



## **PUBLIC DISCLOSURE**

February 11, 2019

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Bremer Bank, National Association  
**Charter Number 23290**

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St. Paul, MN 55102

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 **Outstanding**.

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

Performance Levels	Bremer Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	
High Satisfactory			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 Bank, National Association's (Bremer or bank) overall lending test performance is excellent. Overall, Bremer demonstrates good lending activity and good borrower income distributions of loans of the bank's home mortgage, small business, and small farm originations and purchases. The creation of new innovative products that focused on providing affordable financing for low- and moderate- income persons was excellent.
- Qualified investments were effective and responsive in helping the bank address community credit needs. The bank made a significant number of investments, grants, and donations in its assessment areas (AA).
- Overall, the banks service delivery systems are accessible to geographies and individuals in different income levels in its AAs.

See Appendix B for a summary of all ratings for all AAs.

## 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 generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 (CD):** 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the CD needs of its assessment area(s).

**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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, 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 five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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 Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) 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 thousand 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 is an interstate bank headquartered in St. Paul, Minnesota. Bremer's holding company is Bremer Financial Corporation (BFC), which is also headquartered in St. Paul, Minnesota. BFC is owned by the Otto Bremer Trust (OBT) and its employees. A majority of OBT's assets are invested in BFC. Earnings generated by BFC are distributed to support nonprofit activities in communities served by Bremer. Grants made by OBT are considered in Bremer's investment test performance. Bremer also has strategically focused on serving the banking needs of the nonprofit sector. The bank has operations throughout Minnesota, North Dakota, and Wisconsin.

As of December 31, 2017, Bremer had 12 AAs, 88 full-service branches, one limited-service (seasonal) branch, and 60 deposit-taking automated teller machines (ATM) in the states of Minnesota, North Dakota, and Wisconsin. The bank has four Multistate Metropolitan Statistical Areas (MMSA) AAs which are the Fargo, ND-MN MMSA (Fargo AA) which has four branches; the Grand Forks, ND-MN MMSA (Grand Forks AA) which has four branches; the La Crosse-Onalaska, WI-MN MMSA (LaCrosse AA) which has two branches; and the Minneapolis-St. Paul-Bloomington, MN-WI MMSA (Minneapolis AA) which has 24 branches. The State of Minnesota has four AAs with one branch located in the in the Mankato-North Mankato, MN MSA (Mankato AA), 22 branches located in the Non-MSA portion of Minnesota (MN NonMSA AA), seven branches located in the Rochester, MN MSA (Rochester AA), and five offices located in the St. Cloud, MN MSA (St. Cloud AA). In the State of North Dakota, the bank has two AAs where one branch is located in the Bismarck, ND MSA (Bismarck AA), and ten branches are located in the Non-MSA portion of North Dakota (ND NonMSA AA). In the State of Wisconsin, the bank has two AAs where one branch is located in the Eau Claire, WI MSA (Eau Claire AA) and eight branches are located in the Non-MSA portion of Wisconsin (WI Non-MSA AA). The bank's one limited-service branch is located in the State of Minnesota and is only open during the Minnesota State Fair. Refer to the Tables 1 and 15 in Appendix D for details.

Bremer is a full service financial institution offering a wide variety of loan and deposit products and services to both retail and commercial customers in addition to wealth management and investment services. An affiliate, Bremer Trust, National Association, merged into the bank effective December 31, 2018, so now the bank also offers trust services. This merger occurred outside of the evaluation period and is not included in the evaluation. Bremer's business strategy is to focus on revenue growth within existing markets and products. Bremer had \$11.9 billion in assets as of December 31, 2017, with net loans and leases representing 67 percent of those assets. The loan portfolio is comprised of approximately 69 percent commercial, 15 percent agriculture, nine percent home mortgage, and seven percent consumer loans. The tier 1 capital was \$1.001 billion as of December 31, 2016 and \$1.049 billion as of December 31, 2017.

Bremer has the following eight affiliates: BFC; Bremer Financial Services Inc.; Bremer Insurance Agencies Inc.; Bremer Trust, National Association (merged into the bank effective December 31, 2018); Bremer Business Finance Corp. (dissolved in October 2018); Bremer Statutory Trust II (BST); Bremer Captive Insurance Solutions, Inc. (BCIS); and Bremer CDE LLC. All affiliates are headquartered in St. Paul, Minnesota with the exception of BST, which is located in Wilmington, Delaware and BCIS, which is located in Las Vegas, Nevada. As noted



above, this evaluation includes consideration from OBT in evaluating Bremer's CRA performance for the investment test. No other affiliate activities were considered in evaluating Bremer's CRA performance.

Bremer also has five operating subsidiaries, which are Bremer Investors, Inc.; Bremer Sub CDE; Bremer OREO Minnesota, Inc.; Bremer OREO North Dakota, Inc.; and Bremer OREO Wisconsin, Inc. All operating subsidiaries are headquartered in St. Paul, Minnesota. This evaluation does not include consideration of any operating subsidiary activities in evaluating Bremer's CRA performance.

On January 23, 2015, Bremer acquired thirteen branches of Eastwood Bank, a privately held state bank in Rochester, MN. That acquisition is included in this evaluation. There were no mergers during the evaluation period. The evaluation period is defined in the Scope Section on page nine.

There are no known financial, legal, or other factors that would impede Bremer's ability to help meet the credit needs within its AAs.

Bremer was rated "Outstanding" at the last CRA examination dated December 30, 2015. On October 1, 2014, Bremer consolidated their nine affiliated national bank charters into a single charter. Activities from the affiliated charters were not included in the December 2015 CRA examination nor were the branches from the Eastwood Bank acquisition that occurred after the evaluation period. The 2015 examination included only the Minneapolis MSA and the Mille Lacs AA.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

#### Lending Test

The evaluation period for the Lending Test, including CD lending, is January 1, 2015 through December 31, 2017; however, two separate analysis periods were used due to changes in the census data. Small business, small farm, and home mortgage loans originated in 2015-2016 were compared to demographic data based on 2010 U.S. Census data, while loans originated in 2017 were compared to 2015 decennial census data prepared by the American Community Survey (ACS). The evaluation for the Lending Test, including CD lending, included a review of four MMSAs and three states. The MMSAs were the Minneapolis AA, the Fargo AA, the LaCrosse AA, and the Grand Forks AA. The states evaluated were Minnesota, North Dakota, and Wisconsin. In the State of Minnesota, we reviewed the Mankato AA, the MN NonMSA AA, the Rochester AA, and the St. Cloud AA. In the State of North Dakota, we reviewed the Bismarck AA and the ND NonMSA AA. In the State of Wisconsin, we reviewed the Eau Claire AA and the WI NonMSA AA.

To perform our analysis, we used home mortgage, small business, and small farm loan data collected and reported by Bremer. Home mortgage loans represented the largest portion of lending activity overall during the evaluation period with 10,574 loans totaling \$2.7 billion originated or purchased. These account for 39 percent by number and 47 percent by dollar volume of the loans evaluated. Small loans to businesses during the evaluation period accounted for 8,812 loans or nearly \$1.9 billion originated or purchased. These account for 32 percent by number and 34 percent by dollar volume of the loans evaluated. Small loans to farms during the evaluation period accounted for 7,949 loans or \$1.1 billion originated or purchased. These account for 29 percent by number and 19 percent by dollar volume of the loans evaluated.

As we completed our analysis, we placed more weight on the lending activity from 2015 through 2016 as this time period represented more loan originations and purchases overall. We also placed more weight on home mortgage loans in the Fargo AA, LaCrosse AA, Minneapolis AA and AAs within the states of Minnesota and Wisconsin since this was the predominant loan product in those AAs. Lastly, we placed more weight on loans to small farms in the Grand Forks AA and AAs within the state of North Dakota since this was the predominant loan product in those AAs. In some instances, there were very few loans of a certain loan type originated or purchased in an AA. When there were fewer than 20 loans of a certain type, no analysis was performed for that loan type because it would not have been material in the bank's overall performance.

In our analysis of geographic distribution, we reviewed the distribution of loans within the low- and moderate-income (LMI) areas in the bank's AAs. We then assessed whether there were any unexplained gaps in lending in any geographic areas within the AAs.

In our analysis of borrower distribution, we considered the level of poverty in each AA and the impact it could have on the ability of LMI families to obtain loans. Similarly, we considered housing costs relative to area incomes and the limiting affects those costs could have on the

demand for loans by lower-income families. Refer to *Appendix C: Market Profiles* for poverty levels and housing costs for each full-scope AA.

### Investment Test

The evaluation period for the Investment Test was January 1, 2015, through December 31, 2017. We gave additional consideration to the responsiveness of donations and investments to identified CD needs. We also considered investments made during prior evaluation periods that remain outstanding, although they received less consideration in this evaluation.

### Service Test

The evaluation period for the Service Test was January 1, 2015, through December 31, 2017. We primarily considered Bremer's range of products and services offered by the branches as well as the location of branches and deposit-taking ATMs. We also considered the CD services Bremer provides in its AAs.

## **Data Integrity**

Prior to starting this evaluation, we independently reviewed the accuracy of Bremer's publically-reported home mortgage, business, and farm loan data. We found the data to be reliable and used the data for this evaluation. We verified the data by testing a sample of 360 loans. Testing consisted of reviewing each data field on Bremer's' HMDA- and CRA- Loan Application Registers (LARs) and comparing its reported accuracy to the actual contents in the loan file. We found nine errors in the HMDA sample and eight errors in the CRA sample. This evaluation was based on accurate data and, as a result, those errors did not affect this evaluation.

We also independently tested the bank's CD loans, investments, and services to confirm the activities met the regulatory definition and otherwise qualified for consideration. We did not identify any concerns and consider the CD information presented in this performance evaluation to be reliable.

## **Selection of Areas for Full-Scope Review**

Bremer has four MMSA AAs, and all four were selected for full-scope review. In each state where the bank has an office, a sample of AAs within that state were selected for full-scope reviews. Refer to the "Scope" section under each MMSA and State Rating section for details regarding how the areas were selected.

## **Ratings**

The bank's overall rating is a blend of the MMSAs and state ratings. We placed the greatest weight on the Minneapolis AA and the State of Minnesota as those rating areas had the greatest volume of branches, deposits, and loans. We placed the next greatest weight on the State of North Dakota followed by the State of Wisconsin, the Grand Forks AA, and then the Fargo AA. The least amount of weight was placed on the LaCrosse AA as it was the AA where the bank originated the least amount of loans.

The MMSAs and state ratings are based primarily on those areas that received full-scope reviews. Refer to the “Scope” section under each MMSA and State Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

### **Inside/Outside Ratio**

Bremer’s ratio of lending inside its AAs is excellent. This analysis was performed at the bank level as opposed to at the AA level. The information used in this evaluation included bank originations and purchases only and does not include extensions of credit by affiliates. At the bank level, across all states, and considering all products, Bremer originated or purchased a substantial majority, or 92 percent, of its loans by number and 90 percent of its loans by dollar, inside its AAs. This analysis was performed by reviewing all loans originated on Bremer’s HMDA and CRA LARs from the January 1, 2015 through December 31, 2017.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) 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. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## Multistate Metropolitan Area Rating

### Fargo ND-MN

CRA rating for the **Fargo ND-MN<sup>1</sup>: 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:

- High Satisfactory performance under the Lending Test is based on good responsiveness to credit needs.
- Outstanding performance under the Investment Test is based on an excellent level of qualified CD investments given the bank's resources and capacity.
- High Satisfactory performance under the Service Test is based on branches that are readily accessible to geographies and individuals of different income levels and adequate involvement in CD services.

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

Bremer's Fargo AA includes the entire Fargo MMSA. In the Fargo AA, the bank has four full-service branch offices and three deposit-taking ATMs.

The FDIC Deposit Market Share Report as of June 30, 2017 shows that Bremer had \$284 million in deposits and a market share of 3.73 percent, ranking seventh out of 28 institutions. The bank's \$284 million in deposits in the Fargo AA represent 2.93 percent of the bank's total deposits in 2017. Bremer's FDIC Deposit Market Share for 2016 was similar to 2017.

During the 2015-2016 analysis period, Bremer originated 991 loans in the Fargo AA. During the 2017 analysis period, Bremer originated 429 loans in the Fargo AA. Both analysis period loan originations/purchases represent five percent of the total loan volume originated for the bank during the evaluation period.

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

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<sup>1</sup> 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**

We performed a full-scope review of the Fargo AA and rated the Fargo AA entirely on this assessment. Ratings are based primarily on results of those areas that received full-scope reviews.

Of the bank's reported loans in the Fargo AA in 2017, 38 percent are business loans, 38 percent are home mortgage loans, and 24 percent are farm loans. The greatest weight was placed on home mortgage loans followed by small business loans. The least amount of weight was placed on small farm loans. The loan distribution for 2015-2016 is similar to 2017. Refer to Appendix A: Scope of Examination for more information.

We considered information from three community organizations for this evaluation that serviced the Fargo AA. These organizations were focused on affordable housing and small business lending. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN Fargo ND-MN**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

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

#### **Lending Activity**

Refer to Tables 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, Bremer's lending activity in the Fargo AA is good.

Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked 12<sup>th</sup> with a market share of 2.74 percent out of 204 lenders reporting HMDA data in the AA. This represents 459 reportable home mortgage loans for \$157 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked 14<sup>th</sup> with a market share of 1.98 percent out of 184 lenders reporting HMDA data in the AA. This represents 164 reportable home mortgage loans for \$64 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits adequate responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked 8<sup>th</sup> with a market share of 3.70 percent out of the 68 lenders reporting data in the AA. This represents 337 reportable small loans to businesses for \$83 million. For small loans to businesses during the 2017 analysis period, Bremer ranked 10<sup>th</sup> with a market share of 3.18 percent out of 67

lenders reporting data in the AA. This represents 163 reportable small loans to businesses for \$39 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits good responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked 2<sup>nd</sup> with a market share of 16.54 percent out of the 17 lenders reporting data in the AA. This represents 195 reportable small loans to farms for \$34 million. For small loans to farms during the 2017 analysis period, Bremer again ranked 2<sup>nd</sup> with a market share of 15.33 percent out of 18 lenders reporting data in the AA. This represents 102 reportable small loans to farms for \$16 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

### **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans in the Fargo AA is adequate. The geographic distribution of home mortgage loans is adequate. The distribution of small loans to businesses is good and small loans to farms is very poor.

#### ***Home Mortgage Loans***

Refer to Table O in the "Full Scope" 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 overall geographic distribution of home mortgage loans in the Fargo AA is adequate.

Bremer's geographic distribution of home mortgage loans in 2015 through 2016 is poor. The percentage of the bank's loans originated in low-income geographies is significantly below the percentage of owner-occupied housing units and is significantly below the aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies is well below the percentage of owner-occupied housing units, but is near the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is excellent. There are no low-income geographies in 2017. The percentage of loans originated in moderate-income geographies is near the percentage of owner-occupied housing units and exceeds the aggregate lending in moderate-income geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the "Full Scope" 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 overall geographic distribution of small loans to businesses in the Fargo AA is good.



Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is good. The percentage of loans to small businesses originated in low-income geographies is below the percentage of businesses located in low-income geographies and approximates aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is excellent. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies. There are no low-income geographies in 2017.

### ***Small Loans to Farms***

Refer to Table S in the "Full Scope" 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 overall geographic distribution of small loans to farms in the Fargo AA is very poor.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is very poor. The percentage of small loans to farms originated in low-income geographies is significantly below the percentage of farms located in low-income geographies and significantly below aggregate lending. The bank did not make any loans in low-income geographies. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in moderate-income geographies, and is significantly below aggregate lending in these geographies.

Bremer's geographic distribution of small loans to farms in 2017 is very poor. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in those geographies and significantly below aggregate lending. There are no low-income geographies in 2017.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the Fargo AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

## **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending in the Fargo AA is good. The borrower distribution of home mortgage loans is excellent. The distribution of small loans to businesses is adequate and small loans to farms is good.

### ***Home Mortgage Loans***

Refer to Table P in the "Full Scope" 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.

#### Fargo AA

The overall borrower distribution of home mortgage loans in the Fargo AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

### ***Small Loans to Businesses***

Refer to Table R in the "Full Scope" 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.

#### Fargo AA

The overall borrower distribution of small loans to businesses in the Fargo AA is adequate.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is adequate. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is well below the percentage of small businesses in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is adequate. The percentage of small loans to small businesses is well below the percentage of small businesses in the AA, but exceeds aggregate lending.

### ***Small Loans to Farms***

Refer to Table T in the “Full Scope” 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.

#### Fargo AA

The overall borrower distribution of small loans to farms in the Fargo AA is good.

Bremer’s borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is below the percentage of small farms in the AA, but exceeds aggregate lending.

Bremer’s borrower distribution of small loans to farms in 2017 is adequate. The percentage of small loans to small farms is well below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the “Full Scope” section of Appendix D for the facts and data used to evaluate the bank’s level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

In the Fargo AA, Bremer made few CD loans that were responsive to community needs. This performance had a significant negative impact on the lending test in the Fargo AA.

The bank originated two CD loans in the AA during the 2015-2016 evaluation period, totaling \$86 thousand, or 0.28 percent of allocated tier 1 capital. Bremer did not make any CD loans in 2017. The two loans originated supported community services in the AA and aided in the reduction of poverty and homelessness.

### **Product Innovation and Flexibility**

Bremer makes extensive use of innovative or flexible lending practices to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time homeowners, interest-free deferred loans, and/or assistance with closing costs. Innovative and flexible lending products had a significant positive impact on of lending test for the Fargo AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the investment test in Fargo AA is rated Outstanding. Based on a full-scope review, the bank’s performance is excellent.

The volume of qualified investments originated by Bremer in the Fargo AA is excellent. The bank made 47 investments totaling \$3.7 million during the evaluation period. In 2015-2016,

Bremer made 30 CD donations totaling \$2.6 million. In 2017, Bremer made 17 donations totaling \$1.1 million. As an example, the bank donated \$200 thousand to assist the homeless with shelter and food. All investments during the evaluation period equated to 11.97 percent of allocated tier 1 capital. Allocated tier 1 capital is the percentage of deposits in an AA multiplied by the banks' tier 1 capital. We did not identify any investments that were complex.

Refer to Table 14 in the "Full Scope" 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 AA is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Fargo AA is good.

#### **Retail Banking Services**

Refer to Table 15 in the "Full Scope" 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.

The dispersion of branches and accessibility to products and services in the Fargo AA is excellent. Bremer's branches and delivery systems are readily accessible to geographies and individuals of different income levels in the Fargo AA.

In 2017, Bremer operated four branches in the Fargo AA. One branch was located in an upper-income CT, two were located in middle-income CTs, and one was located in a moderate-income CT. There are no low-income CTs in the Fargo AA. The percentage of branches located in the moderate-income CT (25 percent) exceeds the percentage of the population residing in moderate-income CTs in 2016 (12.80 percent) and 2017 (21.91 percent). The Fargo AA offers extended drive-up hours Monday through Saturday at two locations. These services enhance the accessibility of the branches.

Bremer's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open or close any branches in the Fargo AA during the evaluation period.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations regardless of the income level of the geography.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed significant weight on these alternative delivery systems and it positively affected the service test in the Fargo AA.

## **Community Development Services**

Bremer provides an adequate level of CD services in the Fargo AA. Sixteen employees, or approximately 21 percent of all employees in the AA, provided services to eight different organizations. These organizations provided community services to LMI individuals and supported affordable housing initiatives. Of the services performed, seven employees demonstrated leadership by serving on the Board of Directors for the organization or as a committee member for these organizations. As an example, one employee was on the Board of Directors at a food bank and another employee was on a finance committee for an organization that provides affordable housing to women and children.

## **Multistate Metropolitan Area Rating**

### **Grand Forks, ND-MN**

#### **CRA rating for the Grand Forks, ND-MN<sup>2</sup>: 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:

- High Satisfactory performance under the Lending Test is based on good responsiveness to credit needs.
- Low Satisfactory performance under the Investment Test is based on an adequate level of qualified CD investments given the bank's resources and capacity.
- High Satisfactory performance under the Service Test is based on branches that are accessible to geographies and individuals of different income levels and adequate involvement in CD services.

