans totaling \$383 million. These account for 61% of loans evaluated. During the same time period, home mortgage loans represented 23% and small loans to businesses represented 16%.

The evaluation period for community development loans, investments and services is January 1, 2009 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 (FDIC) annually, to determine the bank's deposit market share and market presence within its AAs. The most recent deposit information available was 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 (MSA) where the bank has an office, a sample of AAs within that state/multistate metropolitan area was selected for full-scope reviews. Refer to the "Scope" section under each state and multistate metropolitan area rating section for details regarding how the areas were selected.

Ratings

The bank's overall rating is a blend of the multistate metropolitan area rating and state ratings in which Bremer has branch offices. We placed the most weight on the bank's performance in the Grand Forks ND-MN MSA because it represented 76% of the bank's total deposit base and 60% of reported loan originations and purchases during the evaluation period. The Minnesota non-MSA AA had 9% of the deposits and 26% of reported loans. The North Dakota non-MSA AA had 15% of deposits and 14% 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

Grand Forks ND-MN Multistate Metropolitan Statistical Area

CRA rating for the Grand Forks ND-MN MSA AA¹: High Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include:

- Bremer's volume of lending in the Grand Forks ND-MN MSA is good. This is based on good borrower distribution 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 good accessibility to products and services and an excellent level of employee participation in community development services.

Description of Institution's Operations in Grand Forks ND-MN Multistate Metropolitan Area

Bremer's Grand Forks ND-MN MSA consists of Grand Forks County in North Dakota and Polk County in Minnesota. The AA encompasses the entire MSA which is comprised of 27 census tracts. One tract is low-income and two tracts are moderate-income. Bremer maintains six full-service branch locations and seven automated teller machines (ATMs) in this AA.

The activity in the Grand Forks ND-MN MSA accounts for 76% of the bank's total deposits and 60% of total loan originations. Small loans to farms are the primary credit product representing 47% by number and 43% by dollar, of all originations.

Based on the FDIC Summary of Deposit report dated June 30, 2011, Bremer maintained \$528 million or 24% of deposits in the AA. This is the highest out of 21 financial institutions with a presence in the AA. Major competitors include Alerus Financial, NA and U.S. Bank which accounted for 20% and 10%, respectively, of the deposit market share.

Refer to the market profile for the Grand Forks ND-MN MSA in Appendix C for detailed demographics and other performance context information for AAs 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 Grand Forks ND-MN Multistate Metropolitan Area

The scope of evaluation of the Grand Forks 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 Bremer's Grand Forks ND-MN MSA AA. For our evaluation, we placed the most weight on Bremer's small farm lending in the AA based on volume. This is followed by home mortgage, then small loans to businesses.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in the Grand Forks 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 Grand Forks 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 Grand Forks 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 largest deposit share of the 21 financial institutions within its AA, representing 24% percent of aggregate deposits and totaling \$528 million.

Bremer originated 1,061 home mortgage loans totaling \$126 million during the evaluation period. Based on 2010 HMDA information, Bremer had 10% of the market share and ranked fourth out of 111 financial institutions that reported HMDA loans.

During the evaluation period, Bremer originated 721 small loans to businesses totaling \$130 million and 1,597 small loans to farms totaling \$190 million. The bank ranks first among 31 financial institutions in overall market share with 60% in 2010 for reportable business and farm loans.

For the Lending Test in the Grand Forks ND-MN MSA, small loans to farms account for 47% of total loans originated, and therefore, will receive the greatest weight in the analysis. Home mortgage loans account for 31% and small loans to businesses account for 22% 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 56% and 40% 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 Grand Forks 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 good. The percentage of Bremer's small loans to farms in moderate-income geographies exceeds the percentage of farms located in those tracts. In addition, the bank's market share is comparable to the overall market share. The bank does not have any loans to farms in the low-income geography, but this performance is mitigated due to this area having only one farm.

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the Grand Forks 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 good overall. In the Grand Forks ND-MN MSA home refinance and home purchase are above the percent of owner-occupied units in the low-income tracts. Bremer did not make any home improvement loans in these geographies during the evaluation period. The bank's performance in the moderate-income for home refinance and home purchase is somewhat below the demographic information. For home improvement loans, Bremer exceeds the percent of owner-occupied units in the moderate-income tracts. The bank's market share exceeds the overall market share for home purchase loans in the low-income geography. Bremer's geographic distribution for multi-family loans is significantly higher than the percentage of units in moderate-income tracts. However, the distribution in the low-income tract is lower. Overall, performance is considered to be good.