### **Description of Institution's Operations in Grand Forks, ND-MN**

Bremer's Grand Fork AA includes the entire Grand Forks MMSA. In the Grand Forks AA, the bank has four full-service branch offices and three deposit-taking ATMs.

The FDIC Deposit Market Share Report as of June 30, 2017 shows that Bremer had \$591 million in deposits and a market share of 21.38 percent, ranking second out of 20 institutions. The bank's \$591 million in deposits in the Grand Forks AA represent 6.09 percent of the bank's total deposits in 2017. Bremer's FDIC Deposit Market Share for 2016 is similar to 2017.

During the 2015-2016 analysis period, Bremer originated 1,519 loans in the Grand Forks AA. During the 2017 analysis period, Bremer originated 703 loans in the Grand Forks AA. Both analysis period loan originations/purchases represent eight percent of the total loan volume originated for the bank during the evaluation period.

Refer to the community profile for the Grand Forks, ND-MN in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

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<sup>2</sup> 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**

We performed a full-scope review of the Grand Forks AA and rated the Grand Forks AA entirely on this assessment. Ratings are based primarily on results of those areas that received full-scope reviews. Of the bank's reported loans in the Grand Forks AA in 2017, 43 percent are farm loans, 31 percent are business loans, and 26 percent are home mortgage loans. The loan distribution for 2015-2016 is similar to 2017. The greatest weight was placed on farm loans followed by business loans. The least amount of weight was placed on home mortgage lending. Refer to Appendix A: Scope of Examination for more information.

We considered information from two community organizations for this evaluation that serviced the Grand Forks AA. These organizations were focused on agricultural lending and affordable housing. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN GRAND FORKS, ND-MN**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

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

#### **Lending Activity**

Refer to Tables 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, Bremer's lending activity in the Grand Forks AA is good.

Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked 5<sup>th</sup> with a market share of 5.97 percent out of 154 lenders reporting HMDA data in the AA. This represents 388 reportable home mortgage loans for \$62 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked 4<sup>th</sup> with a market share of 6.99 percent out of 136 lenders reporting HMDA data. This represents 184 reportable home mortgage loans for \$30 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits adequate responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked 2<sup>nd</sup> with a market share of 16.75 percent out of the 43 lenders reporting data in the AA. This represents 458 reportable small loans to businesses for \$87 million. For small loans to businesses during the 2017 analysis period, Bremer ranked 2<sup>nd</sup> with a market share of 13.18 percent out of 47 lenders reporting data in the AA. This represents 220 reportable small loans to businesses for \$39 million. Given the competition from the other reporting lenders in the AA, the bank's

ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits good responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked 1<sup>st</sup> with a market share of 70.48 percent out of the 14 lenders reporting data in the AA. This represents 673 reportable small loans to farms for \$113 million. For small loans to farms during the 2017 analysis period, Bremer again ranked 1<sup>st</sup> with a market share of 60.45 percent out of 15 lenders reporting data in the AA. This represents 299 reportable small loans to farms for \$51 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

### **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is poor. The geographic distribution of home mortgage loans is poor, the distribution of small loans to businesses is adequate, and the distribution of small loans to farms is very poor.

#### ***Home Mortgage Loans***

Refer to Table O in the "Full Scope" 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 overall geographic distribution of home mortgage loans in the Grand Forks AA is poor.

Bremer's geographic distribution of home mortgage loans in 2015-2016 is poor. The percentage of the bank's loans originated in low-income geographies is well below the percentage of owner-occupied housing units, but is similar to the aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies is significantly below the percentage of owner-occupied housing units and well below the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is adequate. The percentage of the bank's loans originated in low-income geographies is significantly below the percentage of owner-occupied housing units and significantly below the aggregate lending in these geographies. The bank did not originate any loans in low-income geographies. The percentage of loans originated in moderate-income geographies approximates the percentage of owner-occupied housing units and exceeds the aggregate lending in moderate-income geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the "Full Scope" 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 overall geographic distribution of small loans to businesses in the Grand Forks AA is adequate.

Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is adequate. The percentage of loans to small businesses originated in low-income geographies is significantly below the percentage of businesses located in low-income geographies and is below aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies is also below the percentage of businesses located in moderate-income geographies, but is near the aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is adequate. The percentage of loans to small businesses originated in low-income geographies is significantly below the percentage of businesses located in low-income geographies and is well below aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies is similar to the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

### ***Small Loans to Farms***

Refer to Table S in the "Full Scope" 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 overall geographic distribution of small loans to farms in the Grand Forks AA is very poor.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is very poor. The percentage of small loans to farms originated in low-income geographies is significantly below the percentage of farms located in low-income geographies. The bank did not make any loans in low-income geographies; however, there are only two farms located in the low-income CTs, or 0.23 percent, and there was no aggregate lending in these geographies. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in moderate-income geographies and is significantly below aggregate lending in these geographies.

Bremer's geographic distribution of small loans to farms in 2017 is very poor. The percentage of small loans to farms originated in low-income geographies is significantly below the percentage of farms located in low-income geographies. The bank did not make any loans in low-income geographies; however, there are only two farms located in the low-income CTs, or 0.24 percent, and there was no aggregate lending in these geographies. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in those geographies and is below aggregate lending.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the Grand Forks AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good. The borrower distribution of home mortgage loans is good, the distribution of small loans to businesses is good, and small loans to farms is good.

#### ***Home Mortgage Loans***

Refer to Table P in the "Full Scope" 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.

##### Grand Forks AA

The overall borrower distribution of home mortgage loans in the Grand Forks AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is good. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers is also near the aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

#### ***Small Loans to Businesses***

Refer to Table R in the "Full Scope" 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.

##### Grand Forks AA

The overall borrower distribution of small loans to businesses in the Grand Forks AA is good.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is good. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is below the percentage of small businesses in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is good. The percentage of small loans to small businesses is below the percentage of small businesses in the AA, but exceeds aggregate lending.

### ***Small Loans to Farms***

Refer to Table T in the "Full Scope" 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.

#### Grand Forks AA

The overall borrower distribution of small loans to farms in the Grand Forks AA is good.

Bremer's borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is below the percentage of small farms in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to farms in 2017 is good. The percentage of small loans to small farms is below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

In the Grand Forks AA, Bremer made a low level of CD loans that were responsive to community needs. This performance had a negative impact on the lending test in the Grand Forks AA.

The bank originated four CD loans in the AA during the 2015-2016 evaluation period, totaling \$778 thousand and one loan in 2017 for \$75 thousand. Collectively, these loans equate to 1.34 percent of allocated tier 1 capital. The loans originated all supported affordable housing via a community land trust, which has a mission of maintaining a permanent supply of affordably priced, owner-occupied, and rental housing in Grand Forks.

### **Product Innovation and Flexibility**

Bremer makes extensive use of innovative or flexible lending practices to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time homeowners, interest-free deferred loans, and/or assistance with closing costs. Innovative and flexible lending products had a significant positive impact on of lending test for the Grand Forks AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Grand Forks AA is rated Low Satisfactory. Based a on full-scope review, the bank's performance is adequate.

The volume of qualified investments originated by Bremer in the Grand Forks AA is adequate. The bank made 28 investments totaling \$1.6 million during the evaluation period. In 2015-2016, Bremer made 14 CD donations totaling \$666 thousand. In 2017, Bremer also made 14 donations totaling \$940 thousand. As an example, the bank donated \$200 thousand to a domestic violence shelter. All investments during the evaluation period equated to 2.51 percent of allocated tier 1 Capital. We did not identify any investments that were complex.

Refer to Table 14 in the "Full Scope" 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 Grand Forks AA is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Grand Forks AA is good.

### **Retail Banking Services**

Refer to Table 15 in the "Full Scope" 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.

The dispersion of branches and accessibility to products and services in the Grand Forks AA is good. Bremer's branches and delivery systems are accessible to geographies and individuals of different income levels in the Grand Forks AA.

Bremer operates four branches in the Grand Forks AA. All four branches are located in middle-income CTs. There are no branches located in low-income geographies; however, only 5.29 percent of the population lives in these geographies in 2016 and 5.50 percent in 2017. Although no branches are located in moderate-income CTs, in 2016, two branches were adjacent to moderate-income CTs and, in 2017, three branches were adjacent to moderate-income CTs. When considering the branches in close proximity to moderate-income CTs, the percentage of branches serving moderate-income CTs (50 percent in 2016 and 75 percent in 2017) exceeds the population residing in moderate-income CTs in 2016 (16.88 percent) and 2017 (20.13 percent). The bank's branches are located along major highways and three of the bank's branches are within one mile of five employment centers. All four branches have been open for at least 50 years and are well established in the community.

The Grand Forks AA branches offer extended drive-up hours Monday through Saturday at two locations. These services enhance the accessibility of the branches. Bremer closed one

offsite deposit-taking ATM at the Grand Cities Mall in February of 2016 that was located in a moderate-income CT. This closure did not adversely affect the population in that CT as there are two deposit-taking ATMs, within bank branches, that are within three miles of the closure.

Bremer's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open any branches during the evaluation period. The bank did close two branches in the Grand Forks AA; however, both were located in middle-income CTs.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed significant weight on these alternative delivery systems which positively affected the lending test in the Grand Forks AA.

## **Community Development Services**

Bremer provides an adequate level of CD services in the Grand Forks AA. Eighteen employees provided services to 14 different organizations. These organizations provided community services to LMI individuals, supported affordable housing initiatives, and provided economic development and revitalization of distressed areas. Of the services performed, 13 employees demonstrated leadership by serving on the Board of Directors for the organization or on a committee for these organizations. For example, one employee was on the Board of Directors at a healthcare facility in a moderate-income CT, one employee was on the Board of Directors at a homeless shelter, another employee was a Treasurer for an economic development initiative, and one employee was on a Board of Directors for an organization focused on revitalization of a distressed area.

## **Multistate Metropolitan Area Rating**

### **LaCrosse- Onalaksa, WI-MN**

#### **CRA rating for the LaCrosse- Onalaksa, WI-MN<sup>3</sup>: 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:

- Outstanding performance under the Lending Test is based on excellent responsiveness to credit needs.
- Outstanding performance under the Investment Test is based on an excellent level of qualified CD investments given the bank's resources and capacity.
- Outstanding performance under the Service Test is based on branches that are readily accessible to geographies and individuals of different income levels and excellent involvement in CD services.

### **Description of Institution's Operations in LaCrosse- Onalaksa, WI-MN**

Bremer's LaCrosse AA includes the entire LaCrosse MMSA. In the LaCrosse AA, the bank has two full-service branch offices and one deposit-taking ATM.

The FDIC Deposit Market Share Report as of June 30, 2017 shows that Bremer had \$94 million in deposits and a market share of 3.17 percent, ranking eleventh out of 17 institutions. The bank's \$94 million in deposits in the LaCrosse AA represent 0.96 percent of the bank's total deposits in 2017. The FDIC Deposit Market Share report as of June 30, 2016 showed similar ranking; however, the amount of deposits and resulting market share percentage was lower at \$69 million and 2.57 percent, respectively.

During the 2015-2016 analysis period, Bremer originated 261 loans in the LaCrosse AA. During the 2017 analysis period, Bremer originated 139 loans in the LaCrosse AA. Both analysis period loan originations/purchases represent approximately one percent of the total loan volume originated for the bank during the evaluation period.

Refer to the community profile for the LaCrosse- Onalaksa, WI-MN in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

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<sup>3</sup> 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 LaCrosse- Onalaksa, WI-MN**

We performed a full-scope review of the LaCrosse AA and rated the LaCrosse AA entirely on this assessment. Ratings are based primarily on results of those areas that received full-scope reviews. Of the bank's reported loans in the LaCrosse AA in 2017, 57 percent are home mortgage loans, 25 percent are business loans, and 18 percent are farm loans. The greatest weight was placed on home mortgage loans followed by small loans to businesses. The least amount of weight was placed on small loans to farms. The loan distribution for 2015-2016 is similar to 2017. Refer to Appendix A: Scope of Examination for more information.

We considered information from two community organizations for this evaluation that serviced the LaCrosse AA. These organizations were focused on affordable housing and small business lending. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LACROSSE-ONALAKSA, WI-MN**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in the LaCrosse AA is rated Outstanding. Based on a full-scope review, the bank's performance in the LaCrosse is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, Bremer's lending activity in the LaCrosse AA is good.

Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked 17<sup>th</sup> with a market share of 1.5 percent out of 189 lenders reporting HMDA data in the AA. This represents 145 reportable home mortgage loans totaling \$41 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked 14<sup>th</sup> with a market share of 2.09 percent out of 180 lenders reporting HMDA data. This represents 79 reportable home mortgage loans totaling \$18 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits adequate responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked 10<sup>th</sup> with a market share of 1.99 percent out of the 51 lenders reporting data in the AA. This represents 62 reportable small loans to businesses totaling \$16 million. For small loans to businesses during the 2017 analysis period, Bremer ranked 9<sup>th</sup> with a market share of 1.54 percent out of 49 lenders reporting data in the AA. This represents 35 reportable small loans to businesses totaling \$9 million. Given the competition from the other reporting lenders in the AA, the bank's

ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits good responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked third with a market share of 11.69 percent out of the 11 lenders reporting data in the AA. This represents 54 reportable small loans to farms totaling \$5 million. For small loans to farms during the 2017 analysis period, Bremer again ranked third with a market share of 12.75 percent out of 11 lenders reporting data in the AA. This represents 25 reportable small loans to farms totaling \$2 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

### **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is adequate. The geographic distribution of home mortgage loans is good, the distribution of small loans to businesses is adequate, and the distribution of small loans to farms is very poor.

#### ***Home Mortgage Loans***

Refer to Table O in the "Full Scope" 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 overall geographic distribution of home mortgage loans in the LaCrosse AA is good.

Bremer's geographic distribution of home mortgage loans in 2015-2016 is excellent. The percentage of the bank's loans originated in low-income geographies exceeds the percentage of owner-occupied housing units, but is well below the aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies exceeds the percentage of owner-occupied housing units and exceeds the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is adequate. The percentage of the bank's loans originated in low-income geographies is significantly below the percentage of owner-occupied housing units and significantly below the aggregate lending in these geographies. The bank did not originate any loans in low-income geographies. The percentage of loans originated in moderate-income geographies exceeds the percentage of owner-occupied housing units and approximates aggregate lending in moderate-income geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the "Full Scope" 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 overall geographic distribution of small loans to businesses in the LaCrosse AA is adequate.

Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is poor. The percentage of loans to small businesses originated in low-income geographies is significantly below the percentage of businesses located in low-income geographies and is significantly below aggregate lending in these geographies. The bank did not originate any loans in low-income geographies. The percentage of loans to small businesses originated in moderate-income geographies is near the percentage of businesses located in moderate-income geographies and near the aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is good. The percentage of loans to small businesses originated in low-income geographies exceeds the percentage of businesses located in low-income geographies and exceeds aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies is well below the percentage of businesses located in moderate-income geographies and is below aggregate lending in these geographies.

### ***Small Loans to Farms***

Refer to Table S in the "Full Scope" 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 overall geographic distribution of small loans to farms in the LaCrosse AA is very poor.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is very poor. The percentage of small loans to farms originated in low-income geographies is well below the percentage of farms located in low-income geographies. The bank did not make any loans in low-income geographies; however, there is only one farm located in the low-income CTs, or 0.18 percent, and there was no aggregate lending in these geographies. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in moderate-income geographies and is significantly below aggregate lending in these geographies. The bank did not make any loans in moderate-income geographies.

Bremer's geographic distribution of small loans to farms in 2017 is very poor. The percentage of small loans to farms originated in low-income geographies is significantly below the percentage of farms located in low-income geographies and is significantly below aggregate lending in these geographies. The bank did not make any loans in low-income geographies; however, there are only two farms located in the low-income CTs, or 0.36 percent. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in those geographies. The bank did not make any loans in moderate-income geographies; however, there also was no aggregate lending in these geographies.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the LaCrosse AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good. The borrower distribution of home mortgage loans is excellent, the distribution of small loans to businesses is adequate, and small loans to farms is good.

### ***Home Mortgage Loans***

Refer to Table P in the "Full Scope" 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.

#### **LaCrosse AA**

The overall borrower distribution of home mortgage loans in the LaCrosse AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers is near the aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and is near the aggregate lending.

### ***Small Loans to Businesses***

Refer to Table R in the "Full Scope" 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.

#### **LaCrosse AA**

The overall borrower distribution of small loans to businesses in the LaCrosse AA is adequate.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is good. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is below the percentage of small businesses in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is poor. The percentage of small loans to small businesses is well below the percentage of small businesses in the AA and is well below aggregate lending.

### ***Small Loans to Farms***

Refer to Table T in the "Full Scope" 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.

#### **LaCrosse AA**

The overall borrower distribution of small loans to farms in the LaCrosse AA is good.

Bremer's borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is near the percentage of small farms in the AA and exceeds aggregate lending.

Bremer's borrower distribution of small loans to farms in 2017 is good. The percentage of small loans to small farms is below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

In the LaCrosse AA, Bremer is a leader in making CD loans. This performance had a significant positive impact on the lending test in the LaCrosse AA.

The bank originated one CD loan in the AA during the 2015-2016 evaluation period, totaling \$900 thousand. No loans were originated in 2017. While only one loan was originated, this loan equated to 8.94 percent of allocated tier 1 capital and will service youth over time. The loan was originated in a moderate-income CT and supported a recreation center for troubled youth.

### **Product Innovation and Flexibility**

Bremer makes use of innovative or flexible lending practices to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time

homeowners, interest-free deferred loans, and/or assistance with closing costs. Innovative and flexible lending products had a positive impact on of lending test for the LaCrosse AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in LaCrosse AA is rated Outstanding. Based on a full-scope review, the bank's performance in the LaCrosse AA is excellent.

The volume of qualified investments originated by Bremer in the LaCrosse AA is excellent. The bank made 21 investments totaling \$997 thousand during the evaluation period. In 2015-2016, Bremer made 15 CD donations totaling \$697 thousand. In 2017, Bremer made six donations totaling \$300 thousand. As an example, the bank donated \$85 thousand to increase access to food in the LaCrosse region. Another example is the bank donated \$50 thousand to a program that assisted victims of domestic and sexual violence. All investments during the evaluation period equated to 9.9 percent of allocated tier 1 capital. We did not identify any investments that were complex.

Refer to Table 14 in the "Full Scope" 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 LaCrosse AA is rated Outstanding. Based on a full-scope review, the bank's performance in the LaCrosse AA is excellent.

### **Retail Banking Services**

Refer to Table 15 in the "Full Scope" 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.

The dispersion of branches and accessibility to products and services in the LaCrosse AA is good. Bremer's branches and delivery systems are accessible to geographies and individuals of different income levels in the LaCrosse AA.

Bremer operates two branches in the LaCrosse AA. Both branches are located in middle-income CTs. There are no branches located in low-income geographies; however, only 4.11 percent of the population lives in these geographies in 2016 and 1.84 in 2017. Although no branches are located in moderate-income CTs, in 2016 and 2017, one branch was within five miles of moderate-income CTs. When considering the branches in close proximity to moderate-income CTs, the percentage of branches serving moderate-income CTs (50 percent in 2016 and in 2017) exceeds the percentage of the population residing in moderate-income CTs in 2016 (11.88 percent) and 2017 (13.53 percent). The bank's branches are located

along major highways and one of the bank's branches is within one mile of two employment centers. One branch has been opened for at least 100 years and is well established in the community. The LaCrosse AA offers extended drive-up hours Monday through Saturday at both locations. These services enhance the accessibility of the branches.

Bremer's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open or close any branches in the LaCrosse AA during the evaluation period.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations regardless of the income level of the geography.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed no significant weight on these alternative delivery systems, as the bank did not maintain sufficient metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals in the LaCrosse AA.