Small Loans to Businesses

Refer to Table 6 in the Grand Forks 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 Grand Forks ND-MN MSA AA is adequate. The percentage of small loans to businesses in low- and moderate-income geographies is below the percentage of businesses located in those geographies. Bremer's market share of small loans to businesses in moderate-income geographies is comparable to 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 Grand Forks ND-MN MSA.

Distribution of Loans by Income Level of the Borrower

Small Loans to Farms

Refer to Table 12 in the Grand Forks 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 Grand Forks ND-MN MSA is adequate. Loans to farms with revenues of \$1 million or less is somewhat lower than the percentage of small farms with revenues of \$1 million or less in the Grand Forks ND-MN MSA. However, Bremer's market share to small farms is slightly above the overall market share.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the Grand Forks 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 Grand Forks ND-MN MSA reflects excellent 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 refinance and home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank's distribution of home improvement loans to moderate-income borrowers is comparable to the demographics of 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 13% and the difficulty these borrowers have in qualifying for home mortgage related loans. Bremer's market share exceeds the overall market share for home purchase loans to low-income borrowers and home refinance loans to moderate-income borrowers.

Small Loans to Businesses

Refer to Table 11 in the Grand Forks 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 Grand Forks 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 Grand Forks ND-MN MSA. Bremer's market share to businesses with revenues of \$1 million or less is greater than the overall market share.

Community Development Lending

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

Community development lending had a neutral impact on lending performance in the Grand Forks ND-MN AA. The bank originated three loans totaling \$300 thousand that provide affordable housing to low- and moderate-income individuals.

Product Innovation and Flexibility

The bank offers various lending programs with flexible features to help meet the needs of the AA. These programs include the Beginning Entrepreneur Program and PACE financing assisting in small business and economic development and first time homebuyer programs.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank’s performance under the Investment Test in the Grand Forks ND-MN MSA is rated “Low Satisfactory”. Based on the full-scope review, the bank’s performance is adequate.

Bremer’s level of investments in the Grand Forks ND-MN MSA is adequate given the bank’s opportunity for making investments in the AA. Bremer made 51 qualified grants and donations totaling \$1.1 million during the evaluation period. This equates to 1.96% of the bank’s allocated Tier One Capital for the AA.

The bank’s qualified investments consisted primarily of charitable contributions to various organizations that provide community services targeted to low- and moderate-income individuals.

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 the Grand Forks ND-MN MSA is rated “High Satisfactory”. Based on a full-scope review, the bank’s performance in the Grand Forks MSA is good.

Retail Banking Services

Refer to Table 15 in the “Multistate Metropolitan Area(s)” section of Appendix D for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.

Bremer’s delivery systems are reasonably accessible to individuals of different income levels and in geographies of different income levels in the Grand Forks ND-MN MSA AA. Bremer maintains six full-service branch locations and seven ATMS in the Grand Forks ND-MN MSA. There is one low-income geography, which includes the University of North Dakota (UND), and two moderate-income geographies. During the evaluation period, Bremer closed eight ATMs that were located at the University in a low-income geography. This was due to the expiration of a contract with UND. The locations of additional ATMs are reasonably accessible to individuals living in this geography.

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

In addition to the bank’s ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, online banking (*eBank*), and bank by mail. In addition, the bank has a contract with AT&T to provide language interpretation services. This service is available 24 hours per day, seven days per week.

Community Development Services

Bremer provided an excellent level of community development services in the Grand Forks ND-MN MSA AA. This is based on the opportunities in the AA and the type of organizations that benefit from the services provided.

Sixty-three bank employees provided their financial expertise to 23 organizations that promote community development initiatives in the AA. These organizations primarily utilize the employee’s expertise to facilitate community education designed to enhance the economic development by serving as a board of directors to assist with economic growth in the area. In addition, Bremer has a full-time Non-Profit Resource Specialist. This person is responsible for working with the various non-profit organizations to provide training, education, and career building opportunities. This position has been instrumental in assisting with obtaining funding for organizations that focus on providing community services to low- and moderate-income individuals. This position also conducts research to identify opportunities where the bank and its employees can help with volunteer needs of the community, ensuring that the appropriate products and services are available where the biggest impact can be made.