## **Community Development Services**

Bremer is a leader in providing CD services in the LaCrosse AA. This performance had a significant positive impact on the overall service test conclusion for the LaCrosse AA. Twelve employees, or over 50 percent of the employees in the AA, provided services to 11 different organizations. These organizations provided community services to LMI individuals, supported affordable housing initiatives, and provided economic development in the AA. Of the services performed, nine employees demonstrated leadership by serving on the Board of Directors for the organization or on a committee for these organizations. As examples, one employee was on the Board of Directors at a facility that provides services to victims of domestic and sexual assault, one employee was a Treasurer for an organization that provides affordable housing for LMI seniors, and another employee was an advisory Board member for an economic development initiative.

## **Multistate Metropolitan Area Rating**

### **Minneapolis-St. Paul- Bloomington, MN-WI**

#### **CRA rating for the Minneapolis-St. Paul-Bloomington, MN-WI<sup>4</sup>: 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:

- Outstanding performance under the Lending Test is based on excellent responsiveness to credit needs.
- Outstanding performance under the Investment Test is based on an excellent level of qualified CD investments given the bank's resources and capacity.
- Outstanding performance under the Service Test is based on branches that are readily accessible to geographies and individuals of different income levels and good involvement in CD services.

### **Description of Institution's Operations in Minneapolis-St. Paul-Bloomington, MN-WI**

Bremer's Minneapolis AA includes the entire Minneapolis MMSA. In the Minneapolis AA, the bank has 21 full-service branch offices, one limited-service branch, and 18 deposit-taking ATMs.

The FDIC Deposit Market Share Report as of June 30, 2017 shows that Bremer had \$4.3 billion in deposits and a market share of 2.24 percent, ranking fourth out of 153 institutions. Bremer's FDIC Deposit Market Share in 2016 was similar to 2017.

During the 2015-2016 analysis period, Bremer originated 3,436 loans in the Minneapolis AA. During the 2017 analysis period, Bremer originated 1,600 loans in the Minneapolis AA. Both analysis period loan originations/purchases represent approximately 19 percent of the total loan volume originated for the bank during the evaluation period.

Refer to the community profile for the Minneapolis-St. Paul- Bloomington, MN-WI in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

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<sup>4</sup> 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 Minneapolis-St. Paul- Bloomington, MN-WI**

We performed a full-scope review of the Minneapolis AA and rated the Minneapolis AA entirely on this assessment. Ratings are based primarily on results of those areas that received full-scope reviews. Of the bank's reported loans in the Minneapolis AA in 2017, 56 percent are home mortgage loans, 40 percent are business loans, and four percent are farm loans. The loan distribution for 2015-2016 is similar to 2017. The greatest weight was placed on home mortgage loans followed by small loans to businesses. The least amount of weight was placed on small loans to farms. Refer to Appendix A: Scope of Examination for more information.

We considered information from five community organizations for this evaluation that serviced the Minneapolis AA. These organizations were focused on affordable housing and small business lending. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MINNEAPOLIS-ST. PAUL- BLOOMINGTON, MN-WI**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Minneapolis AA is rated Outstanding. Based on a full-scope review, the bank's performance in the Minneapolis AA is excellent.

#### **Lending Activity**

Refer to Tables 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Overall, Bremer's lending activity in the Minneapolis AA is good.

Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked 35<sup>th</sup> with a market share of 0.61 percent out of 731 lenders reporting HMDA data in the AA. This represents 1,899 reportable home mortgage loans for \$677 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked 38<sup>th</sup> with a market share of 0.60 percent out of 695 lenders reporting HMDA data. This represents 888 reportable home mortgage loans for \$273 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits adequate responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked 14<sup>th</sup> with a market share of 0.51 percent out of the 149 lenders reporting data in the AA. This represents 1,337 reportable small loans to businesses for \$425 million. For small loans to businesses during the 2017 analysis period, Bremer ranked 14<sup>th</sup> with a market share of 0.51 percent out of 148 lenders reporting data in the AA. This represents 645 reportable small loans to businesses for \$212 million. Given the competition from the other reporting lenders in the AA,

the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits adequate responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked third with a market share of 14.86 percent out of the 31 lenders reporting data in the AA. This represents 200 reportable small loans to farms for \$23 million. For small loans to farms during the 2017 analysis period, Bremer ranked fifth with a market share of 8.39 percent out of 36 lenders reporting data in the AA. This represents 67 reportable small loans to farms for \$10 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

### **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is good. The geographic distribution of home mortgage loans is excellent, the distribution of small loans to businesses is excellent, and the distribution of small loans to farms is poor.

#### ***Home Mortgage Loans***

Refer to Table O in the "Full Scope" 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 overall geographic distribution of home mortgage loans in the Minneapolis AA is excellent.

Bremer's geographic distribution of home mortgage loans in 2015-2016 is excellent. The percentage of the bank's loans originated in low-income geographies approximates the percentage of owner-occupied housing units and exceeds the aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies exceeds the percentage of owner-occupied housing units and exceeds the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is excellent. The percentage of the bank's loans originated in low-income geographies exceeds the percentage of owner-occupied housing units and exceeds the aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies exceeds the percentage of owner-occupied housing units and exceeds the aggregate lending in moderate-income geographies.

#### ***Small Loans to Businesses***

Refer to Table Q in the "Full Scope" 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 overall geographic distribution of loans to small businesses in the Minneapolis AA is excellent.

Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is excellent. The percentage of loans to small businesses originated in low-income geographies exceeds the percentage of businesses located in low-income geographies and exceeds aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is excellent. The percentage of loans to small businesses originated in low-income geographies exceeds the percentage of businesses located in low-income geographies and exceeds aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

### ***Small Loans to Farms***

Refer to Table S in the "Full Scope" 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 overall geographic distribution of small loans to farms in the Minneapolis AA is poor.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is very poor. The percentage of small loans to farms originated in low-income geographies is significantly below the percentage of farms located in low-income geographies and is significantly below aggregate lending in those geographies. The bank did not make any loans in low-income geographies. The percentage of small loans to farms originated in moderate-income geographies is well below the percentage of farms located in moderate-income geographies and is significantly below aggregate lending in these geographies.

Bremer's geographic distribution of small loans to farms in 2017 is adequate. The percentage of small loans to farms originated in low-income geographies is significantly below the percentage of farms located in low-income geographies and is significantly below aggregate lending in these geographies. The bank did not make any loans in low-income geographies. The percentage of small loans to farms originated in moderate-income geographies exceeds the percentage of farms located in those geographies and exceeds aggregate lending in these geographies.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the Minneapolis AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good. The borrower distribution of home mortgage loans is excellent, the distribution of small loans to businesses is poor, and small loans to farms is good.

#### ***Home Mortgage Loans***

Refer to Table P in the "Full Scope" 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.

##### Minneapolis AA

The overall borrower distribution of home mortgage loans in the Minneapolis AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers exceeds the percentage of low-income families when considering poverty in the area. Loans to low-income borrowers also exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is excellent. The percentage of loans to low-income borrowers exceeds the percentage of low-income families when considering poverty in the area. Loans to low-income borrowers also exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

#### ***Small Loans to Businesses***

Refer to Table R in the "Full Scope" 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.

##### Minneapolis AA

The overall borrower distribution of small loans to businesses in the Minneapolis AA is poor.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is poor. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is significantly below the percentage of small businesses in the AA and is well below aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is poor. The percentage of small loans to small businesses is well below the percentage of small businesses in the AA and is well below aggregate lending.

### ***Small Loans to Farms***

Refer to Table T in the "Full Scope" 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.

#### **Minneapolis AA**

The overall borrower distribution of small loans to farms in the Minneapolis AA is good.

Bremer's borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is below the percentage of small farms in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to farms in 2017 is good. The percentage of small loans to small farms is below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

In the Minneapolis AA, Bremer is a leader in making CD loans. This performance had a significant positive impact on the lending test in the Minneapolis AA.

The bank originated 47 CD loan in the AA during the 2015-2016 evaluation period, totaling approximately \$60 million, and 25 CD loans in 2017 for approximately \$48 million. Collectively, these loans equated to 23.38 percent of allocated tier 1 capital. A few examples of the loans originated were a loan for \$10.6 million to sustain quality affordable homes, a loan for \$10.2 million to purchase a property to aid in hunger relief, and a loan for \$6.5 million to an organization that provides job training and job placement services to those who face employment barriers.

### **Product Innovation and Flexibility**

Bremer uses innovative and flexible lending practices in a safe and sound manner to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time homeowners, interest-free deferred loans, and/or assistance with closing costs. For example, the bank participates in several down payment assistance programs such as the Urban Indian Housing Program, which offers below market rates for LMI American Indians. The bank also

participates in local initiatives such as the Lyndale Neighborhood Homebuyer Assistance Program, which offers deferred loans up to \$3 thousand for down payment, closing, or improvements to properties in the Lyndale neighborhood. The bank also originated 47 loans for \$6.6 million in the Twin Cities Habitat Home Loan Impact Fund. Habitat for Humanity is focused on affordable housing for LMI individuals. Innovative and flexible lending products had a positive impact on of lending test for the Minneapolis AA.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Minneapolis AA is rated Outstanding. Based on a full-scope review, the bank's performance in the Minneapolis AA is excellent.

The volume of qualified investments originated by Bremer in the Minneapolis AA is excellent. The bank made 809 investments totaling \$111.2 million during the evaluation period. In 2015-2016, Bremer made 490 CD donations totaling \$92.2 million. In 2017, Bremer made 319 donations totaling \$19 million. As an example, the bank donated \$1 million to assist children who have experienced abuse. Another example is the bank donated \$500 thousand to a program, which assisted youth experiencing homelessness. Bremer also had three CRA qualifying investments totaling \$9.7 million that were still outstanding as of the start date of this evaluation. All investments during the evaluation period equated to 26.36 percent of allocated tier 1 capital. Allocated tier 1 capital is the percentage of deposits in an AA multiplied by the banks' tier 1 capital. We did not identify any investments that were complex.

Refer to Table 14 in the "Full Scope" 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 Minneapolis AA is Outstanding. Based on a full-scope review, the bank's performance in excellent.

### **Retail Banking Services**

Refer to Table 15 in the "Full Scope" 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.

The dispersion of branches and accessibility to products and services in the Minneapolis AA is excellent. Bremer's branches and delivery systems are readily accessible to geographies and individuals of different income levels in the Minneapolis AA.

Bremer operates 24 branches in the Minneapolis AA. Six branches are located in upper-income CTs, nine are located in middle-income CTs, seven are located in moderate-income

CTs and two are located in low-income CTs. The percentage of branches located in low-income CTs (8.33 percent) exceeds the percentage of the population residing in low-income CTs in 2016 (6.10 percent) and 2017 (5.77 percent). The percentage of branches located in the moderate-income CT (29.17 percent) exceeds the percentage of the population residing in moderate-income CTs in 2016 (16.52 percent) and 2017 (20.34 percent). The Minneapolis AA offers extended drive-up hours Monday through Saturday at 14 locations. These services enhance the accessibility of the branches.

Bremer's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open any branches during the evaluation period. The bank closed three branches in the Minneapolis AA during the evaluation period. All branches were located in upper- and middle-income CTs.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations regardless of the income level of the geography.

Bremer's retail banking services improve access to financial services to LMI individuals by offering individual development accounts (IDAs). IDAs are specialized bank accounts that help low-income families save. Bremer participates in TuitionMatch-MN, which is a three to one matched savings account to help LMI individuals save towards education. Six colleges in the Minneapolis AA participate in TuitionMatch-MN. All participants must have incomes at or below 200 percent of the federal poverty level. During the evaluation period, the bank opened 380 TuitionMatch-MN accounts.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed no significant weight on these alternative delivery systems, as the bank did not maintain sufficient metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals in the Minneapolis AA.

## **Community Development Services**

Bremer provides a relatively high level of CD services in the Minneapolis AA. One-hundred and nine employees, or approximately 39 percent of the employees in the AA, provided services to 43 different organizations. These organizations provided community services to LMI individuals, supported affordable housing initiatives, and provided economic development in the AA. Of the services performed, 27 employees demonstrated leadership by serving on the Board of Directors for the organization or on a committee for these organizations. As an example, one employee was on the Board of Directors at a facility that provides services to families in need to meet their basic needs. We also noted that an employee served on the Board of Directors for an entity that provides affordable housing to women with a history of abuse. Another example is an employee is on the Board of Directors for an organization that promotes economic development for small businesses, and the organization is located in a low-income CT.

## State Rating

### State of Minnesota

#### CRA Rating for Minnesota<sup>5</sup>: 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:

- High Satisfactory performance under the Lending Test is based on good responsiveness to credit needs.
- Outstanding performance under the Investment Test is based on an excellent level of qualified CD investments given the bank's resources and capacity.
- High Satisfactory performance under the Service Test is based on branches that are accessible to geographies and individuals of different income levels and adequate involvement in CD services.

### Description of Institution's Operations in Minnesota

Bremer has four AAs in Minnesota – the entire Mankato MSA AA, the entire Rochester MSA AA, the entire St. Cloud MSA, and the counties of Aitkin, Becker, Brown, Cass, Crow Wing, Douglas, Goodhue, Grant, Kandiyohi, Koochiching, Lyon, Marshall, Mower, Ottertail, Pope, Redwood, Renville, Steele, Stevens, Traverse, Wilkin, and Winona, which are located throughout in the Non-MSA portion of the state.

In the State of Minnesota, the bank has 35 full-service branch offices and 26 deposit-taking ATMs. One branch is located in the Mankato AA, 22 branches are located in the MN NonMSA AA, seven branches are located in the Rochester AA, and five branches are located in the St. Cloud AA.

The FDIC Market Share Report as of June 30, 2017 shows that In the Mankato AA, the bank had \$57 million in deposits, a market share of 2.30 percent, and ranked 12th out of 22 institutions. In the Rochester AA, the bank had \$427 million in deposits, a market share of 7.87 percent, and ranked fourth out of 36 institutions. In the St. Cloud AA, the bank had \$597 million in deposits, a market share of 11.68 percent, and ranked second out of 32 institutions. In the MN NonMSA AA, Bremer had \$1.96 billion in deposits, a market share of 14.57 percent,

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<sup>5</sup> 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.

and ranked first out of 113 institutions. The FDIC Deposit Market Share Reports for June 30, 2016 are similar to 2017.

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

## **Scope of Evaluation in Minnesota**

We selected the MN NonMSA AA for a full-scope review as it represents the area in which Bremer has the largest portion of branches, deposits, and loans in the State of Minnesota. The bank's branches in the MN NonMSA AA represent 63 of the branches in the state in 2017. Bremer's deposits in the MN NonMSA AA represent 64 percent in 2017 and loans represent 68 percent in 2017 in the state. Branch, deposit, and loan volume percentages for 2015-2016 are similar to 2017.

Of the bank's reported loans in the MN NonMSA AA in 2017, 38 percent are home mortgage loans, 33 percent are business loans, and 29 percent are farm loans. The loan distribution for 2015-2016 is similar to 2017. The greatest weight was placed on home mortgage loans followed by small loans to businesses. The least amount of weight was placed on small loans to farms.

In arriving at the overall state rating, we placed the greatest amount of weight on the MN NonMSA AA followed by the Rochester AA and then the St. Cloud AA. The least amount of weight was placed on the Mankato AA. We performed limited-scope reviews for the Rochester AA, St. Cloud Mankato AA, and the Mankato AA. Ratings are based primarily on results of those areas that received full-scope reviews. Refer to Appendix A: Scope of Examination for more information.

We considered information from four community organizations for this evaluation that serviced the MN NonMSAAA. These organizations were focused on affordable housing and small business lending. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MN NonMSA**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in the State of Minnesota is rated High Satisfactory. Based on full-scope review, the bank's performance in the MN NonMSA AA is excellent. While lending in the MN NonMSA AA was excellent, the limited-scope AAs were not consistent with that excellent rating and resulted in an overall High Satisfactory rating for the state.

## **Lending Activity**

Refer to Tables 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.

### MN NonMSA

Overall, Bremer's lending activity in the MN NonMSA AA is good.

Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked third with a market share of 6.12 percent out of 469 lenders reporting HMDA data in the AA. This represents 2,216 reportable home mortgage loans for \$366 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked third with a market share of 5.55 percent out of 464 lenders reporting HMDA data. This represents 952 reportable home mortgage loans for \$167 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits good responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked fifth with a market share of 9.62 percent out of the 85 lenders reporting data in the AA. This represents 1,937 reportable small loans to businesses for \$320 million. For small loans to businesses during the 2017 analysis period, Bremer ranked fifth with a market share of 8.54 percent out of 80 lenders reporting data in the AA. This represents 844 reportable small loans to businesses for \$160 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits good responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked first with a market share of 32.8 percent out of the 29 lenders reporting data in the AA. This represents 1,811 reportable small loans to farms for \$232 million. For small loans to farms during the 2017 analysis period, Bremer ranked first with a market share of 29.14 percent out of 31 lenders reporting data in the AA. This represents 732 reportable small loans to farms for \$96 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

## **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is adequate. The geographic distribution of home mortgage loans is good, the distribution of small loans to businesses is good, and the distribution of small loans to farms is very poor.

### ***Home Mortgage Loans***

Refer to Table O 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.



MN NonMSA AA

The overall geographic distribution of home mortgage loans in the MN NonMSA AA is good.

Bremer's geographic distribution of home mortgage loans in 2015-2016 is good. The percentage of the bank's loans originated in low-income geographies is below the percentage of owner-occupied housing units, but exceeds the aggregate lending in these geographies. The percentage of loans originated in moderate-income geographies is near the percentage of owner-occupied housing units and near the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is good. There are no low-income geographies in the MN NonMSA AA in 2017. The percentage of loans originated in moderate-income geographies is near the percentage of owner-occupied housing units and near the aggregate lending in moderate-income geographies.

***Small Loans to Businesses***

Refer to Table Q 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.

MN NonMSA AA

The overall geographic distribution of loans to small businesses in the MN NonMSA AA is good.

Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is adequate. The percentage of loans to small businesses originated in low-income geographies is significantly below the percentage of businesses located in low-income geographies and is well below aggregate lending. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is excellent. There are no low-income geographies in 2017. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

***Small Loans to Farms***

Refer to Table S 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.

MN NonMSA AA

The overall geographic distribution of small loans to farms in the MN NonMSA AA is very poor.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is very poor. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in moderate-income geographies and is

significantly below aggregate lending in these geographies. There are no farms reporting a presence in the low-income CT.

Bremer's geographic distribution of small loans to farms in 2017 is poor. There are no low-income geographies in 2017. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in those geographies and is below the aggregate lending in these geographies.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the MN NonMSA AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good. The borrower distribution of home mortgage loans is excellent, the distribution of small loans to businesses is adequate, and small loans to farms is good.

### ***Home Mortgage Loans***

Refer to Table P 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.

#### **MN NonMSA AA**

The overall borrower distribution of home mortgage loans in the MN NonMSA AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers exceeds the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers also exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

### ***Small Loans to Businesses***

Refer to Table R 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.

#### **MN NonMSA AA**

The overall borrower distribution of small loans to businesses in the MN NonMSA AA is adequate.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is adequate. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is well below the percentage of small businesses in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is adequate. The percentage of small loans to small businesses is well below the percentage of small businesses in the AA, but is near the aggregate lending.

### ***Small Loans to Farms***

Refer to Table T 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 businesses.

#### **MN NonMSA AA**

The overall borrower distribution of small loans to farms in the MN NonMSA AA is good.

Bremer's borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is below the percentage of small farms in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to farms in 2017 is good. The percentage of small loans to small farms is below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the "Full Scope" section of Appendix D and in the state of Minnesota for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

#### **MN NonMSA**

In the MN NonMSA AA, Bremer is a leader in making CD loans. This performance had a significant positive impact on the lending test in the MN NonMSA AA.