State Rating

State of Minnesota

CRA Rating for Minnesota²: Outstanding

The lending test is rated: Outstanding

The investment test is rated: Outstanding

The service test is rated: Outstanding

The major factors that support this rating include:

- Bremer's volume of lending in the state of Minnesota is excellent. This is based on good borrower distribution of loans, a good level of lending within the designated AA, and is a leader in community development lending.
- 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 as a leader in providing community development services to organizations in the AA.

Description of Institution's Operations in Minnesota

Bremer's Minnesota non-MSA AA consists of Marshall County. Bremer maintains one full-service branch and one ATM in this AA.

The activity in the state of Minnesota accounts for 9% of the bank's total deposits and 26% of total loan originations. Small loans to farms are the primary credit product representing 87% by number and 85% by dollar, of all loan originations.

Based on the FDIC Summary of Deposit report as of June 30, 2011, Bremer maintained \$64 million or 29% of the deposits in the AA. This is ranked first out of eight institutions with a presence in the AA. Major competitors include Frandsen Bank and Trust and United Valley Bank with deposit market share of 17.9% and 11.6%, respectively.

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

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 Minnesota

We performed a full-scope review of Bremer's Minnesota non-MSA AA. For our evaluation, we gave the most weight to Bremer's loans to small farms in the Minnesota non-MSA AA based on volume. This is followed by loans to small businesses, then home mortgage loans. 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 full-scope reviews, 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 largest deposit share of the eight financial institutions within its AA, representing 29% percent of aggregate deposits and totaling \$64 million.

Bremer originated 88 home mortgage loans totaling \$7.5 million during the evaluation period. Based on 2010 HMDA information, Bremer had 19.35% of the market share and ranked first out of 186 financial institutions that reported HMDA loans.

During the evaluation period, Bremer originated 99 small loans to businesses totaling \$13 million and 1,280 small loans to farms totaling \$119 million. The bank ranks first among 15 financial institutions in overall market share with 78% in 2010 for reportable business and farm loans.

For the Lending Test in the Minnesota non-MSA AA, small loans to farms account for 87% of total loans originated, and therefore, will receive the greatest weight in the analysis. Small loans to businesses account for 7% and home mortgage loans account for 6% 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 69% and 29% by number, of Bremer's home mortgage loans, respectively. An analysis of home improvement and multi-family housing is not meaningful due to the low volume of this loan type.

Distribution of Loans by Income Level of the Geography

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

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 its designated AA. A total of 83% of all loans were originated or purchased within the AA. By product type, 79% of home loans, 81% of small business loans, and 84% 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 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.

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 significantly higher than the overall market share.

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 good penetration among home mortgage loan customers of different incomes. This rating includes consideration of the 11% 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 to moderate-income borrowers and home purchase loans to low-income borrowers is comparable to the percentage of the families in the AA. Bremer's home refinance loans to low-income families are below the demographic information. This is expected due to the difficulty of low-income families qualifying for home mortgage related loans. Bremer market share for moderate-income borrowers exceeds the overall market share for these mortgage loan types.

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 non-MSA AA area has a positive impact on the bank's overall lending performance. The bank originated five community development loans to one entity totaling \$675 thousand addressing the credit needs for affordable housing and economic development. This volume of community development lending constitutes 9.52% of Tier One Capital.

Product Innovation and Flexibility

Bremer offers lending programs with flexible options to meet the credit needs of the AA. These include first time home buyer assistance programs through Minnesota housing agencies.

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 36 qualified investments totaling \$864 thousand during the evaluation period. In addition, the bank made 8 investments totaling \$61 thousand that benefit a broader regional area of Minnesota that includes the bank's AA. The combined volume of community development investments constitutes 12% of the AA's allocated 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 Ingenuity Frontier, Northland Community and Technical College, Occupational Development Center, Inc., North Valley Health Center in Warren, and the Stephen Economic Development Authority.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Retail Banking Services

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

Bremer's delivery systems are reasonably accessible to individuals of different income levels in the AA. Bremer operates one full-service branch and one ATM in this AA. There are no low- or moderate-income geographies in this AA. The bank did not close any branch locations 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 standard banking products and services to meet the needs of the AA. A drive-up facility offers extended banking hours.