The bank originated seven CD loans in the AA during the 2015-2016 evaluation period, totaling approximately \$10 million and five CD loans in 2017 for approximately \$4 million. Collectively, these loans equated to 6.55 percent of allocated tier 1 capital. As examples, the bank originated a loan for \$5 million for homeless and emotionally disturbed youth and a loan for \$3 million to an organization dedicated to create jobs.

In addition to the CD loans that benefit the bank's AAs, Bremer made seven qualified CD loans on a broader statewide/regional area, which also benefited parts of the MN NonMSA AA. The loans totaled approximately \$14 million and largely supported affordable housing initiatives.

## **Product Innovation and Flexibility**

Bremer uses innovative or flexible lending practices in a safe and sound manner to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time homeowners, interest-free deferred loans, and/or assistance with closing costs. For example, the bank participates in Fannie Mae and Fannie Mac loans where there are options for a loan-to-value up to 100 percent and offer flexible credit histories. The bank also participates in the Minnesota Housing Finance Agency Loans (MHFA). During the review period, the bank originated 453 MHFA loans totaling approximately \$53.8 million or about five percent of all loans originated in the State of Minnesota. Innovative and flexible lending products had a positive impact on the lending test for the State of Minnesota.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Mankato AA and the St. Cloud AA are consistent with the bank's overall High Satisfactory performance under the lending test in the State of Minnesota. In the Rochester AA, the bank's performance is weaker than the bank's overall performance in the state. The performance in the Rochester AA is weaker because of the very poor geographic distribution rating. The performance in the limited-scope areas negatively impacted the overall lending test rating in the State of Minnesota. Refer to the Tables in 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 State of Minnesota is rated Outstanding. Based on a full-scope review, the bank's performance in the MN NonMSA is excellent.

The volume of qualified investments originated by Bremer in the MN NonMSA AA is excellent. The bank made 84 investments totaling \$10.7 million during the evaluation period. In 2015-2016, Bremer made 49 CD donations totaling \$6.8 million. In 2017, Bremer made 35 donations totaling \$3.9 million. As an example, the bank donated \$125 thousand to renovate a

clinic in a moderate-income CT. Another example is the bank donated \$20 thousand to a program, which assisted those in poverty with transportation barriers. All investments during the evaluation period equated to 5.04 percent of allocated tier 1 capital. We did not identify any investments that were complex.

In addition to the CD investments that directly benefit the bank's AAs in the state of Minnesota, Bremer also made 70 statewide qualifying investments totaling \$5.7 million. These investments positively affected the overall rating in the state.

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.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Mankato AA is consistent with the bank's overall outstanding performance under the investment test in Minnesota. In the Rochester AA and St. Cloud AA, the bank's performance is weaker than the bank's overall performance in the state. Despite opportunities in the AAs such as affordable housing needs and homelessness, the bank only donated 2.63 percent of the allocated tier 1 capital to the Rochester AA and 2.33 percent of the allocated tier 1 capital in the St. Cloud AA. Refer to the Table 14 in the State of Minnesota 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 State of Minnesota is rated High Satisfactory. Based on a full-scope review, the bank's performance in the MN NonMSA 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.

The dispersion of branches and accessibility to products and services in the MN NonMSA AA is excellent. Bremer's branches and delivery systems are readily accessible to geographies and individuals of different income levels in the MN NonMSA AA.

Bremer operates 22 branches in the MN NonMSA AA. Seventeen branches are located in middle-income CTs and five are located in moderate-income CTs. There are no branches located in low-income geographies; however, only 0.84 percent of the population lived in these geographies in 2016 and there were no low-income CTs in 2017. The percentage of branches located in the moderate-income CTs (22.73 percent) exceeds the percentage of the population residing in moderate-income CTs in 2016 (9.06 percent) and 2017 (10.99 percent). The MN NonMSA AA offers extended drive-up hours Monday through Saturday at 17 locations. These services enhance the accessibility of the branches.

Bremer's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open any branches during the evaluation period. The bank closed one branch in the MN NonMSA AA that was located in a middle-income CT.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations regardless of the income level of the geography.

Bremer's retail banking services improve access to financial services to LMI individuals by offering individual development accounts (IDAs). IDAs are specialized bank accounts that help low-income families save. Bremer participates in Family Assets for Independence in Minnesota (FAIM), which is a savings match program for low-income working adults wanting to save money for higher education, home purchase, or to start a small business. All participants must have incomes at or below 200 percent of the federal poverty level and assets of \$10 thousand or less. During the evaluation period, the bank opened 600 FAIM accounts.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed no significant weight on these alternative delivery systems, as the bank did not maintain sufficient metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals in the MN NonMSA AA.

## **Community Development Services**

Bremer provides an adequate level of CD services in the MN NonMSA AA. Forty six employees, or approximately 18 percent of the employees in the AA, provided services to 28 different organizations. These organizations provided community services to LMI individuals, supported affordable housing initiatives, provided economic development, and revitalized a distressed area in the AA. Of the services performed, 33 employees demonstrated leadership by serving on the Board of Directors for the organization or on a committee for these organizations. As examples, one employee was on the Board of Directors at a homeless shelter, one employee served on the Board of Directors for an entity that provides affordable housing for low-income individuals, one employee is on the Board of Directors for an organization that promotes economic development, and one employee is on the Board of Directors for an entity that focuses on revitalization and is located in a distressed CT.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test in the St. Cloud AA is consistent with the bank's overall High Satisfactory performance under the service test in State of Minnesota. In the Mankato AA and Rochester AA, the bank's performance is weaker than the bank's overall performance in the state. Weaker performance in the Mankato AA and the Rochester AA was due to the lower level of involvement in CD services from employees in these AAs. Refer to Table 15 in Appendix D for the facts and data that support these conclusions.

## State Rating

### State of North Dakota

#### **CRA Rating for North Dakota<sup>6</sup>: Satisfactory**

**The lending test is rated: Outstanding**

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

**The service test is rated: High Satisfactory**

The major factors that support this rating include:

- Outstanding performance under the Lending Test is based on excellent responsiveness to credit needs.
- Low satisfactory performance under the Investment Test is based on the adequate level of qualified CD investments given the bank's resources and capacity.
- High Satisfactory performance under the Service Test is based on branches that are accessible to geographies and individuals of different income levels and good involvement in CD services.

### **Description of Institution's Operations in North Dakota**

Bremer has two AAs in the State of North Dakota. One AA includes the counties of Burleigh and Morton, which is part of the Bismarck MSA. The second AA is comprised of the counties of Barnes (2017 only), Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pembina, Pierce, Ramsey, Ransom, Richland, Stark, Stutsman, Walsh, and Ward, which are located throughout the Non-MSA portion of the state.

In the State of North Dakota, the bank has 11 full-service branch offices and four deposit-taking ATMs. One branch is located in the Bismarck AA and ten branches are located in the ND NonMSA AA.

According to the FDIC Market Share Report as of June 30, 2017, the Bismarck MSA had \$31 million in deposits, a market share of 0.75 percent, and ranked 16th out of 20 institutions. In the ND NonMSA AA, Bremer had \$850 million in deposits, a market share of 10.53 percent, and ranked first out of 47 institutions. The FDIC Market Share Reports for June 30, 2016 are similar to 2017.

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<sup>6</sup> 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.

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

## **Scope of Evaluation in North Dakota**

We selected the ND NonMSA AA for a full-scope review as it represents the area in which Bremer has the largest portion of branches, deposits, and loans in the State of North Dakota. The bank's branches in the ND NonMSA AA represent 91 percent of the branches in the state in 2017. Bremer's deposits in the ND NonMSA AA represent 96 percent in 2017 and loans represent 93 percent in 2017. Branches, deposits, and loan volume percentages for 2015-2016 are similar to 2017.

Of the bank's reported loans in the ND NonMSA AA in 2017, 63 percent are farm loans, 21 percent are business loans, and 16 percent are home mortgage loans. The loan distribution for 2015-2016 is similar to 2017. The greatest weight was placed on small loans to farms followed by small loans to businesses. The least amount of weight was placed on home mortgage loans.

Given the significance of the ND NonMSA AA to Bremer in terms of branching structure, deposits, and loan volume, this AA carried the most weight in assigning the rating for the State of North Dakota. We performed a limited-scope review for the bank's only other AA in North Dakota, the Bismarck AA. Ratings are based primarily on results of those areas that received full-scope reviews. Refer to Appendix A: Scope of Examination for more information.

We considered information from five community organizations for this evaluation that were located in the ND NonMSA AA. These organizations were focused on affordable housing and services to LMI. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ND NonMSA**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in the State of North Dakota is rated Outstanding. Based on a full-scope review, the bank's performance in the ND NonMSA AA is excellent.

#### **Lending Activity**

Refer to Tables 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.

#### ND NonMSA

Overall, Bremer's lending activity in the ND NonMSA AA is good.



Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked sixth with a market share of 3.38 percent out of 185 lenders reporting HMDA data in the AA. This represents 410 reportable home mortgage loans for \$69 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked seventh with a market share of 3.17 percent out of 181 lenders reporting HMDA data. This represents 163 reportable home mortgage loans for \$42 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits adequate responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked sixth with a market share of 7.54 percent out of the 66 lenders reporting data in the AA. This represents 484 reportable small loans to businesses for \$89 million. For small loans to businesses during the 2017 analysis period, Bremer ranked seventh with a market share of 6.96 percent out of 67 lenders reporting data in the AA. This represents 222 reportable small loans to businesses for \$41 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits good responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked first with a market share of 42.43 percent out of the 20 lenders reporting data in the AA. This represents 1,589 reportable small loans to farms for \$232 million. For small loans to farms during the 2017 analysis period, Bremer ranked first with a market share of 31.66 percent out of 22 lenders reporting data in the AA. This represents 646 reportable small loans to farms for \$100 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

## **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is adequate. The geographic distribution of home mortgage loans is good, the distribution of small loans to businesses is adequate, and the distribution of small loans to farms is adequate.

### ***Home Mortgage Loans***

Refer to Table O 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.

### **ND NonMSA AA**

The overall geographic distribution of home mortgage loans in the ND Non-MSA AA is good.

Bremer's geographic distribution of home mortgage loans in 2015-2016 is adequate. The percentage of the bank's loans originated in low-income geographies is well below the percentage of owner-occupied housing units, but exceeds the aggregate lending in these

geographies. The percentage of loans originated in moderate-income geographies is below the percentage of owner-occupied housing units, but near the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is excellent. The percentage of loans originated in low-income geographies exceeds the percentage of owner-occupied housing units and exceeds the aggregate lending in low-income geographies. The percentage of loans originated in moderate-income geographies is below the percentage of owner-occupied housing units, but exceeds the aggregate lending in moderate-income geographies.

### ***Small Loans to Businesses***

Refer to Table Q in the "Full Scope" section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of loans to small businesses.

#### ND NonMSA AA

The overall geographic distribution of loans to small businesses in the ND NonMSA AA is adequate.

Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is good. The percentage of loans to small businesses originated in low-income geographies is significantly below the percentage of businesses located in low-income geographies, but approximates aggregate lending in these geographies. The percentage of loans to small businesses originated in moderate-income geographies is near the percentage of businesses located in moderate-income geographies and is near aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is poor. The percentage of loans to small businesses originated in low-income geographies is significantly below the percentage of businesses located in low-income geographies and significantly below aggregate lending in these geographies. The bank did not originate any loans in low-income geographies. The percentage of loans to small businesses originated in moderate-income geographies is below the percentage of businesses located in moderate-income geographies and is below aggregate lending in these geographies.

### ***Small Loans to Farms***

Refer to Table S 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.

#### ND NonMSA AA

The overall geographic distribution of small loans to farms in the ND NonMSA AA is adequate.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is adequate. The percentage of small loans to farms originated in low-income geographies exceeds the percentage of farms located in low-income geographies and exceeds aggregate lending in

these geographies. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in moderate-income geographies and is significantly below aggregate lending in these geographies.

Bremer's geographic distribution of small loans to farms in 2017 is good. The percentage of small loans to farms originated in low-income geographies exceeds the percentage of farms located in those geographies and exceeds aggregate lending in these geographies. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in those geographies, but is near the aggregate lending in these geographies.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the ND NonMSA AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good. The borrower distribution of home mortgage loans is excellent, the distribution of small loans to businesses is good, and small loans to farms is good.

### ***Home Mortgage Loans***

Refer to Table P 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.

#### **ND NonMSA AA**

The overall borrower distribution of home mortgage loans in the ND NonMSA AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending.

The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

### ***Small Loans to Businesses***

Refer to Table R 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.

#### **ND NonMSA AA**

The overall borrower distribution of small loans to businesses in the ND NonMSA AA is good.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is good. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is below the percentage of small businesses in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is good. The percentage of small loans to small businesses is near the percentage of small businesses in the AA and exceeds the aggregate lending.

### ***Small Loans to Farms***

Refer to Table T 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 businesses.

#### **ND NonMSA AA**

The overall borrower distribution of small loans to farms in the ND NonMSA AA is good.

Bremer's borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is below the percentage of small farms in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to farms in 2017 is good. The percentage of small loans to small farms is below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the "Full Scope" section of Appendix D and in the state of North Dakota for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

#### **ND NonMSA**

In the ND NonMSA AA, Bremer is a leader in making CD loans. This performance had a significant positive impact on the lending test in the ND NonMSA AA.

The bank originated nine CD loans in the AA during the 2015-2016 evaluation period, totaling approximately \$4.7 million, and six CD loans in 2017 for approximately \$2.4 million. Collectively, these loans equated to 7.76 percent of allocated tier 1 capital. As examples, the bank originated a loan for \$950 million to an organization dedicated to affordable housing and a loan for \$650 thousand to remodel a hospital in a moderate-income CT.

In addition to the CD loans that benefit the bank's AAs, Bremer made two qualified CD loan on a broader statewide/regional area including the ND NonMSA AA. Both of the loans totaled approximately \$364 thousand and supported affordable housing initiatives.

## **Product Innovation and Flexibility**

Bremer makes use of innovative or flexible lending practices to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time homeowners, interest-free deferred loans, and/or assistance with closing costs. For example, the bank participates in Fannie Mae and Fannie Mac loans where there are options for a loan-to-value up to 100 percent and offer flexible credit histories. The bank also participates in the North Dakota Housing Finance Agency (NDHFA). During the review period, the bank originated 98 NDHFA loans, totaling approximately \$15 million or three percent of all loans originated in the State of North Dakota. Innovative and flexible lending products had a positive impact on the lending test for the State of North Dakota.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the lending test in the Bismarck AA is inconsistent with the bank's overall outstanding performance under the lending test in North Dakota. In the Bismarck AA, the bank's performance is weaker than the bank's overall performance in the state. The primary reason for the weaker performance is the poor number and amount of CD lending in the Bismarck AA. This performance was not significant enough to impact the lending test rating in the state. Refer to the Tables 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 North Dakota is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the ND NonMSA is poor.

The volume of qualified investments originated by Bremer in the ND NonMSA AA is poor. The bank only made 20 investments totaling \$1.3 million during the evaluation period. In 2015-2016, Bremer made nine CD donations totaling \$556 thousand. In 2017, Bremer made 11 donations totaling \$786 thousand. As an example, the bank donated \$211 thousand to a hospital located in a distressed/underserved nonmetropolitan middle-income geography. Another example is the bank donated \$100 thousand to a homeless shelter. All investments

during the evaluation period equated to 1.46 percent of allocated tier 1 capital. We did not identify any investments that were complex.

Refer to Table 14 in 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 a limited-scope review, the bank's performance under the investment test in the Bismarck AA is inconsistent with the bank's overall outstanding performance under the investment test in North Dakota. In the Bismarck AA, the bank's performance is stronger than the bank's overall performance in the state. The primary reason for the stronger performance is the bank donated 65.96 percent of the allocated tier 1 capital to the Bismarck AA, which is outstanding. The positive performance in the Bismarck AA changed the overall rating in the state to Low Satisfactory.

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 State of North Dakota is rated High Satisfactory. Based on a full-scope review, the bank's performance in the ND NonMSA AA is good.

### **Retail Banking Services**

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

The dispersion of branches and accessibility to products and services in the ND NonMSA AA is good. Bremer's branches and delivery systems are accessible to geographies and individuals of different income levels in the ND NonMSA AA.

Bremer operates ten branches in the ND NonMSA AA. One branch is located in an upper-income CT, eight are located in middle-income CTs, and one is located in moderate-income CT. There are no branches located in low-income geographies; however, only 1.26 percent of the population lived in these geographies in 2016 and 1.13 percent in 2017. The percentage of branches located in the moderate-income CT (ten percent) exceeds the percentage of the population residing in moderate-income CTs in 2016 (6.07 percent) and 2017 (8.19 percent). The ND NonMSA AA offers extended drive-up hours Monday through Saturday at four locations. These services enhance the accessibility of the branches.

Bremer's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open

any branches during the evaluation period. The bank closed one branch in the ND NonMSA AA during the evaluation period in October 2016 due to declining in-branch transactions. This branch was located in a middle-income CT that was categorized by the FFIEC as underserved due to its remote and rural location.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations regardless of the income level of the geography.

Bremer's retail banking services improve access to financial services to LMI individuals by offering individual development accounts (IDAs). IDAs are specialized bank accounts that help low-income families save. Bremer participates in Savings Our Cents (SOC), which is a two-to-one matched savings account to help LMI individuals in North Dakota save towards education, homeownership, or starting a small business. During the evaluation period, the bank opened 31 SOC accounts.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed no significant weight on these alternative delivery systems, as the bank did not maintain sufficient metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals in the ND NonMSA AA.

## **Community Development Services**

Bremer provides a relatively high level of CD services in the ND NonMSA AA. Thirty-two employees, or approximately 36 percent of the employees in the AA, provided services to 27 different organizations. These organizations provided community services to LMI individuals, supported affordable housing initiatives, provided economic development, and revitalized a distressed area in the AA. Of the services performed, 25 employees demonstrated leadership by serving on the Board of Directors for the organization or on a committee for these organizations. As examples, one employee was on the Board of Directors for a food pantry, one employee served on the Board of Directors for an entity that provides affordable housing for LMI individuals, one employee is on the Board of Directors for an organization in a moderate-income CT that promotes economic development, and one employee is on the Board of Directors for an entity that focuses on revitalization and is located in distressed CT.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the service test in the Bismarck AA is consistent with the bank's overall High Satisfactory performance under the service test in the State of North Dakota. Refer to Table 15 in Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Wisconsin

#### **CRA Rating for (Wisconsin)<sup>7</sup>: 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:

- High Satisfactory performance under the Lending Test is based on good responsiveness to credit needs.
- Outstanding performance under the Investment Test is based on an excellent level of qualified CD investments given the bank's resources and capacity.
- High Satisfactory performance under the Service Test is based on branches that are accessible to geographies and individuals of different income levels and good involvement in CD services.

### **Description of Institution's Operations in Wisconsin**

Bremer has two AAs in the State of Wisconsin – the entire Eau Claire MSA, and the counties of Ashland, Bayfield, Burnett, Dunn, and Polk, which are located in the Non-MSA portion of the state. During the 2015-2016 evaluation period, only the CT of 9508 in the County of Ashland was included in the AA. In 2017, the full County of Ashland was a part of the AA.

In the State of Wisconsin, the bank has nine full-service branch offices and two deposit-taking ATMs. There is one branch located in the Eau Claire AA and eight located in the WI NonMSA AA.

According to the FDIC Deposit Market Share Report as of June 30, 2017, the Eau Claire MSA AA, Bremer had \$32 million in deposits, a market share of 1.08 percent, and ranked 17th out of 24 institutions. In the WI NonMSA AA, Bremer had \$543 million in deposits, a market share of 29.94 percent, and ranked first out of 22 institutions. The FDIC Market Share Reports for June 30, 2016 are similar to 2017.

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<sup>7</sup> 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.



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

## **Scope of Evaluation in Wisconsin**

We selected the WI NonMSA AA for a full-scope review as it represents the area in which Bremer has the largest portion of branches, deposits, and loans in the State of Wisconsin. The bank's branches in the WI NonMSA AA represent 89 percent of the branches in the state in 2017. Bremer's deposits in the WI NonMSA AA represent 94 percent in 2017 and loans represent 77 percent in 2017. Branch, deposit, and loan volume percentages for 2015-2016 are similar to 2017.