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

Community Development Services

Bremer provides an excellent level of community development services in the Minnesota AA. In the single branch location, nine bank employees provided their financial expertise to five organizations that promote community development initiatives in the AA. These organizations utilize the employee's expertise to enhance the economic development through serving on the board of organizations that provide technical assistance on financial matters to small businesses and assists with obtaining needed funds.

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

State Rating

State of North Dakota

CRA Rating for North Dakota³: **Outstanding**

The lending test is rated: Outstanding

The investment test is rated: Low Satisfactory

The service test is rated: Outstanding

The major factors that support this rating include:

- Bremer's volume of lending in the state of North Dakota is excellent. This is based on good borrower distribution of loans, an excellent level of lending within the designated AA, and a leader in community development lending.
- 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 good accessibility to products and services and as a leader in providing community development services to organizations in the AA.

Description of Institution's Operations in North Dakota

Bremer's North Dakota non-MSA AA consists of Pembina and Walsh Counties. Bremer maintains two full-service branch locations and one ATM machine in the AA.

The activity in the state of North Dakota accounts for 15% of the bank's total deposits and 14% of total loan originations. Small loans to farms are the primary credit product representing 73% by number and 78% by dollar, of all loan originations.

As of June 30, 2011, Bremer maintained 15% of the total deposits in the AA, which ranks second out of the twelve financial institutions with a presence in the AA.

Based on the FDIC Summary of Deposit report as of June 30, 2011, Bremer maintained \$103 million or 14% of the deposits in the AA. This is ranked second out of twelve institutions with a presence in the AA. Major competitors include Choice Financial Group and First United Bank with deposit market shares of 20% and 14%, respectively.

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

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 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 loans to farms in the North Dakota non-MSA AA based on volume. This was followed by home mortgage, then small loans to businesses. 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 "Outstanding". Based on a full-scope review, the bank's performance in the North Dakota non-MSA AA is excellent.

Lending Activity

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

Lending levels reflect excellent responsiveness in relation to area credit needs and the bank's deposit market share. Bremer has the second largest deposit share of the 12 financial institutions within its AA, representing 14% percent of aggregate deposits and totaling \$103 million.

Bremer originated 121 home mortgage loans totaling \$7 million during the evaluation period. Based on 2010 HMDA information, Bremer had 17% of the market share and ranked first out of 28 financial institutions that reported HMDA loans.

During the evaluation period, Bremer originated 100 small loans to businesses totaling \$14 million and 591 small loans to farms totaling \$74 million. The bank ranks first among 20 financial institutions in overall market share with 58% 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 73% of total loans originated, and therefore, will receive the greatest weight in the analysis. Home mortgage loans account for 15% and small loans to businesses account for 12% 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 57% and 36% by number of Bremer's home mortgage loans, respectively. An analysis of multi-family housing is not meaningful due to no loan origination of this type during the evaluation period.

Distribution of Loans by Income Level of the Geography

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

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 its designated AA. A total of 95% of all loans were originated or purchased within the AA. By product type, 95% of home loans, 97% of small business loans, and 94% 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 adequate. Loans to farms with revenues of \$1 million or less is somewhat lower than the percentage of small farms with revenues of \$1 million or less in the Minnesota non-MSA AA. In addition, Bremer's market share to small farms is lower 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 excellent penetration among home mortgage loan customers of different incomes. This rating includes consideration of the 11% poverty level of the AA.

Bremer's distribution of all home mortgage types to moderate-income borrowers exceeds the percentage of these families in the AA. The percentage of all home mortgage types to low-income borrowers is comparable to the demographic information of the AA. Bremer market share for low- and moderate-income borrowers either exceeds or is comparable to the overall market share for all mortgage loan types.

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 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 North Dakota non-MSA AA. In addition, Bremer's market share to businesses with revenues of \$1 million or less is higher than the overall market share.