Of the bank's reported loans in the WI NonMSA AA in 2017, 37 percent are business loans, 34 percent are farm loans, and 29 percent are home mortgage loans. The loan distribution for 2015-2016 is similar to 2017. The greatest weight was placed on loans to small businesses followed by loans to small farms. The least amount of weight was placed on home mortgage lending.

Given the significance of the WI NonMSA AA to Bremer in terms of branching structure, deposits, and loan volume, this AA carried the most weight in assigning the rating for the State of Wisconsin. We performed a limited-scope review for the bank's only other AA in Wisconsin, the Eau Claire AA. Ratings are based primarily on results of those areas that received full-scope reviews. Refer to Appendix A: Scope of Examination for more information.

We considered information from two community organizations for this evaluation that serviced the WI NonMSA AA. These organizations were focused on affordable housing and services to LMI. Information obtained is included in the Market Profile section in Appendix C.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WI NonMSA**

### **LENDING TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

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

#### **Lending Activity**

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

#### WI NonMSA AA

Overall, Bremer's lending activity in the WI NonMSA AA is good.

Based upon 2016 peer mortgage data, for mortgage loans during the 2015-2016 analysis period, Bremer ranked sixth with a market share of 4.26 percent out of 286 lenders reporting HMDA data in the AA. This represents 354 reportable home mortgage loans for \$49 million. Based upon 2017 peer mortgage data, for mortgage loans during the 2017 analysis period, Bremer ranked sixth with a market share of 3.47 percent out of 283 lenders reporting HMDA data. This represents 142 reportable home mortgage loans for \$20 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, home mortgage lending activity exhibits good responsiveness to AA credit needs.

For small loans to business during the 2015-2016 analysis period, Bremer ranked third with a market share of 13.16 percent out of the 58 lenders reporting data in the AA. This represents 390 reportable small loans to businesses for \$49 million. For small loans to businesses during the 2017 analysis period, Bremer ranked third with a market share of 11.75 percent out of 57 lenders reporting data in the AA. This represents 186 reportable small loans to businesses for \$23 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to businesses lending activity exhibits good responsiveness to AA credit needs.

For small loans to farms during the 2015-2016 analysis period, Bremer ranked first with a market share of 70.37 percent out of the 16 lenders reporting data in the AA. This represents 416 reportable small loans to farms for \$45 million. For small loans to farms during the 2017 analysis period, Bremer ranked first with a market share of 69.85 percent out of 15 lenders reporting data in the AA. This represents 171 reportable small loans to farms for \$20 million. Given the competition from the other reporting lenders in the AA, the bank's ranking among those lenders, and the bank's market share relative to their deposit market share, small loans to farms lending activity exhibits excellent responsiveness to AA credit needs.

## **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is good. The geographic distribution of home mortgage loans is excellent, the distribution of small loans to businesses is good, and the distribution of small loans to farms is poor.

### ***Home Mortgage Loans***

Refer to Table O in the state of Wisconsin section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

#### **WI NonMSA AA**

The overall geographic distribution of home mortgage loans in the WI NonMSA AA is excellent.

Bremer's geographic distribution of home mortgage loans in 2015 through 2016 is excellent. There are no low-income geographies in the WI NonMSA AA. The percentage of loans originated in moderate-income geographies exceeds the percentage of owner-occupied housing units and exceeds the aggregate lending in moderate-income geographies.

Bremer's geographic distribution of home mortgage loans in 2017 is good. There are no low-income geographies in the WI NonMSA AA. The percentage of loans originated in moderate-income geographies is near the percentage of owner-occupied housing units, but is below the aggregate lending in moderate-income geographies.

### ***Small Loans to Businesses***

Refer to Table Q in the "Full Scope" section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of loans to small businesses.

The overall geographic distribution of loans to small businesses in the WI NonMSA AA is good.

Bremer's geographic distribution of loans to small businesses in 2015 through 2016 is excellent. There are no low-income geographies in 2015-2016. The percentage of loans to small businesses originated in moderate-income geographies exceeds the percentage of businesses located in moderate-income geographies and exceeds aggregate lending in these geographies.

Bremer's geographic distribution of loans to small businesses in 2017 is adequate. There are no low-income geographies in 2017. The percentage of loans to small businesses originated in moderate-income geographies is below the percentage of businesses located in moderate-income geographies and is below aggregate lending in these geographies.

### ***Small Loans to Farms***

Refer to Table S in the state of Wisconsin 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.

#### WI NonMSA AA

The overall geographic distribution of small loans to farms in the WI NonMSA AA is poor.

Bremer's geographic distribution of small loans to farms in 2015 through 2016 is poor. There are no low-income geographies in 2015-2016. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in moderate-income geographies, but is near the aggregate lending in these geographies.

Bremer's geographic distribution of small loans to farms in 2017 is very poor. There are no low-income geographies in 2017. The percentage of small loans to farms originated in moderate-income geographies is significantly below the percentage of farms located in those geographies and is significantly below aggregate lending in these geographies.

### ***Lending Gap Analysis***

Our geographic distribution analysis included a review of lending gaps, particularly in LMI areas. We did not identify any unexplained conspicuous gaps in the WI NonMSA AA.

### ***Inside/Outside Ratio***

The inside/outside ratio analysis was performed at the bank level as opposed to the AA level. The information includes bank originations and purchases only and does not include extensions of credit by affiliates that are being considered under the other performance criteria. The findings from the analysis factored into the overall analysis of the geographic distribution of lending by income level of geography.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good. The borrower distribution of home mortgage loans is excellent, the distribution of small loans to businesses is good, and small loans to farms is good.

#### ***Home Mortgage Loans***

Refer to Table P in the state of Wisconsin 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.

#### WI NonMSA AA

The overall borrower distribution of home mortgage loans in the WI NonMSA AA is excellent.

Bremer's borrower distribution of home mortgage loans in 2015 through 2016 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers is near the aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

Bremer's borrower distribution of home mortgage loans in 2017 is excellent. The percentage of loans to low-income borrowers is near the percentage of low-income families when considering poverty in the AA. Lending to low-income borrowers exceeds aggregate lending. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families and exceeds aggregate lending.

#### ***Small Loans to Businesses***

Refer to Table R in 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.

#### WI NonMSA AA

The overall borrower distribution of small loans to businesses in the WI NonMSA AA is good.

Bremer's borrower distribution of small loans to businesses in 2015 through 2016 is good. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is below the percentage of small businesses in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to businesses in 2017 is good. The percentage of small loans to small businesses is below the percentage of small businesses in the AA, but exceeds the aggregate lending.

### ***Small Loans to Farms***

Refer to Table T in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

#### WI NonMSA AA

The overall borrower distribution of small loans to farms in the WI NonMSA AA is good.

Bremer's borrower distribution of small loans to farms in 2015 through 2016 is good. The percentage of small loans to small farms (farms with gross annual revenues of \$500 thousand or less) is below the percentage of small farms in the AA, but exceeds aggregate lending.

Bremer's borrower distribution of small loans to farms in 2017 is good. The percentage of small loans to small farms is below the percentage of small farms in the AA, but exceeds aggregate lending.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the "Full Scope" section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

#### WI NonMSA

In the WI NonMSA AA, Bremer made a relatively high level of CD loans that were responsive to community needs.

The bank originated three CD loans in the AA during the 2015-2016 evaluation period, totaling approximately \$3.2 million and no CD loans in 2017. These loans equated to 5.47 percent of allocated tier 1 capital. As examples, the bank originated a loan for \$2.8 million for the construction of an affordable housing complex and a loan for \$336 thousand to renovate an affordable housing complex.

In addition to the CD loans that benefit the bank's AAs, Bremer made two qualified CD loan on a broader statewide/regional area. The loans totaled approximately \$5.4 million and supported affordable housing initiatives.

### **Product Innovation and Flexibility**

Bremer uses innovative or flexible lending practices in a safe and sound manner to address the credits needs of LMI individual or geographies.

The bank offers and participates in a large mix of local and government-insured mortgage loans, which offer no- or low-down payment options, lower interest rates for first-time

homeowners, interest-free deferred loans, and/or assistance with closing costs. For example, the bank participates in Fannie Mae and Fannie Mac loans where there are options for a loan-to-value up to 100 percent and offer flexible credit histories. The bank also participates in the Wisconsin Housing and Economic Development Authority Program (WHEDA). During the review period, the bank originated 75 WHEDA loans, totaling approximately \$6.2 million, which equates to approximately ten percent of the allocated tier one capital for the State of Wisconsin and four percent of all loans originated in the State of Wisconsin. Innovative and flexible lending products had a neutral impact on the lending test for the State of Wisconsin.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the lending test in the Eau Claire AA is consistent with the bank's overall high satisfactory performance under the lending test in the State of Wisconsin. Refer to the Tables in 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 Wisconsin is rated Outstanding. Based on a full-scope review, the bank's performance in the WI NonMSA AA is excellent.

The volume of qualified investments originated by Bremer in the WI NonMSA AA is excellent. The bank made 29 investments totaling \$8.2 million during the evaluation period. In 2015-2016, Bremer made 22 CD donations totaling \$1.3 million. In 2017, Bremer made seven donations totaling \$6.9 million. As an example, the bank donated \$100 thousand to a shelter for victims of domestic violence. Another example is the bank donated \$63 thousand to a food shelf. All investments during the evaluation period equated to 13.97 percent of allocated tier 1 capital. We did not identify any investments that were complex.

In addition to the CD investments that directly benefit the bank's AAs in the state of Wisconsin, Bremer also made 15 statewide qualifying investments, totaling \$3.2 million. These investments positively affected the overall rating in the state.

Refer to Table 14 in the state of Wisconsin 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 a limited-scope review, the bank's performance under the investment test in the Eau Claire AA is consistent with the bank's overall Outstanding performance under the investment test in Wisconsin.

Refer to the Table 14 in 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 the State of Wisconsin is rated High Satisfactory. Based on a full-scope review, the bank's performance in the WI NonMSA AA is good.

### Retail Banking Services

Refer to Table 15 in the "Full Scope" 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.

The dispersion of branches and accessibility to products and services in the WI NonMSA AA is good. Bremer's branches and delivery systems are accessible to geographies and individuals of different income levels in the WI NonMSA AA.

Bremer operates eight branches in the WI NonMSA AA. Seven branches are located in middle-income CTs and one is located in moderate-income CT. There are no low-income geographies in the WI NonMSA AA in 2015/2016 or 2017. The percentage of branches located in the moderate-income CT (12.5 percent) exceeds the percentage of the population residing in moderate-income CTs in 2016 (8.95 percent) and 2017 (12.36 percent). The WI NonMSA AA offers extended drive-up hours Monday through Saturday at six locations. These services enhance the accessibility of the branches.

Bremer's record of opening and closing branches has adversely affected the accessibility of its delivery systems, particularly to LMI individuals and geographies. The bank did not open any branches during the evaluation period; however, the bank closed three branches in the WI NonMSA AA during the evaluation period. One branch was closed in March 2017 due to declining in-branch transactions. This branch was located in the county of Burnett in a middle-income CT in 2017. The second branch was closed in April 2016 and was located in a moderate-income CT. This branch was located in the county of Ashland and was only open for the months of June, July, and August with limited service hours of 9:30am to 2:00pm. Due to declining population, this branch was also closed. The nearest branch to the Ashland branch is 3.4 miles away. The third branch was located in a middle-income CT in the county of Dunn and was closed in April 2016.

Bremer's services and business hours do not vary in a way that inconveniences certain portions of the AA, particularly LMI geographies or individuals. Bank services and business hours are comparable among locations regardless of the income level of the geography.

Bremer offers a variety of alternative delivery systems including an ATM network, online banking, mobile banking, 24-hour telephone banking, online mortgage applications, and online opening of some checking, savings, certificates of deposit, and credit card products. We placed no significant weight on these alternative delivery systems, as the bank did not maintain sufficient metrics to determine their effectiveness in helping to meet the credit needs of LMI individuals in the WI NonMSA AA.

## **Community Development Services**

Bremer provides an adequate level of CD services in the WI NonMSA AA. Thirteen employees, or approximately 22 percent of the employees in the AA, provided services to 12 different organizations. These organizations provided community services to LMI individuals, supported affordable housing initiatives, provided economic development, and revitalized a distressed area in the AA. Of the services performed, ten employees demonstrated leadership by serving on the Board of Directors for the organization or on a committee for these organizations. As examples, one employee was on the Board of Directors for a free clinic for LMI individuals, one employee served on the Board of Directors for an entity that provides affordable housing for LMI individuals, one employee is on the Board of Directors for an organization that promotes economic development, and one employee is on the Board of Directors for an entity that focuses on revitalization and is located in a distressed CT.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the service test in the Eau Claire AA is weaker than the bank's overall performance in the state. Weaker performance is based on the reasonable accessibility of the branch to geographies and individuals of different income levels. Refer to Table 15 in Appendix D for the facts and data that support these conclusions.



## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): (01/01/2015 to 12/31/2017) Investment and Service Tests and CD Loans: (01/01/2015 to 12/31/2017)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Bremer Bank, National Association 372 St. Peter Street St. Paul, MN 55102	Home Mortgage Loans, Small Business Loans Small Farm Loans Community Development Loans, Investments, and Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Otto Bremer Trust	Majority owner of the Holding Company	Community Development Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Counties Included</b>
Fargo, ND-MN #22020	Full	Cass, Clay
Grand Forks, ND-MN #24220	Full	Grand Forks, Polk
La Crosse-Onalaska, WI-MN #29100	Full	La Crosse, Houston
Minneapolis-St. Paul-Bloomington, MN-WI #33460	Full	Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Le Sueur, Mille Lacs, Pierce, Ramsey, Scott, Sherburne, Sibley, St. Croix, Washington, Wright
<u>State of Minnesota</u> Mankato-North Mankato, MN #31860	Limited	Blue Earth, Nicollet
Minnesota (MN) NonMSA	Full	Aitken, Becker, Brown, Cass, Crow Wing, Douglas, Goodhue, Grant, Kandiyohi, Koochiching, Lyon, Marshall, Mower, Ottertail, Pope, Redwood, Renville, Steele, Stevens, Traverse, Wilkin, Winona
Rochester, MN #40340	Limited	Dodge, Fillmore, Olmsted, Wabasha

St. Cloud, MN #41060	Limited	Benton, Stearns
<u>State of North Dakota</u> Bismarck, ND #13900	Limited	Burleigh, Morton
North Dakota (ND) NonMSA	Full	Barnes (2017 Only), Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pembina, Pierce, Ramsey, Ransom, Richland, Stark, Strutsman, Walsh, Ward
<u>State of Wisconsin</u> Eau Claire, WI #20740	Limited	Chippewa, Eau Claire
Wisconsin (WI) NonMSA	Full	Ashland (only CT 9508 in 2015/2016), Bayfield, Burnett, Dunn, Polk

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

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RATINGS BREMER BANK, NATIONAL ASSOCIATION				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Bremer Bank, National Association	Outstanding	Outstanding	High Satisfactory	Outstanding
Multistate Metropolitan Area or State:				
Fargo, ND-MN	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
Grand Forks, ND-MN	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory
La Crosse-Onalaska, WI-MN	Outstanding	Outstanding	Outstanding	Outstanding
Minneapolis-St. Paul-Bloomington, MN-WI	Outstanding	Outstanding	Outstanding	Outstanding
Minnesota	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
North Dakota	Outstanding	Low Satisfactory	High Satisfactory	Satisfactory
Wisconsin	High Satisfactory	Outstanding	High Satisfactory	Satisfactory

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

## Appendix C: Community Profiles for Full-Scope Areas

### Fargo ND-MN

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fargo ND-MN MMSA – 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	4.3	15.2	60.9	19.6	0.0
Population by Geography	208,777	4.5	12.8	56.4	26.4	0.0
Housing Units by Geography	89,306	3.9	15.3	58.5	22.2	0.0
Owner-Occupied Units by Geography	49,149	0.7	9.8	62.5	27.0	0.0
Occupied Rental Units by Geography	35,451	8.6	22.5	52.6	16.3	0.0
Vacant Units by Geography	4,706	2.6	18.6	61.4	17.4	0.0
Businesses by Geography	14,151	3.8	20.3	51.2	24.6	0.0
Farms by Geography	934	0.1	5.2	74.5	20.1	0.0
Family Distribution by Income Level	48,919	18.2	17.9	24.8	39.1	0.0
Household Distribution by Income Level	84,600	24.3	16.6	17.1	42.0	0.0
Median Family Income MSA - 22020 Fargo, ND-MN MSA		\$67,695	Median Housing Value			\$146,683
			Median Gross Rent			\$607
			Families Below Poverty Level			6.2%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Fargo ND-MN MMSA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	46	0.0	26.1	52.2	19.6	2.2
Population by Geography	223,379	0.0	21.9	44.4	32.3	1.4
Housing Units by Geography	97,878	0.0	23.8	45.8	28.7	1.6
Owner-Occupied Units by Geography	51,774	0.0	14.8	50.9	33.7	0.6
Occupied Rental Units by Geography	39,676	0.0	36.1	38.3	23.0	2.6
Vacant Units by Geography	6,428	0.0	21.0	51.2	23.7	4.2
Businesses by Geography	14,795	0.0	33.3	37.9	28.3	0.5
Farms by Geography	921	0.0	8.4	67.4	24.0	0.2
Family Distribution by Income Level	52,742	18.8	19.0	23.0	39.3	0.0
Household Distribution by Income Level	91,450	23.5	17.3	17.2	42.0	0.0

Median Family Income MSA - 22020 Fargo, ND-MN MSA	\$75,010	Median Housing Value	\$165,470
		Median Gross Rent	\$709
		Families Below Poverty Level	6.7%
Source: 2015 ACS Census and 2017 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.			

The Fargo AA includes the entire MMSA and does not exclude any CTs or counties of the MMSA.

### Competition

Competition for deposits is moderate with 28 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer's major competitors are Bell Bank which holds 36 percent of the market, and Wells Fargo, National and Association which holds 11 percent of the market. All other lenders hold ten percent or less.

Competition for home mortgage loans is strong. Based on 2017 peer mortgage data, 184 lenders originated or purchased home mortgage loans in the AA. The top five lenders are Gate City Bank; Bell Bank; U.S. Bank, National Association; Caliber Homes Loans, Inc.; and Wells Fargo Bank, National Association. These lenders accounted for 46.12 percent of the market share by number of loans originated. Bremer accounts for 1.98 percent of the market share by number of loans originated.

Competition for small business loans is moderate. Based on 2017 peer small business loan data, 67 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; Bell Bank; American Express, Federal Savings Bank; First International Bank and Trust; and Capital One Bank, National Association. These lenders account for 66.74 percent of the market share by number of loans originated. Bremer accounts for 3.18 percent of the market share by number of loans originated.

Competition for small farm loans is moderate. Based on 2017 peer small farm data, there are 18 lenders competing for small farm loans in the AA. The top five lenders are Bell Bank; Bremer; Wells Fargo Bank, National Association; U.S. Bank, National Association; and Alerus Financial National Association. These lenders account for 90.33 percent of the market share by number of loans originated. Bremer accounts for 15.33 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the Fargo AA was 2.4 percent, which is below the North Dakota statewide level at the time of 2.7, below the Minnesota statewide average of 3.4 percent, and below the nationwide average rate of 4.4 percent.

Major industries in the Fargo AA include services, followed by retail trade. According to Moody's Analytics, the largest employers are the Sanford Health, North Dakota State University, Essentia Health, and the U.S. Bank Service Center.

According to the 2010 U.S. Census, 13.94 percent of families are living below the poverty level. Low-income families represented 18.15 percent of families in the AA and moderate-income families represented 17.92 percent of families. According to the 2015 decennial ASC census data, 12.44 percent of families were living below the poverty level. Low-income families represented 18.79 percent of families in the AA and moderate-income families represent 18.95 percent of families.