Community Development Lending

Refer to Table 1 Lending Volume in the state of North Dakota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all 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 performance in the North Dakota non-MSA AA is relatively high given the volume of loans and responsiveness to the identified credit needs of affordable housing and economic development. The bank originated five loans to two entities totaling \$460 thousand that provide affordable housing to low- and moderate-income individuals. This volume of community development lending constitutes 4.05% of Tier One Capital.

Product Innovation and Flexibility

Bremer offers lending programs with flexible options to meet the credit needs of the AA. These include first time home buyer assistance programs through North Dakota housing agencies.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

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

Bremer's level of investments in the North Dakota non-MSA AA is adequate given the bank's opportunities for investments in the AA. The bank made 17 qualified investments in the AA totaling \$76 thousand. This equates to 0.67% of the bank's allocated Tier One Capital for the AA.

The bank's qualified investments consist primarily of charitable donations to various 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. Some examples include the Domestic Violence and Abuse Center in Grafton and the Farm Rescue program.

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 reasonably accessible to individuals of different income levels in the AA. Bremer operates two full-service branch locations and one ATM machine in the AA. During the evaluation period, the bank closed two branch locations due to the security risk to the bank employees. These locations were limited in services and operated by one employee each. Both locations were in middle-income geographies. Bank customers in these locations were informed of alternative banking solutions to provide continued service. There are no low- or moderate-income geographies in this AA.

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

In addition to the bank's ATM network, Bremer offers a variety of alternative delivery systems including telephone banking, computer banking (*eBank*), and bank by mail. During this evaluation period, the bank began offering interpretive language services through AT&T, remote deposit, and a rebate program for ATM fees. These services are to further meet the needs of the bank's customers.

Community Development Services

Bremer is a leader in providing community development services in the North Dakota non-MSA AA. Twelve bank employees provided their financial expertise to ten different organizations that provide social services to low- and moderate-income people and promote community development initiatives in the AA. These organizations utilize the employees expertise to facilitate community education designed to help reduce poverty in rural communities faced with economic decline, and to enhance the economic development by serving on the board of directors to assist with the economic expansion in the area.

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

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): (01/01/2009 to 12/31/2011) CD Loans, Investment and Service Tests: (01/01/2009 to 06/30/2012)	
Financial Institution	Products Reviewed	
Bremer Bank, National Association (Bremer) Grand Forks, ND	Small Business, Small Farm, Home Mortgage, and Community Development Loans; Qualified Investments; Community Development Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Otto Bremer Foundation (Foundation)	Holding Company	Qualified Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Grand Forks North Dakota- Minnesota MSA #24220	Full-Scope	Grand Forks County in North Dakota; Polk County in Minnesota
Minnesota: Minnesota non-MSA	Full-Scope	Marshall County in Minnesota
North Dakota: North Dakota non-MSA	Full-Scope	Walsh and Pembina Counties in North Dakota

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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

Grand Forks ND-MN Multistate Metropolitan Area

Demographic Information for Full-Scope Area: Grand Forks ND-MN MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	3.70	7.41	70.37	18.52	0.00
Population by Geography	97,478	5.13	6.27	70.35	18.25	0.00
Owner-Occupied Housing by Geography	22,582	0.09	1.58	75.52	22.81	0.00
Businesses by Geography	10,461	2.34	3.17	70.60	23.89	0.00
Farms by Geography	1,030	0.10	0.58	79.51	19.81	0.00
Family Distribution by Income Level	23,881	17.59	19.53	25.02	37.85	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	8,866	4.15	8.82	77.22	9.81	0.00
Median Family Income	= \$45,777	Median Housing Value		=		
HUD Adjusted Median Family Income for 2011	= \$63,800	Unemployment Rate		=	\$80,357	
Households Below the Poverty Level	= 13%			=	2.49%	

(*) 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 Grand Forks AA consists of the entire Grand Forks North Dakota-Minnesota Multistate MSA. The AA complies with the regulation and does not arbitrarily exclude any low- or moderate-income geographies. As of June 30, 2011, Bremer had \$528 million in deposits in this AA and ranked first out of 21 institutions with a presence in the AA in deposit market share.

The primary industries in the Grand Forks ND-MN MSA AA are education, health services, recreation, and retail trade. Major employers include the University of North Dakota, Altru Health Systems, Grand Forks Air Force Base, and the Grand Forks public school district. Unemployment in the AA in 2011 was 4.6% which is below the Minnesota state rate of 6.4% and above the North Dakota rate of 3.5%. All are below the national unemployment rate of 8.9%.