### Housing

According to the 2010 US Census, 55.03 percent of housing in the AA were owner-occupied, 39.70 percent were renter occupied, and 5.27 percent were vacant. In low-income CTs in the AA, 9.66 percent of houses were owner-occupied, 86.91 percent were renter occupied, and 3.44 percent were vacant. In moderate-income CTs, 35.20 percent of houses were owner-occupied, 58.40 percent were renter occupied, and 6.40 percent were vacant. The median housing stock was built in 1977 and the median housing value was \$146,683.

According to the 2015 decennial ASC census data, 52.90 percent of housing in the AA were owner-occupied, 40.54 percent were renter occupied, and 6.57 percent were vacant. There were no low-income CTs in the AA. In moderate-income CTs, 32.80 percent of houses were owner-occupied, 61.42 percent were renter-occupied, and 5.78 percent were vacant. The median housing stock was built in 1980 and the median housing value was \$165,470.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we relied on previous contacts with community leaders during the evaluation period. Our contacts indicated the community and credit needs in the Fargo AA include financing for start-up operations, affordable housing for LMI individuals, and loans for those who have poor or no credit histories.

## Grand Forks, ND-MN

Table A – Demographic Information of the Assessment Area						
Assessment Area: Bremer Grand Forks ND-MN MMSA – 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	3.6	17.9	67.9	10.7	0.0
Population by Geography	98,461	5.3	16.9	65.8	12.1	0.0
Housing Units by Geography	43,641	2.2	19.8	67.6	10.4	0.0
Owner-Occupied Units by Geography	23,556	0.5	17.2	67.3	14.9	0.0
Occupied Rental Units by Geography	15,467	4.9	24.9	64.6	5.6	0.0
Vacant Units by Geography	4,618	1.9	15.7	79.0	3.4	0.0
Businesses by Geography	6,305	2.2	19.2	67.2	11.4	0.0
Farms by Geography	875	0.2	11.3	83.5	4.9	0.0
Family Distribution by Income Level	22,957	19.5	18.3	24.2	37.9	0.0
Household Distribution by Income Level	39,023	25.8	15.0	17.3	41.9	0.0
Median Family Income MSA - 24220 Grand Forks, ND-MN MSA		\$64,258	Median Housing Value			\$127,851
			Median Gross Rent			\$625
			Families Below Poverty Level			8.1%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (* ) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Grand Forks ND-MN MMSA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	3.6	17.9	64.3	14.3	0.0
Population by Geography	100,526	5.5	20.1	56.4	18.0	0.0
Housing Units by Geography	45,371	2.9	21.2	60.1	15.7	0.0
Owner-Occupied Units by Geography	23,457	0.3	15.0	61.9	22.7	0.0
Occupied Rental Units by Geography	17,787	5.9	29.6	56.6	7.9	0.0
Vacant Units by Geography	4,127	4.5	20.3	65.2	10.0	0.0
Businesses by Geography	6,375	2.1	17.2	57.8	22.9	0.0
Farms by Geography	831	0.2	9.9	75.7	14.2	0.0
Family Distribution by Income Level	23,958	20.2	19.0	21.1	39.7	0.0
Household Distribution by Income Level	41,244	26.0	14.0	18.1	41.9	0.0
Median Family Income MSA - 24220 Grand Forks, ND-MN MSA		\$70,827	Median Housing Value			\$150,403
			Median Gross Rent			\$741
			Families Below Poverty Level			8.6%

Source: 2015 ACS Census and 2017 D&B Data

Due to rounding, totals may not equal 100.0

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

The Grand Forks AA includes the entire MMSA and does not exclude any CTs or counties of the MMSA.

### Competition

Competition for deposits is moderate with 20 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer's major competitor is Alerus Financial National Association, which holds 23.81 percent of the market. All other lenders hold ten percent or less. Bremer holds 21.38 percent of the market.

Competition for home mortgage loans is strong. Based on 2017 peer mortgage data, 136 lenders originated or purchased home mortgage loans in the AA. The top five lenders are Gate City Bank; Wells Fargo, National Association; Alerus Financial, National Association; Bremer Bank, National Association; and U.S. Bank, National Association. These lenders accounted for 42.97 percent of the market share by number of loans originated. Bremer accounts for 6.99 percent of the market share by number of loans originated.

Competition for small business loans is moderate. Based on 2017 peer small business loan data, 47 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; Bremer Bank, National Association; American Express Federal Savings Bank; Frandsen Bank & Trust; and Capital One Bank, National Association. These lenders account for 69.21 percent of the market share by number of loans originated. Bremer accounts for 13.18 percent of the market share by number of loans originated.

Competition for small farm loans is moderate. Based on 2017 peer small farm data, there are 15 lenders competing for small farm loans in the AA. The top five lenders are Bremer Bank, National Association; Frandsen Bank & Trust; Alerus Financial, National Association; U.S. Bank, National Association; and Capital One Bank, National Association. These lenders account for 96.33 percent of the market share by number of loans originated. Bremer is the market leader and holds 60.45 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the Grand Forks AA was 2.8 percent, which is above the North Dakota statewide level at the time of 2.7, but below the Minnesota statewide average of 3.4 percent, and the nationwide average rate of 4.4 percent.

Major industries in the Grand Forks AA include services, followed by retail trade and agriculture. According to Moody's Analytics, the largest employers are the University of North Dakota, Altru Health System, Grand Forks Air Force Base, LM Wind Power, and Valley Memorial Homes.



According to the 2010 U.S. Census, 16.09 percent of families are living below the poverty level in the AA. Low-income families represented 19.55 percent of families in the AA and moderate-income families represented 18.31 percent of families. According to the 2015 decennial ASC census data, 17.36 percent of families were living below the poverty level. Low-income families represented 20.19 percent of families in the AA and moderate-income families represent 19.02 percent of families.

### Housing

According to the 2010 US Census, 53.98 percent of housing in the AA were owner-occupied, 35.44 percent were renter-occupied, and 10.58 percent were vacant. In low-income CTs in the AA, 12.03 percent of houses were owner-occupied, 78.66 percent were renter-occupied, and 9.31 percent were vacant. In moderate-income CTs, 47.01 percent of houses were owner-occupied, 44.60 percent were renter-occupied, and 8.40 percent were vacant. The median housing stock was built in 1968 and the average median housing value was \$127,851.

According to the 2015 decennial ASC census data, 51.70 percent of housing in the AA were owner-occupied, 39.20 percent were renter occupied, and 9.10 percent were vacant. In the low-income CTs, 5.89 percent of the houses were owner-occupied, 79.89 percent were renter-occupied, and 14.22 percent were vacant. In moderate-income CTs, 36.65 percent of houses were owner-occupied, 54.67 percent were renter-occupied, and 8.68 percent were vacant. The median housing stock was built in 1971 and the median housing value was \$150,403.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we relied on previous contacts with community leaders during the evaluation period. Our contacts indicated the community and credit needs in the Grand Forks AA include financing for agriculture credit, small business lending, and affordable housing for LMI individuals.

## La Crosse- Onalaska, WI-MN

Table A – Demographic Information of the Assessment Area						
Assessment Area: La Crosse AA – 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	13.3	66.7	16.7	0.0
Population by Geography	133,665	4.1	11.9	69.7	14.3	0.0
Housing Units by Geography	56,330	3.8	11.5	70.6	14.0	0.0
Owner-Occupied Units by Geography	36,409	0.5	4.1	79.0	16.4	0.0
Occupied Rental Units by Geography	16,862	10.6	26.4	53.6	9.4	0.0
Vacant Units by Geography	3,059	5.2	18.2	65.6	11.0	0.0
Businesses by Geography	7,066	3.1	18.8	68.1	10.0	0.0
Farms by Geography	571	0.2	1.1	92.3	6.5	0.0
Family Distribution by Income Level	32,865	18.3	18.6	24.7	38.4	0.0
Household Distribution by Income Level	53,271	25.3	14.8	19.6	40.3	0.0
Median Family Income MSA - 29100 La Crosse-Onalaska, WI-MN MSA		\$65,427	Median Housing Value			\$146,488
			Median Gross Rent			\$646
			Families Below Poverty Level			7.0%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (* ) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: LaCrosse AA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	13.3	63.3	16.7	3.3
Population by Geography	135,860	1.8	13.5	65.8	15.3	3.6
Housing Units by Geography	57,633	2.3	14.9	66.3	15.2	1.4
Owner-Occupied Units by Geography	36,449	0.3	6.4	73.7	19.2	0.4
Occupied Rental Units by Geography	17,782	5.7	30.9	51.8	8.0	3.7
Vacant Units by Geography	3,402	5.7	21.6	62.7	10.0	0.0
Businesses by Geography	7,118	10.5	14.4	63.8	10.6	0.8
Farms by Geography	559	0.4	1.6	89.8	7.9	0.4
Family Distribution by Income Level	33,393	18.6	18.9	22.7	39.8	0.0
Household Distribution by Income Level	54,231	21.8	17.3	19.0	41.9	0.0
Median Family Income MSA - 29100 La Crosse-Onalaska, WI-MN MSA		\$68,531	Median Housing Value			\$155,525
			Median Gross Rent			\$750
			Families Below Poverty Level			6.9%

The LaCrosse AA includes the entire MMSA and does not exclude any CTs or counties of the MMSA.

### Competition

Competition for deposits is moderate with 17 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer's major competitors are U.S. Bank National Association; Wells Fargo Bank, National Association; Associated Bank, National Association; Coulee Bank; and Merchants Bank, National Association. U.S. Bank National Association holds 16.76 percent of the market and Wells Fargo Bank, National Association holds 13.57 percent of the market. All other lenders hold ten percent or less. Bremer holds 3.17 percent of the market.

Competition for home mortgage loans is strong. Based on 2017 peer mortgage data, 180 lenders originated or purchased home mortgage loans in the AA. The top five lenders are Altra Federal Credit Union; Merchants Bank, National Association; Associated Bank, National Association; C.U. Mortgage Services Inc.; and Park Bank. These lenders accounted for 42.52 percent of the market share by number of loans originated. Bremer accounts for 2.09 percent of the market share by number of loans originated.

Competition for small business loans is moderate. Based on 2017 peer small business loan data, 49 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; Merchants Bank, National Association; American Express Federal Savings Bank; Capital One Bank, National Association; and Wells Fargo, National Association. These lenders account for 73.59 percent of the market share by number of loans originated. Bremer accounts for 1.54 percent of the market share by number of loans originated.

Competition for small farm loans is minimal. Based on 2017 peer small farm data, there are 11 lenders competing for small farm loans in the AA. The top five lenders are Merchants Bank, National Association; Bank of the West; Bremer Bank, National Association; U.S. Bank, National Association; and Chase Bank USA, National Association. These lenders account for 95.97 percent of the market share by number of loans originated. Bremer holds 12.75 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the LaCrosse AA was 3.0 percent, which is below the Wisconsin statewide level at the time of 3.3, below the Minnesota statewide average of 3.4 percent, and below the nationwide average rate of 4.4 percent.

Major industries in the LaCrosse AA include services, followed by retail trade and agriculture. According to Moody's Analytics, the largest employers are the Gundersen Health System, Ashley Furniture Industries Inc., The Mayo Clinic Health System, Trane, and Fort McCoy.

According to the 2010 U.S. Census, 12.85 percent of families are living below the poverty level. Low-income families represented 18.65 percent of families in the AA and moderate-income families represented 18.90 percent of families. According to the 2015 decennial ASC census data, 12.83 percent of families were living below the poverty level. Low-income families represented 18.28 percent of families in the AA and moderate-income families represent 18.64 percent of families.

### Housing

According to the 2010 US Census, 64.64 percent of housing in the AA were owner-occupied, 29.93 percent were renter-occupied, and 5.43 percent were vacant. In low-income CTs in the AA, 9.22 percent of houses were owner-occupied, 83.42 percent were renter occupied, and 7.36 percent were vacant. In moderate-income CTs, 22.86 percent of houses were owner-occupied, 68.59 percent were renter-occupied, and 8.56 percent were vacant. The median housing stock was built in 1969 and the average median housing value was \$146,488.

According to the 2015 decennial ASC census data, 63.24 percent of housing in the AA were owner-occupied, 30.85 percent were renter-occupied, and 5.90 percent were vacant. In the low-income CTs, 8.76 percent of the houses were owner-occupied, 76.54 percent were renter-occupied, and 14.70 percent were vacant. In moderate-income CTs, 27.35 percent of houses were owner-occupied, 64.06 percent were renter-occupied, and 8.59 percent were vacant. The median housing stock was built in 1972 and the median housing value was \$155,525.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we relied on previous contacts with community leaders during the evaluation period. Our contacts indicated the community and credit needs in the LaCrosse AA include financing for repair of homes, affordable housing, small business loans with flexible lending terms, and down payment assistance programs.

## Minneapolis-St. Paul- Bloomington, MN-WI

Table A – Demographic Information of the Assessment Area						
Assessment Area: Minneapolis AA - 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	789	8.0	19.4	45.8	26.4	0.5
Population by Geography	3,348,859	6.1	16.5	49.1	28.2	0.1
Housing Units by Geography	1,375,027	6.1	17.8	49.6	26.5	0.0
Owner-Occupied Units by Geography	940,246	2.4	13.7	52.4	31.4	0.0
Occupied Rental Units by Geography	351,478	15.0	27.5	42.8	14.7	0.0
Vacant Units by Geography	83,303	10.6	23.5	46.1	19.8	0.0
Businesses by Geography	238,547	4.5	15.2	47.7	32.6	0.0
Farms by Geography	7,996	1.2	13.2	60.8	24.8	0.0
Family Distribution by Income Level	837,598	19.1	17.8	23.5	39.7	0.0
Household Distribution by Income Level	1,291,724	22.6	16.5	19.7	41.2	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA		\$79,301	Median Housing Value			\$252,414
			Median Gross Rent			\$856
			Families Below Poverty Level			6.3%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Minneapolis AA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	789	7.1	23.4	45.0	23.6	0.9
Population by Geography	3,458,790	5.8	20.3	47.8	25.8	0.3
Housing Units by Geography	1,408,224	5.4	21.4	48.4	24.5	0.3
Owner-Occupied Units by Geography	932,769	2.1	16.8	51.4	29.6	0.1
Occupied Rental Units by Geography	401,626	12.4	31.0	41.7	14.1	0.8
Vacant Units by Geography	73,829	8.5	26.0	47.2	17.5	0.7
Businesses by Geography	245,246	4.4	17.8	48.9	28.6	0.3
Farms by Geography	8,078	1.2	16.6	59.3	22.9	0.0
Family Distribution by Income Level	865,549	20.3	17.7	22.3	39.7	0.0
Household Distribution by Income Level	1,334,395	23.6	16.2	18.7	41.5	0.0
Median Family Income MSA - 33460 Minneapolis-St. Paul-Bloomington, MN- WI MSA		\$85,636	Median Housing Value			\$226,106
			Median Gross Rent			\$956

	Families Below Poverty Level	6.8%
Source: 2015 ACS Census and 2017 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.		

The Minneapolis AA includes the entire MMSA and does not exclude any CTs or counties of the MMSA.

### Competition

Competition for deposits is strong with 153 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer's major competitors are Wells Fargo Bank, National Association and U.S. Bank National Association. Wells Fargo Bank, National Association holds 40.51 percent of the market and U.S. Bank National Association holds 37.07 percent of the market. All other lenders hold ten percent or less. Bremer holds 2.24 percent of the market.

Competition for home mortgage loans is very strong. Based on 2017 peer mortgage data, 695 lenders originated or purchased home mortgage loans in the AA. The top five lenders are Wells Fargo Bank, National Association; U.S. Bank, National Association; JPMorgan Chase Bank, National Association; Bell Bank; and American Mortgage & Equity Consultants. These lenders accounted for 33.85 percent of the market share by number of loans originated. Bremer accounts for 0.60 percent of the market share by number of loans originated.

Competition for small business loans is strong. Based on 2017 peer small business loan data, 148 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; Wells Fargo Bank, National Association; American Express Federal Savings Bank; Citibank, National Association; and Capital One Bank, National Association. These lenders account for 81.75 percent of the market share by number of loans originated. Bremer accounts for 0.51 percent of the market share by number of loans originated.

Competition for small farm loans is moderate. Based on 2017 peer small farm data, there are 36 lenders competing for small farm loans in the AA. The top five lenders are U.S. Bank, National Association; Kleinbank; Wells Fargo Bank, National Association; Frandsen Bank and Trust, and Bremer Bank, National Association. These lenders account for account for 70.30 percent of the market share by number of loans originated. Bremer holds 8.39 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the Minneapolis AA was 3.2 percent, which is below the Minnesota statewide level at the time of 3.4, below the Wisconsin statewide average of 3.3 percent and below the nationwide average rate of 4.4 percent.

Major industries in the Minneapolis AA include services, followed by retail trade. According to Moody's Analytics, the largest employers are Allina Health System, Target Corporation, the University of Minnesota, HealthPartners and Fairview Health System. The Minneapolis AA

also is also home to 18 Fortune 500 companies. The top five are UnitedHealth Group, Target, Best Buy, CHS, and 3M.

According to the 2010 U.S. Census, 8.97 percent of families are living below the poverty level. Low-income families represented 19.08 percent of families in the AA and moderate-income families represented 17.78 percent of families. According to the 2015 decennial ASC census data, 9.68 percent of families were living below the poverty level. Low-income families represented 20.33 percent of families in the AA and moderate-income families represent 17.68 percent of families.

### Housing

According to the 2010 US Census, 68.38 percent of housing in the AA were owner-occupied, 25.56 percent were renter-occupied, and 6.06 percent were vacant. In low-income CTs in the AA, 26.97 percent of houses were owner-occupied, 62.53 percent were renter occupied, and 10.50 percent were vacant. In moderate-income CTs, 52.60 percent of houses were owner-occupied, 39.42 percent were renter-occupied, and 7.98 percent were vacant. The median housing stock was built in 1960 and the median housing value was \$252,414.

According to the 2015 decennial ASC census data, 66.24 percent of housing in the AA were owner-occupied, 28.52 percent were renter-occupied, and 5.24 percent were vacant. In the low-income CTs, 26.27 percent of the houses were owner-occupied, 65.45 percent were renter-occupied, and 8.28 percent were vacant. In moderate-income CTs, 52.18 percent of houses were owner-occupied, 41.43 percent were renter-occupied, and 6.39 percent were vacant. The median housing stock was built in 1962 and the median housing value was \$226,106.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we relied on previous contacts with community leaders during the evaluation period. Our contacts indicated the community and credit needs in the Minneapolis AA include general financial assistance in LMI geographies, affordable housing, and small business loans with flexible lending terms.

# State of Minnesota

## MN Non-MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: MN NonMSA – 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	0.6	10.2	77.8	11.4	0.0
Population by Geography	591,869	0.8	9.1	76.3	13.8	0.0
Housing Units by Geography	315,610	0.7	10.8	76.5	11.9	0.0
Owner-Occupied Units by Geography	190,892	0.6	8.3	76.8	14.3	0.0
Occupied Rental Units by Geography	56,646	2.0	15.3	74.0	8.7	0.0
Vacant Units by Geography	68,072	0.1	14.3	77.9	7.7	0.0
Businesses by Geography	41,602	0.9	11.1	76.9	11.2	0.0
Farms by Geography	6,656	0.0	2.4	84.1	13.4	0.0
Family Distribution by Income Level	163,980	18.3	18.1	23.4	40.2	0.0
Household Distribution by Income Level	247,538	23.3	16.2	19.1	41.3	0.0
Median Family Income Non-MSAs - MN		\$57,683	Median Housing Value			\$163,324
			Median Gross Rent			\$583
			Families Below Poverty Level			7.5%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (* ) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: MN NonMSA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	0.0	11.4	76.6	12.0	0.0
Population by Geography	591,585	0.0	11.0	74.6	14.4	0.0
Housing Units by Geography	319,057	0.0	12.3	75.6	12.1	0.0
Owner-Occupied Units by Geography	184,209	0.0	9.4	75.4	15.1	0.0
Occupied Rental Units by Geography	58,505	0.0	17.7	74.2	8.1	0.0
Vacant Units by Geography	76,343	0.0	15.2	77.0	7.8	0.0
Businesses by Geography	41,406	0.0	13.1	75.4	11.5	0.0
Farms by Geography	6,340	0.0	3.6	81.3	15.1	0.0
Family Distribution by Income Level	159,383	18.1	17.9	23.1	40.9	0.0
Household Distribution by Income Level	242,714	23.4	15.9	18.6	42.0	0.0
Median Family Income Non-MSAs - MN		\$63,182	Median Housing Value			\$162,901
			Median Gross Rent			\$660



	Families Below Poverty Level	7.7%
Source: 2015 ACS Census and 2017 D&B Data Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.		

The MN NonMSA AA includes only the counties of Aitken, Becker, Brown, Cass, Crow Wing, Douglas, Goodhue, Grant, Kandiyohi, Koochiching, Lyon, Marshall, Mower, Ottertail, Pope, Redwood, Renville, Steele, Stevens, Traverse, Wilkin, and Winona in the State of Minnesota.

### Competition

Competition for deposits is strong with 113 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer's major competitor is Wells Fargo Bank, National Association. Wells Fargo Bank, National Association holds 14.57 percent of the market. All other lenders hold ten percent or less. Bremer holds 10.18 percent of the market.

Competition for home mortgage loans is very strong. Based on 2017 peer mortgage data, 464 lenders originated or purchased home mortgage loans in the AA. The top five lenders are Wells Fargo Bank, National Association; U.S. Bank, National Association; Bremer Bank, National Association; Merchants Bank, National Association; and Quicken Loans. These lenders accounted for 30.79 percent of the market share by number of loans originated. Bremer accounts for 5.55 percent of the market share by number of loans originated.

Competition for small business loans is moderate. Based on 2017 peer small business loan data, 80 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; Wells Fargo Bank, National Association; American Express Federal Savings Bank; Citibank, National Association; and Bremer Bank, National Association. These lenders account for 66.38 percent of the market share by number of loans originated. Bremer accounts for 8.54 percent of the market share by number of loans originated.

Competition for small farm loans is moderate. Based on 2017 peer small farm data, there are 31 lenders competing for small farm loans in the AA. The top five lenders are Bremer Bank, National Association; Minnwest Bank; Frandsen Bank & Trust; Merchants Bank, National Association, and Wells Fargo Bank, National Association. These lenders account for account for 74.87 percent of the market share by number of loans originated. Bremer is the market leader and holds 29.14 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the MN NonMSA AA was 4.08 percent, which is above the Minnesota statewide level at the time of 3.4, but below the nationwide average rate of 4.4 percent.

Major industries in the MN NonMSA AA include services, followed by agriculture and retail trade. There were also brownfield sites in the AA, which are locations which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. In the MN NonMSA AA, there are four Brownfield sites located in the counties of

Becker, Cass, Otter Tail, and Redwood during the evaluation period. The MN NonMSA AA also is also home to Hormel Foods, which is a Fortune 500 located in Mower County.

According to the 2010 U.S. Census, 12.25 percent of families are living below the poverty level. Low-income families represented 18.27 percent of families in the AA and moderate-income families represented 18.14 percent of families. According to the 2015 decennial ASC census data, 12.07 percent of families were living below the poverty level. Low-income families represented 18.07 percent of families in the AA and moderate-income families represent 17.95 percent of families.

### Housing

According to the 2010 US Census, 60.48 percent of housing in the AA was owner-occupied, 17.95 percent were renter-occupied, and 21.57 percent were vacant. In low-income CTs in the AA, 49.81 percent of houses were owner-occupied, 47.57 percent were-renter occupied, and 2.62 percent were vacant. In moderate-income CTs, 46.24 percent of houses were owner-occupied, 25.31 percent were renter-occupied, and 28.45 percent were vacant. The median housing stock was built in 1969 and the median housing value was \$163,324.

According to the 2015 decennial ASC census data, 57.74 percent of housing in the AA were owner-occupied, 18.34 percent were renter-occupied, and 23.93 percent were vacant. There were no low-income CTs in the AA in 2017. In moderate-income CTs, 44.23 percent of houses were owner-occupied, 26.28 percent were renter-occupied, and 29.49 percent were vacant. The median housing stock was built in 1972 and the median housing value was \$162,901.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we relied on previous contacts with community leaders during the evaluation period. Our contacts indicated the community and credit needs in the MN NonMSA AA include affordable housing, micro-lending for small businesses, more widespread usage of United States Department of Agriculture (USDA) loans.

# State of North Dakota

## ND NonMSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: ND Non-MSA – 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	66	1.5	4.5	86.4	7.6	0.0
Population by Geography	199,802	1.3	6.1	84.1	8.6	0.0
Housing Units by Geography	95,174	0.9	5.9	85.5	7.8	0.0
Owner-Occupied Units by Geography	57,647	0.4	4.7	85.9	9.0	0.0
Occupied Rental Units by Geography	24,059	1.9	9.8	82.3	6.0	0.0
Vacant Units by Geography	13,468	1.0	3.8	89.2	5.9	0.0
Businesses by Geography	16,481	0.6	6.3	84.9	8.1	0.0
Farms by Geography	3,199	0.3	1.0	90.9	7.8	0.0
Family Distribution by Income Level	52,384	18.6	18.5	23.3	39.5	0.0
Household Distribution by Income Level	81,706	22.9	16.9	18.1	42.1	0.0
Median Family Income Non-MSAs - ND		\$58,592	Median Housing Value			\$92,410
			Median Gross Rent			\$514
			Families Below Poverty Level			7.1%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (* ) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: ND Non-MSA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	70	1.4	10.0	74.3	14.3	0.0
Population by Geography	223,106	1.1	8.2	73.7	17.0	0.0
Housing Units by Geography	108,173	0.8	7.1	76.9	15.2	0.0
Owner-Occupied Units by Geography	62,794	0.4	5.4	76.1	18.0	0.0
Occupied Rental Units by Geography	29,312	1.4	12.0	75.5	11.1	0.0
Vacant Units by Geography	16,067	1.0	5.0	82.5	11.5	0.0
Businesses by Geography	17,671	0.5	6.1	76.5	16.8	0.0
Farms by Geography	3,268	0.2	3.9	83.6	12.2	0.0
Family Distribution by Income Level	57,109	19.6	18.3	23.2	38.9	0.0
Household Distribution by Income Level	92,106	23.6	17.4	18.4	40.7	0.0
Median Family Income Non-MSAs - ND		\$72,620	Median Housing Value			\$140,933
			Median Gross Rent			\$740
			Families Below Poverty Level			6.3%

The ND NonMSA AA includes only the counties of Barnes (2017 Only), Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pembina, Pierce, Ramsey, Ransom, Richland, Stark, Strutsman, Walsh, and Ward in the State of North Dakota.

### Competition

Competition for deposits is moderate with 47 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer is the market leader and holds 10.53 percent of the market. Bremer's major competitor is First Western Bank & Trust. First Western Bank & Trust holds 10.08 percent of the market. All other lenders hold ten percent or less.

Competition for home mortgage loans is strong. Based on 2017 peer mortgage data, 181 lenders originated or purchased home mortgage loans in the AA. The top five lenders were Gate City Bank; U.S. Bank, National Association; Well Fargo Bank, National Association; Town & County Credit Union; and First Community Credit Union. These lenders accounted for 34.10 percent of the market share by number of loans originated. Bremer accounts for 3.17 percent of the market share by number of loans originated.

Competition for small business loans is moderate. Based on 2017 peer small business loan data, 67 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; American Express Federal Savings Bank; Wells Fargo Bank, National Association; Citibank, National Association; and Capital One Bank, National Association. These lenders account for 58.46 percent of the market share by number of loans originated. Bremer accounts for 6.96 percent of the market share by number of loans originated.

Competition for small farm loans is moderate. Based on 2017 peer small farm data, there are 22 lenders competing for small farm loans in the AA. The top five lenders are Bremer Bank, National Association; American Bank Center; Dacotah Bank; First International Bank and Trust; and Wells Fargo Bank, National Association. These lenders account for account for 86.59 percent of the market share by number of loans originated. Bremer is the market leader and holds 31.66 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the ND NonMSA AA was 3.04 percent, which is above the North Dakota statewide level at the time of 2.7, but below the nationwide average rate of 4.4 percent.

Major industries in the MN NonMSA AA include services, followed by agriculture and retail trade. There were also brownfield sites in the AA, which are locations which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or

contaminant. In the ND NonMSA AA, there was one Brownfield site located in the county of Benson during the evaluation period.

According to the 2010 U.S. Census, 11.96 percent of families are living below the poverty level. Low-income families represented 18.64 percent of families in the AA and moderate-income families represented 18.49 percent of families. According to the 2015 decennial ASC census data, 10.20 percent of families were living below the poverty level. Low-income families represented 19.55 percent of families in the AA and moderate-income families represent 18.35 percent of families.

### Housing

According to the 2010 US Census, 60.57 percent of housing in the AA were owner-occupied, 25.28 percent were renter-occupied, and 14.15 percent were vacant. In low-income CTs in the AA, 28.07 percent of houses were owner-occupied, 55.06 percent were renter occupied, and 16.87 percent were vacant. In moderate-income CTs, 48.60 percent of houses were owner-occupied, 24.36 percent were renter-occupied, and 14.78 percent were vacant. The median housing stock was built in 1967 and the median housing value was \$92,410.

According to the 2015 decennial ASC census data, 58.05 percent of housing in the AA were owner-occupied, 27.10 percent were renter-occupied, and 14.85 percent were vacant. In low-income CTs, 32.79 percent of houses were owner-occupied, 49.07 percent were renter-occupied, and 18.14 percent were vacant. In moderate-income CTs, 43.85 percent of houses were owner-occupied, 45.74 percent were renter-occupied, and 10.41 percent were vacant. The median housing stock was built in 1969 and the median housing value was \$140,933.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we contacted community leaders and relied on previous contacts with community leaders during the evaluation period. Our contacts indicated the community and credit needs in the ND NonMSA AA include affordable housing, funding for basic needs for LMI, access to affordable dental care, loans for those who have poor or credit histories, and small business lending.

# State of Wisconsin

## WI NonMSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: WI Non-MSA – 2015/2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	0.0	13.3	86.7	0.0	0.0
Population by Geography	121,919	0.0	9.0	91.0	0.0	0.0
Housing Units by Geography	71,368	0.0	11.6	88.4	0.0	0.0
Owner-Occupied Units by Geography	38,904	0.0	9.6	90.4	0.0	0.0
Occupied Rental Units by Geography	11,079	0.0	10.9	89.1	0.0	0.0
Vacant Units by Geography	21,385	0.0	15.4	84.6	0.0	0.0
Businesses by Geography	7,409	0.0	12.4	87.6	0.0	0.0
Farms by Geography	982	0.0	5.9	94.1	0.0	0.0
Family Distribution by Income Level	33,642	19.0	19.5	23.0	38.5	0.0
Household Distribution by Income Level	49,983	22.3	17.1	19.6	40.9	0.0
Median Family Income Non-MSAs - WI		\$57,005	Median Housing Value			\$160,308
			Median Gross Rent			\$647
			Families Below Poverty Level			8.6%
Source: 2010 U.S. Census and 2016 D&B Data Due to rounding, totals may not equal 100.0 (* ) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: WI Non-MSA - 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	0.0	15.8	78.9	0.0	5.3
Population by Geography	134,108	0.0	12.4	87.6	0.0	0.0
Housing Units by Geography	80,398	0.0	16.9	83.1	0.0	0.0
Owner-Occupied Units by Geography	41,200	0.0	13.3	86.7	0.0	0.0
Occupied Rental Units by Geography	14,184	0.0	16.5	83.5	0.0	0.0
Vacant Units by Geography	25,014	0.0	23.0	77.0	0.0	0.0
Businesses by Geography	8,073	0.0	14.8	85.2	0.0	0.0
Farms by Geography	982	0.0	6.0	94.0	0.0	0.0
Family Distribution by Income Level	35,681	19.5	20.4	22.8	37.4	0.0
Household Distribution by Income Level	55,384	23.8	17.5	19.1	39.7	0.0
Median Family Income Non-MSAs - WI		\$60,911	Median Housing Value			\$150,981
			Median Gross Rent			\$671
			Families Below Poverty Level			8.3%

The WI NonMSA AA includes only the counties of Ashland (only CT 9508 in 2015/2016), Bayfield, Burnett, Dunn, and Polk in the State of Wisconsin.

### Competition

Competition for deposits is moderate with 22 reporting institutions in the AA. According to the June 30, 2017 FDIC Deposit Market Share Report, Bremer is the market leader and holds 29.94 percent of the market. Bremer's major competitor was Northern State Bank. Northern State Bank holds 10.93 percent of the market. All other lenders hold ten percent or less.

Competition for home mortgage loans is strong. Based on 2017 peer mortgage data, 283 lenders originated or purchased home mortgage loans in the AA. The top five lenders were Wisconsin Credit Union; Royal Credit Union; U.S. Bank, National Association; American Mortgage & Equity Consultants; and Wells Fargo Bank, National Association. These lenders accounted for 29.88 percent of the market share by number of loans originated. Bremer accounts for 3.47 percent of the market share by number of loans originated.

Competition for small business loans is moderate. Based on 2017 peer small business loan data, 57 lenders originated or purchased small business loans in the AA. The top five small business lenders were U.S. Bank, National Association; Capital One Bank, National Association; Bremer Bank, National Association; American Express Federal Savings Bank; and Citibank, National Association. These lenders account for 70.01 percent of the market share by number of loans originated. Bremer accounts for 11.75 percent of the market share by number of loans originated.

Competition for small farm loans is moderate. Based on 2017 peer small farm data, there are 15 lenders competing for small farm loans in the AA. The top five lenders are Bremer Bank, National Association; U.S. Bank, National Association; Frandsen Bank & Trust; Capital One Bank, National Association; and BMO Harris Bank, National Association. These lenders account for 93.98 percent of the market share by number of loans originated. Bremer is the market leader and holds 69.85 percent of the market share by number of loans originated.

### Employment and Economic Factors

According to the Bureau of Labor Statistics, the average unemployment in 2017 for the WI NonMSA AA was 4.38 percent, which is above the Wisconsin statewide level at the time of 3.3 but below the nationwide average rate of 4.4 percent.

Major industries in the MN NonMSA AA include services, followed by retail trade and agriculture. There were also brownfield sites in the AA, which are locations that may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. In the WI NonMSA AA, there are three brownfield sites located in the counties of Ashland, Bayfield, and Burnett during the evaluation period.

According to the 2010 U.S. Census, 12.92 percent of families are living below the poverty level. Low-income families represented 18.99 percent of families in the AA and moderate-income families represented 19.48 percent of families. According to the 2015 decennial ASC census data, 12.91 percent of families were living below the poverty level. Low-income families represented 19.49 percent of families in the AA and moderate-income families represent 20.37 percent of families.

### Housing

According to the 2010 US Census, 54.51 percent of housing in the AA were owner-occupied, 15.52 percent were renter-occupied, and 29.96 percent were vacant. There were no low-income CTs in the AA. In moderate-income CTs, 45.40 percent of houses were owner-occupied, 14.59 percent were renter-occupied, and 40.01 percent were vacant. The median housing stock was built in 1976 and the median housing value was \$160,308.

According to the 2015 decennial ASC census data, 51.25 percent of housing in the AA were owner-occupied, 17.64 percent were renter-occupied, and 31.11 percent were vacant. There were no low-income CTs in the AA. In moderate-income CTs, 40.38 percent of houses were owner-occupied, 17.19 percent were renter-occupied, and 42.42 percent were vacant. The median housing stock was built in 1977 and the median housing value was \$150,981.

### Community Contact

In order to gather current information on the community and potential lending, investment, and service opportunities in the area, we contacted a community leader and relied on a previous contact with a community leader during the evaluation period. Our contacts indicated the community and credit needs in the WI NonMSA AA include affordable housing, loans for those who have poor or credit histories, and assistance with the increase in homelessness.



## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems. [Note: Do not renumber the tables.]

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 O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - 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 aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - 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 aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - 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. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - 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. The table also presents aggregate peer data for the years the data is available.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. The table also presents aggregate peer data for the years the data is available.

**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

**Table 1. Lending Volume**

LENDING VOLUME		Geography: BREMER BANK						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016				
Assessment Area (2016):	% 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 Scope:												
Fargo AA	5.22	459	157,004	337	83,232	195	34,025	2	86	991	274,261	0.00
Grand Forks AA	8.00	388	62,128	458	87,166	673	112,593	4	778	1,519	261,887	0.00
LaCrosse AA	1.38	145	41,085	62	16,130	54	5,264	1	900	261	62,479	0.00
Minneapolis AA	18.10	1,899	677,218	1,337	425,418	200	23,332	47	59,648	3,436	1,125,968	0.00
MN NonMSA	31.42	2,216	366,004	1,937	319,874	1,811	231,887	7	9,946	5,964	917,765	0.00
ND NonMSA	13.08	410	69,436	484	89,050	1,589	232,214	9	4,690	2,483	390,700	0.00
WI NonMSA	6.11	354	49,433	390	48,933	416	44,568	3	3,211	1,160	142,934	0.00
Limited Scope:												
Bismarck AA	0.98	92	63,033	66	19,123	28	3,852	1	50	186	86,008	0.00
Eau Claire AA	1.23	125	61,654	66	11,866	42	3,674	5	20,740	233	77,194	0.00
Mankato AA	1.95	252	47,302	91	26,516	27	5,129	0	0	370	78,947	0.00
Rochester AA	6.92	500	200,256	345	56,048	469	63,275	1	2,250	1,314	319,579	0.00
St Cloud AA	5.60	498	97,249	465	116,338	100	16,204	6	6,371	1,063	229,791	0.00

\* Loan Data as of December 31, 2016. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2015 to December 31, 2016.