Community and credit needs in the AA include affordable housing programs and small business funding. Opportunities to participate in community development activities are available in this AA.

State of Minnesota

Minnesota Non-MSA

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)	4	0.00	0.00	100.00	0.00	0.00
Population by Geography	10,155	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	3,437	0.00	0.00	100.00	0.00	0.00
Businesses by Geography	1,165	0.00	0.00	100.00	0.00	0.00
Farms by Geography	300	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	2,859	20.25	20.15	28.61	30.99	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	1,155	0.00	0.00	100.00	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below the Poverty Level	= \$45,608 = \$59,200 = 11%	Median Housing Value Unemployment Rate				\$53,194 4.26%

(*) 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 Minnesota AA consists of Marshall County in Minnesota. The AA complies with the regulation and does not arbitrarily exclude any low- or moderate-income geographies. All four census tracts in this AA were considered to be distressed and underserved in 2011 due to population loss and being in a remote and rural location. As of June 30, 2011, Bremer had \$64 million in deposits in this AA and ranked first out of eight institutions with a presence in the AA in deposit market share. This AA represents 0.19% of the 2010 state population.

The primary industries in the Minnesota non-MSA AA are agriculture, health services, and manufacturing. Major employers include county offices, the local school district, North Valley Health Center, and Arctic Cat. Unemployment in the AA in 2011 was 8.1% which is above the Minnesota state rate of 6.4% but below the national unemployment rate of 8.9%.

Identified community and credit needs in the AA include affordable housing programs and small farm funding. Opportunities to participate in community development activities are available in this AA.

State of North Dakota

North Dakota Non-MSA

Demographic Information for Full-Scope Area: Grand Forks ND-MN MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	11	0.00	0.00	81.82	18.18	0.00
Population by Geography	20,974	0.00	0.00	84.70	15.30	0.00
Owner-Occupied Housing by Geography	6,632	0.00	0.00	84.67	15.33	0.00
Businesses by Geography	2,857	0.00	0.00	82.43	17.57	0.00
Farms by Geography	606	0.00	0.00	86.63	13.37	0.00
Family Distribution by Income Level	5,690	14.62	16.92	26.08	42.37	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	1,795	0.00	0.00	87.63	12.37	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below the Poverty Level	= \$39,651 = \$63,000 = 11%		Median Housing Value Unemployment Rate		= \$52,288 = 2.82%	

(*) 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 North Dakota AA consists of Pembina and Walsh Counties in North Dakota. The AA complies with the regulation and does not arbitrarily exclude any low- or moderate-income geographies. All of Pembina County is considered to be distressed and underserved in 2011 due to population loss and being in a remote, rural location. Walsh County is considered distressed due to population loss. As of June 30, 2011, Bremer had \$103 million in deposits in this AA and ranked second out of twelve institutions with a presence in the AA in deposit market share. This AA represents 3.12% of the 2010 state population.

The primary industries in the North Dakota non-MSA AA are agriculture, retail trade, manufacturing, and construction. Major employers include local school districts, Marvin Windows and Doors and Unity Christian Hospital. Unemployment in Pembina and Walsh Counties were 7.1% and 5.5%, respectively in 2011 which is above the North Dakota state rate of 3.5% but below the national unemployment rate of 8.9%.

Identified community and credit needs in the AA include affordable housing programs and small farm funding. Opportunities to participate in community development activities are available in this AA.

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

Grand Forks ND-MN Multistate Metropolitan Area

State of Minnesota

State of North Dakota

Table 1. Lending Volume

LENDING VOLUME 2011		Geography: BREMER GF FULL REVIEW						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31,				
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:												
Grand Forks ND-MN MSA	59.72	1,061	126,092	721	129,760	1,597	189,744	3	300	3,382	445,896	24.29
Minnesota Non-MSA	25.93	88	7,509	99	12,950	1,280	118,640	5	675	1,472	139,774	28.89
North Dakota Non-MSA	14.35	121	7,336	100	14,116	591	74,182	5	460	817	96,094	14.36

* 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, 2009 to December 31, 2011.

*** Deposit Data as of June 20, 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 DECEMBER 31, 2011			Geography: BREMER GF FULL REVIEW						Evaluation Period: JANUARY 1, 2009 TO						
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:															
Grand Forks ND-MN MSA	421	85.92	0.09	0.71	1.58	0.71	75.52	73.40	22.81	25.18	10.35	25.00	3.57	11.32	8.50
Minnesota Non-MSA	25	5.10	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	17.19	0.00	0.00	17.19	0.00
North Dakota Non-MSA	44	8.98	0.00	0.00	0.00	0.00	84.67	97.73	15.33	2.27	18.89	0.00	0.00	22.37	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 Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2011		Geography: BREMER GF FULL REVIEW								Evaluation Period: JANUARY 1, 2009 TO					
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Grand Forks ND-MN MSA	37	78.72	0.09	0.00	1.58	2.70	75.52	91.89	22.81	5.41	4.03	0.00	0.00	5.95	0.00
Minnesota Non-MSA	2	4.26	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	7.69	0.00	0.00	7.69	0.00
North Dakota Non-MSA	8	17.02	0.00	0.00	0.00	0.00	84.67	100.00	15.33	0.00	13.33	0.00	0.00	17.39	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 DECEMBER 31, 2011			Geography: BREMER GF FULL REVIEW						Evaluation Period: JANUARY 1, 2009 TO						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Grand Forks ND-MN MSA	590	81.94	0.09	0.17	1.58	0.34	75.52	73.22	22.81	26.27	10.83	0.00	0.00	12.66	8.10
Minnesota Non-MSA	61	8.47	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	22.02	0.00	0.00	22.02	0.00
North Dakota Non-MSA	69	9.58	0.00	0.00	0.00	0.00	84.67	100.00	15.33	0.00	27.87	0.00	0.00	32.69	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 DECEMBER 31, 2011		Geography: BREMER GF FULL REVIEW						Evaluation Period: JANUARY 1, 2009 TO							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa II	Low	Mod	Mid	Upp
Full Review:															
Grand Forks ND-MN MSA	13	100.00	7.01	23.08	3.65	0.00	80.23	61.54	9.11	15.38	17.39	0.00	0.00	17.39	0.00
Minnesota Non-MSA	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Dakota Non-MSA	0	0.00	0.00	0.00	0.00	0.00	84.60	0.00	15.40	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 DECEMBER 31, 2011			Geography: BREMER GF FULL REVIEW								Evaluation Period: JANUARY 1, 2009 TO				
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 Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Grand Forks ND-MN MSA	721	78.37	2.34	0.55	3.17	1.66	70.60	69.21	23.89	28.57	16.82	7.69	15.15	19.65	18.75
Minnesota Non-MSA	99	10.76	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	27.73	0.00	0.00	31.13	0.00
North Dakota Non-MSA	100	10.87	0.00	0.00	0.00	0.00	82.43	96.00	17.57	4.00	9.62	0.00	0.00	11.81	2.33

* 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 DECEMBER 31, 2011			Geography: BREMER GF FULL REVIEW								Evaluation Period: JANUARY 1, 2009 TO				
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:															
Grand Forks ND-MN MSA	1,597	46.05	0.10	0.00	0.58	0.88	79.51	89.42	19.81	9.71	79.40	0.00	66.67	85.69	54.90
Minnesota Non-MSA	1,280	36.91	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	89.83	0.00	0.00	90.00	0.00
North Dakota Non-MSA	591	17.04	0.00	0.00	0.00	0.00	86.63	99.66	13.37	0.34	67.26	0.00	0.00	74.31	7.69

* 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 DECEMBER 31, 2011		Geography: BREMER GF FULL REVIEW								Evaluation Period: JANUARY 1, 2009 TO					
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:															
Grand Forks ND-MN MSA	421	85.92	17.59	11.19	19.53	26.37	25.02	26.12	37.85	36.32	11.81	14.89	9.94	9.93	14.00
Minnesota Non-MSA	25	5.10	20.25	20.00	20.15	40.00	28.61	36.00	30.99	4.00	20.00	11.76	31.58	21.43	0.00
North Dakota Non-MSA	44	8.98	14.62	11.36	16.92	20.45	26.08	31.82	42.37	36.36	20.00	7.69	13.64	23.08	29.17

* 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 3.9% 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 DECEMBER 31, 2011		Geography: BREMER GF FULL REVIEW								Evaluation Period: JANUARY 1, 2009 TO					
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:															
Grand Forks ND-MN MSA	37	78.72	17.59	3.23	19.53	16.13	25.02	48.39	37.85	32.26	3.77	0.00	4.08	8.70	0.99
Minnesota Non-MSA	2	4.26	20.25	0.00	20.15	50.00	28.61	50.00	30.99	0.00	7.69	0.00	100.00	0.00	0.00
North Dakota Non-MSA	8	17.02	14.62	12.50	16.92	37.50	26.08	25.00	42.37	25.00	14.29	50.00	14.29	12.50	9.09

* 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 12.8% 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 DECEMBER 31, 2011			Geography: BREMER GF FULL REVIEW								Evaluation Period: JANUARY 1, 2009 TO				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families ⁶	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Grand Forks ND-MN MSA	590	81.94	17.59	5.56	19.53	21.86	25.02	25.09	37.85	47.49	12.37	9.41	14.83	12.32	11.86
Minnesota Non-MSA	61	8.47	20.25	8.33	20.15	18.33	28.61	21.67	30.99	51.67	26.09	44.44	40.00	15.38	25.53
North Dakota Non-MSA	69	9.58	14.62	9.23	16.92	24.62	26.08	26.15	42.37	40.00	31.43	30.00	42.86	37.93	25.00

* 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 5.1% 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 DECEMBER 31, 2011		Geography: BREMER GF FULL REVIEW			Evaluation Period: JANUARY 1, 2009 TO				
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:									
Grand Forks ND-MN MSA	721	78.37	68.55	60.75	58.95	19.28	21.78	16.82	25.85
Minnesota Non-MSA	99	10.76	68.58	71.72	61.62	26.26	12.12	27.73	42.00
North Dakota Non-MSA	100	10.87	64.89	67.00	73.00	9.00	18.00	9.62	17.05

* 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 1.52% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2011		Geography: BREMER GF FULL REVIEW				Evaluation Period: JANUARY 1, 2009 TO			
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:									
Grand Forks ND-MN MSA	1,597	46.05	97.38	74.70	60.43	26.61	12.96	79.40	81.93
Minnesota Non-MSA	1,280	36.91	99.00	85.16	71.17	19.30	9.53	89.83	92.69
North Dakota Non-MSA	591	17.04	96.86	81.90	61.93	24.20	13.87	67.26	78.11

* 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 3.84% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 30, 2012		Geography: BREMER GF FULL REVIEW				Evaluation Period: JANUARY 1, 2009 TO JUNE			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Grand Forks ND-MN MSA	0	0	51	1,137	51	1,137	53.17	0	0
Minnesota Non-MSA	0	0	36	864	36	864	40.40	0	0
North Dakota Non- MSA	0	0	17	76	17	76	3.57	0	0
Statewide (MN)/Regional	0	0	8	61	8	61	2.86	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 1, 2009 TO JUNE 30, 2012								Geography: BREMER GF FULL REVIEW				Evaluation Period:					
MA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Grand Forks ND-MN MSA	75.9	6	100.0	0.00	0.00	100.0	0.00	0	0	0	0	0	0	5.13	6.27	70.35	18.25
Minnesota Non-MSA	9.3	1	100.0	0.00	0.00	100.0	0.00	0	0	0	0	0	0	0.00	0.00	100.0	0.00
North Dakota Non-MSA	14.8	2	100.0	0.00	0.00	100.0	0.00	0	2	0	0	2	0	0.00	0.00	84.70	15.30

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System 30, 2012				Geography: BREMER GF FULL REVIEW						Evaluation Period: JANUARY 1, 2009 TO JUNE							
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:																	
Grand Forks ND-MN MSA	75.93	6	66.67	0	0	100	0	7	77.78	0	0	100	0	5.13	6.27	70.35	18.25
Minnesota Non-MSA	9.26	1	11.11	0	0	100	0	1	11.11	0	0	100	0	0.00	0.00	100.00	0.00
North Dakota Non-MSA	14.81	2	22.22	0	0	100	0	1	11.11	0	0	100	0	0.00	0.00	84.70	15.30