\*\*\* Deposit Data as of February 05, 2019. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** **2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
<b>Full Scope:</b>																			
Fargo AA	459	157,004	6.3	10,323	0.7	0.2	0.9	9.8	6.1	7.1	62.5	54.5	50.9	27.0	39.2	41.1	0.0	0.0	0.0
Grand Forks AA	388	62,128	5.3	3,197	0.5	0.3	0.3	17.2	8.5	16.3	67.3	81.7	62.8	14.9	9.5	20.7	0.0	0.0	0.0
LaCrosse AA	145	41,085	2.0	4,590	0.5	0.7	1.2	4.1	6.9	4.6	79.0	71.7	76.7	16.4	20.7	17.5	0.0	0.0	0.0
Minneapolis AA	1,899	677,218	25.9	170,197	2.4	2.4	2.3	13.7	16.4	12.3	52.4	52.1	52.1	31.4	29.1	33.3	0.0	0.0	0.0
MN NonMSA	2,216	366,004	30.2	18,568	0.6	0.5	0.3	8.3	7.7	9.1	76.8	74.9	74.0	14.3	17.0	16.6	0.0	0.0	0.0
ND NonMSA	410	69,436	5.6	5,717	0.4	0.2	0.0	4.7	3.7	4.3	85.9	79.8	86.3	9.0	16.3	9.4	0.0	0.0	0.0
WI NonMSA	354	49,433	4.8	4,159	0.0	0.0	0.0	9.6	11.0	8.9	90.4	89.0	91.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Limited Scope:</b>																			
Bismarck AA	92	63,033	1.3	5,694	4.6	2.2	1.2	7.5	2.2	5.4	68.5	62.0	65.6	19.4	33.7	27.9	0.0	0.0	0.0
EauClaire AA	125	61,654	1.7	5,069	0.0	0.0	0.0	11.9	6.4	11.1	73.5	79.2	74.3	14.6	14.4	14.6	0.0	0.0	0.0
Mankato AA	252	47,302	3.4	3,169	0.0	0.0	0.0	7.2	12.3	6.8	81.0	71.4	81.2	11.8	16.3	12.0	0.0	0.0	0.0
Rochester AA	500	200,256	6.8	8,842	0.0	0.0	0.0	16.1	5.2	14.7	60.7	62.0	57.3	23.2	32.8	28.0	0.0	0.0	0.0
St Cloud AA	498	97,249	6.8	6,713	0.0	0.0	0.0	12.5	7.8	11.9	80.0	72.5	78.8	7.5	19.7	9.3	0.0	0.0	0.0
<b>Total</b>	<b>7,338</b>	<b>1,891,802</b>	<b>100.0</b>	<b>246,238</b>	<b>1.7</b>	<b>0.8</b>	<b>1.7</b>	<b>12.1</b>	<b>9.7</b>	<b>11.3</b>	<b>61.4</b>	<b>67.7</b>	<b>57.8</b>	<b>24.8</b>	<b>21.7</b>	<b>29.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2015-16**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
<b>Full Scope:</b>																			
Fargo AA	459	157,004	6.3	10,323	18.2	7.4	4.3	17.9	20.3	15.5	24.8	24.8	20.1	39.1	34.0	32.1	0.0	13.5	28.0
Grand Forks AA	388	62,128	5.3	3,197	19.5	8.8	4.2	18.3	22.9	16.2	24.2	21.6	22.7	37.9	36.1	37.7	0.0	10.6	19.2
La Crosse AA	145	41,085	2.0	4,590	18.3	9.0	7.5	18.6	21.4	19.5	24.7	20.7	23.2	38.4	41.4	38.8	0.0	7.6	11.0
Minneapolis AA	1,899	677,218	25.9	170,197	19.1	13.7	8.1	17.8	23.9	19.8	23.5	23.7	21.9	39.7	35.0	32.7	0.0	3.7	17.6
MN NonMSA	2,216	366,004	30.2	18,568	18.3	9.3	6.8	18.1	20.9	18.4	23.4	23.9	19.7	40.2	42.2	38.5	0.0	3.6	16.7
ND NonMSA	410	69,436	5.6	5,717	18.6	6.3	5.6	18.5	19.8	16.8	23.3	27.6	22.5	39.5	39.5	31.7	0.0	6.8	23.4
WI NonMSA	354	49,433	4.8	4,159	19.0	5.7	6.0	19.5	21.2	16.5	23.0	22.9	20.9	38.5	46.0	43.1	0.0	4.2	13.6
<b>Limited Scope:</b>																			
Bismarck AA	92	63,033	2.4	5,694	18.1	4.3	8.2	18.5	15.2	19.7	23.3	19.6	25.3	40.2	37.0	28.0	0.0	23.9	18.8
EauClaire AA	125	61,654	1.7	5,069	19.0	8.0	9.3	19.1	28.0	22.3	23.8	26.4	22.6	38.1	31.2	32.6	0.0	6.4	13.2
Mankato AA	252	47,302	3.4	3,169	17.3	11.9	10.8	18.9	30.6	21.3	25.6	20.2	25.0	38.2	29.0	27.4	0.0	8.3	15.6
Rochester AA	500	200,256	6.8	8,842	17.3	7.6	11.3	19.2	23.4	22.0	24.2	22.0	21.7	39.3	41.6	31.8	0.0	5.4	13.1
St Cloud AA	498	97,249	6.8	6,713	19.1	8.4	9.1	17.0	20.7	22.4	26.1	24.1	22.9	37.7	45.2	30.9	0.0	1.6	14.6
<b>Total</b>	<b>7,338</b>	<b>1,891,802</b>	<b>100.0</b>	<b>246,238</b>	<b>18.8</b>	<b>9.8</b>	<b>7.9</b>	<b>18.0</b>	<b>22.2</b>	<b>19.6</b>	<b>23.7</b>	<b>23.6</b>	<b>21.8</b>	<b>39.5</b>	<b>39.0</b>	<b>33.2</b>	<b>0.0</b>	<b>5.4</b>	<b>17.6</b>

Source: 2010 U.S. Census ; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2015-16**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Full Scope:</b>																			
Fargo AA	337	83,232	5.6	5,529	3.6	2.7	2.8	20.3	26.4	21.0	51.7	42.4	44.9	24.5	28.5	31.2	0.0	0.0	0.0
Grand Forks AA	458	87,166	7.6	1,678	2.2	0.9	1.3	19.3	16.2	18.1	67.0	71.8	67.3	11.5	11.1	13.3	0.0	0.0	0.0
LaCrosse AA	62	16,130	1.0	1,553	2.9	0.0	2.0	18.4	16.1	17.1	67.9	72.6	67.5	10.7	11.3	13.4	0.0	0.0	0.0
Minneapolis AA	1,337	425,418	22.1	79,714	4.5	5.0	3.5	15.2	18.5	13.5	47.7	56.0	45.4	32.6	20.4	37.6	0.0	0.0	0.0
MN NonMSA	1,937	319,874	32.1	10,370	0.8	0.3	0.6	11.0	13.2	9.8	76.9	77.2	77.2	11.2	9.2	12.4	0.0	0.0	0.0
ND NonMSA	484	89,050	15.8	3,792	0.6	0.2	0.2	6.2	6.0	7.0	84.8	81.4	83.7	8.4	12.4	9.2	0.0	0.0	0.0
WI NonMSA	390	48,933	6.5	1,762	0.0	0.0	0.0	12.2	16.4	12.9	87.8	83.6	87.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Limited Scope:</b>																			
Bismarck AA	66	19,123	1.1	1,945	5.7	21.2	8.2	6.7	7.6	5.8	71.1	48.5	67.0	16.5	22.7	19.0	0.0	0.0	0.0
Eau Claire AA	66	11,866	1.1	1,880	0.0	0.0	0.0	14.9	13.6	14.8	71.9	77.3	69.4	13.2	9.1	15.7	0.0	0.0	0.0
Mankato AA	91	26,516	1.5	1,425	0.0	0.0	0.0	10.1	29.7	12.5	81.8	64.8	76.4	8.2	5.5	11.2	0.0	0.0	0.0
Rochester AA	345	56,048	5.7	3,812	0.0	0.0	0.0	17.3	7.8	13.3	60.5	73.3	59.3	22.2	18.8	27.4	0.0	0.0	0.0
St Cloud AA	465	116,338	7.7	2,880	0.0	0.0	0.0	18.2	19.8	16.6	72.7	61.9	72.1	9.1	18.3	11.3	0.0	0.0	0.0
<b>Total</b>	<b>6,038</b>	<b>1,299,694</b>	<b>100.0</b>	<b>116,340</b>	<b>3.3</b>	<b>1.7</b>	<b>2.8</b>	<b>14.5</b>	<b>15.4</b>	<b>13.3</b>	<b>57.0</b>	<b>69.0</b>	<b>53.0</b>	<b>25.2</b>	<b>13.9</b>	<b>30.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015-16
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Full Scope:</b>											
Fargo AA	337	83,232	5.8	5,529	77.7	53.7	44.5	8.2	45.7	14.1	1.2
Grand Forks AA	458	87,166	7.6	1,678	76.3	53.7	44.9	7.1	41.5	16.5	4.8
La Crosse AA	62	16,130	1.0	1,553	76.4	53.2	44.4	7.9	46.8	15.6	0.0
Minneapolis AA	1,337	425,418	22.1	79,714	84.0	31.1	46.9	6.9	68.1	9.2	0.7
MN NonMSA	1,937	319,874	32.1	10,370	81.2	53.3	48.1	6.0	44.6	12.8	2.1
ND NonMSA	484	89,050	8.0	3,792	77.5	61.4	48.7	6.1	37.8	16.4	0.8
WI NonMSA	390	48,933	6.6	1,762	82.6	62.6	47.8	5.0	37.2	12.4	0.5
<b>Limited Scope:</b>											
Bismarck AA	66	19,123	1.1	1,945	79.5	69.7	45.7	6.2	28.8	14.4	2.9
Eau Claire AA	66	11,866	1.1	1,880	79.3	65.2	42.2	6.9	34.8	13.8	0.0
Mankato AA	91	26,516	1.5	1,425	78.4	38.5	47.2	7.2	61.5	14.4	0.0
Rochester AA	345	56,048	5.7	3,812	83.1	59.7	49.6	5.4	33.3	11.6	7.0
St Cloud AA	465	116,338	7.7	2,880	81.8	29.0	42.7	7.2	70.1	11.1	0.9
<b>Total</b>	<b>6,038</b>	<b>1,299,694</b>	<b>100.0</b>	<b>116,340</b>	<b>82.5</b>	<b>48.3</b>	<b>46.8</b>	<b>6.7</b>	<b>49.9</b>	<b>10.8</b>	<b>1.8</b>
Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0											

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography	2015-16
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Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
<b>Full Scope:</b>																			
Fargo AA	195	34,025	3.5	706	0.2	0.0	0.7	5.0	0.5	1.7	74.6	70.8	77.5	20.2	28.7	20.1	0.0	0.0	0.0
Grand Forks AA	673	112,593	12.0	594	0.2	0.0	0.0	11.7	1.2	3.0	82.6	93.8	90.9	5.4	5.1	6.1	0.0	0.0	0.0
LaCrosse AA	54	5,264	1.0	220	0.1	0.0	0.0	1.4	0.0	0.5	91.9	100.0	98.6	6.6	0.0	0.9	0.0	0.0	0.0
Minneapolis AA	200	23,332	3.6	1,099	1.1	0.0	0.4	13.3	7.5	19.7	61.2	84.0	64.0	24.4	8.5	15.9	0.0	0.0	0.0
MN NonMSA	1,811	231,887	32.3	3,343	0.0	0.0	0.0	2.5	0.4	1.9	83.9	88.0	84.8	13.6	11.6	13.2	0.0	0.0	0.0
ND NonMSA	1,589	232,214	28.4	2,642	0.4	1.8	0.6	0.9	0.2	0.5	91.1	93.3	91.8	7.6	4.7	7.1	0.0	0.0	0.0
WI NonMSA	416	44,568	7.4	386	0.0	0.0	0.0	5.2	1.4	1.6	94.8	98.6	98.4	0.0	0.0	0.0	0.0	0.0	0.0
<b>Limited Scope:</b>																			
Bismarck AA	28	3,852	0.5	161	1.5	0.0	0.0	15.1	14.3	7.5	69.6	50.0	71.4	13.8	35.7	21.1	0.0	0.0	0.0
Eau Claire AA	42	3,674	0.7	145	0.0	0.0	0.0	12.6	0.0	16.6	75.2	100.0	72.4	12.2	0.0	11.0	0.0	0.0	0.0
Mankato AA	27	5,129	0.5	171	0.0	0.0	0.0	2.3	0.0	1.2	85.7	92.6	90.6	12.0	7.4	8.2	0.0	0.0	0.0
Rochester AA	469	63,275	8.4	667	0.0	0.0	0.0	19.9	9.6	15.3	63.3	77.8	73.2	16.8	12.6	11.5	0.0	0.0	0.0
St Cloud AA	100	16,204	1.8	272	0.0	0.0	0.0	12.3	4.0	10.7	86.0	96.0	88.6	1.7	0.0	0.7	0.0	0.0	0.0

<b>Total</b>	<b>5,604</b>	<b>776,017</b>	<b>100.0</b>	<b>10,406</b>	<b>0.4</b>	<b>0.5</b>	<b>0.2</b>	<b>8.1</b>	<b>1.7</b>	<b>4.8</b>	<b>76.7</b>	<b>89.5</b>	<b>84.1</b>	<b>14.8</b>	<b>8.3</b>	<b>10.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Source: 2016 D&amp;B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  Due to rounding, totals may not equal 100.0</i>																			

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** **2015-16**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
<b>Full Review:</b>											
Fargo AA	195	34,025	3.6	706	96.4	71.8	57.1	2.5	27.2	1.2	1.9
Grand Forks AA	673	112,593	12.0	594	95.7	74.9	55.7	3.7	21.5	0.7	3.6
LaCrosse AA	54	5,264	1.0	220	97.9	83.3	70.0	1.4	9.3	0.7	7.4
Minneapolis AA	200	23,332	3.8	1,099	96.3	80.0	50.4	2.3	19.5	1.4	1.0
MN NonMSA	1,811	231,887	32.3	3,343	98.2	79.1	58.1	1.2	18.1	0.6	2.8
ND NonMSA	1,589	232,214	28.4	2,642	98.3	82.3	60.0	1.1	17.0	0.6	0.7
WI NonMSA	416	44,568	7.4	386	98.0	75.7	55.2	1.5	24.3	0.5	0.0
<b>Limited Review:</b>											
Bismarck AA	28	3,852	0.5	161	98.1	96.4	52.8	0.7	7.1	1.2	0.0
Eau Claire AA	42	3,674	1.0	145	97.8	76.2	34.5	1.4	23.8	0.8	0.0
Mankato AA	27	5,129	0.5	171	97.7	81.5	41.5	1.7	18.5	0.6	0.0
Rochester AA	469	63,275	8.4	667	98.4	73.6	58.5	1.0	16.0	0.6	10.4
St Cloud AA	100	16,204	2.0	272	98.3	59.0	51.5	1.0	39.0	0.7	3.4
<b>Total</b>	<b>5,604</b>	<b>776,017</b>	<b>100.0</b>	<b>10,406</b>	<b>97.5</b>	<b>78.3</b>	<b>56.9</b>	<b>1.7</b>	<b>19.1</b>	<b>0.9</b>	<b>2.6</b>

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

**Table 14. Qualified Investments**

<div> <b>QUALIFIED INVESTMENTS</b> <b>Geography: BREMER BANK</b> <b>Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016</b> </div>									
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Scope:</b>									
Fargo AA	0	0	30	2,561	30	2,561	2.36	0	0
Grand Forks AA	0	0	14	666	14	666	0.61	0	0
LaCrosse AA	0	0	15	697	15	697	0.64	0	0
Minneapolis AA	3	9,704	490	92,155	493	101,859	84.80	0	0
MN NonMSA	0	0	49	6,756	49	6,756	6.22	0	0
ND NonMSA	0	0	9	556	9	556	0.51	0	0
WI NonMSA	0	0	22	1,283	22	1,283	1.18	0	0
<b>Limited Scope:</b>									
Bismarck AA	0	0	20	1,398	20	1,398	1.29	0	0
Eau Claire AA	0	0	11	544	11	544	0.50	0	0
Mankato AA	0	0	10	619	10	619	0.57	0	0
Rochester AA	0	0	11	428	11	428	0.39	0	0
St Cloud AA	0	0	15	1,006	15	1,006	0.93	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 2015 TO DECEMBER 31, 2016								Geography: BREMER BANK						Evaluation Period: JANUARY 1, 2015 TO DECEMBER 31, 2016			
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 Scope:																	
Fargo AA	100.00	4	100.00	25.00	0.00	50.00	25.00	0	0	0	0	0	0	4.49	12.80	56.35	26.36
Grand Forks AA	100.00	4	100.00	0.00	0.00	100.00	0.00	0	2	0	0	-2	0	5.29	16.88	65.76	12.07
LaCrosse AA	100.00	2	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	4.11	11.88	69.67	14.33
Minneapolis AA	100.00	24	100.00	4.17	33.33	37.50	25.00	0	1	0	0	-1	0	6.10	16.52	49.06	28.20
MN NonMSA	62.65	22	63.89	4.55	22.72	68.18	4.55	0	1	0	0	-1	0	0.84	9.06	76.29	13.81
ND NonMSA	96.69	11	91.67	0.00	10.00	80.00	10.00	0	1	0	0	-1	0	1.26	6.07	84.10	8.57
WI NonMSA	97.84	11	91.67	0.00	25.00	75.00	0.00	0	2	0	-1	-1	0	0.00	8.95	91.05	0.00
Limited Scope:																	
Bismarck AA (ND)	3.31	1	8.33	0.00	0.00	0.00	100.00	0	0	0	0	0	0	3.60	7.95	69.18	19.27
Eau Claire AA (WI)	2.16	1	8.33	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	12.22	71.26	16.52
Mankato AA (MN)	1.10	1	2.78	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	9.04	78.52	12.43
Rochester AA (MN)	15.00	7	19.44	0.00	14.29	71.42	14.29	0	0	0	0	0	0	0.00	17.55	59.74	22.72
St Cloud AA (MN)	21.24	5	13.89	0.00	20.00	60.00	20.00	0	0	0	0	0	0	0.00	16.74	74.67	8.60

**Table 1. Lending Volume**

LENDING VOLUME		Geography: BREMER BANK						Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
Assessment Area (2017):	% 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 Scope:												
Fargo AA	5.13	164	64,478	163	38,696	102	15,815	0	0	429	118,989	0.00
Grand Forks AA	8.41	184	30,250	220	39,487	299	51,347	1	75	703	121,084	0.00
LaCrosse AA	1.66	79	18,393	35	9,470	25	2,495	0	0	139	30,358	0.00
Minneapolis AA	19.15	888	273,014	645	212,298	67	9,533	25	47,610	1,600	494,845	0.00
MN NonMSA	30.26	952	166,877	844	160,177	732	95,526	5	3,892	2,528	422,580	0.00
ND NonMSA	12.34	163	41,620	222	40,972	646	100,196	6	2429	1,031	182,788	0.00
WI NonMSA	5.97	142	20,350	186	22,738	171	19,582	0	0	499	62,670	0.00
Limited Scope:												
Bismarck AA (ND)	0.91	23	8,000	36	10,836	17	1,810	0	0	76	20,646	0.00
Eau Claire AA (WI)	1.74	103	38,619	32	7,122	10	1,315	3	987	145	47,056	0.00
Mankato AA (MN)	1.74	90	14,682	32	10,154	23	4,103	1	100	145	28,939	0.00
Rochester AA (MN)	7.13	227	51,667	143	20,857	226	29,854	1	30	596	102,378	0.00
St Cloud AA (MN)	5.55	221	51,462	216	60,834	27	3,900	3	5,566	464	116,196	0.00

\* Loan Data as of December 31, 2017. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2017 to December 31, 2017.

\*\*\* Deposit Data as of February 05, 2019. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Full Scope:																			
Fargo AA	164	64,478	5.1	8,302	0.0	0.0	0.0	14.8	14.0	13.3	50.9	39.6	42.2	33.7	45.7	43.8	0.6	0.6	0.7
Grand Forks AA	184	30,250	5.7	2,632	0.3	0.0	0.3	15.0	14.7	12.4	61.9	66.8	58.8	22.7	18.5	28.5	0.0	0.0	0.0
LaCrosse AA	79	18,393	2.4	3,773	0.3	0.0	0.5	6.4	7.6	7.7	73.7	75.9	72.4	19.2	16.5	18.7	0.4	0.0	0.7
Minneapolis AA	888	273,014	27.4	146,832	2.1	4.1	2.8	16.8	21.5	16.9	51.4	49.4	52.5	29.6	24.9	27.7	0.1	0.1	0.1
MN NonMSA	952	166,877	29.4	17,145	0.0	0.0	0.0	9.4	8.6	9.5	75.4	76.7	74.6	15.1	14.7	15.9	0.0	0.0	0.0
ND NonMSA	163	41,620	5.0	5,149	0.4	0.6	0.1	5.4	4.3	3.4	76.1	82.2	68.7	18.0	12.9	27.8	0.0	0.0	0.0
WI NonMSA	142	20,350	4.4	4,089	0.0	0.0	0.0	13.3	12.0	15.4	86.7	88.0	84.6	0.0	0.0	0.0	0.0	0.0	0.0
Limited Scope:																			
Bismarck AA (ND)	23	8,000	0.7	4,315	0.0	0.0	0.0	12.2	8.7	8.9	79.3	82.6	77.9	8.4	8.7	13.2	0.0	0.0	0.0
Eau Claire AA (WI)	103	38,619	3.2	4,471	0.0	0.0	0.0	11.4	4.9	13.0	77.3	85.4	75.7	11.3	9.7	11.3	0.0	0.0	0.0
Mankato AA (MN)	90	14,682	2.8	2,802	0.0	0.0	0.0	7.7	8.9	10.4	87.3	91.1	85.8	5.0	0.0	3.8	0.0	0.0	0.0
Rochester AA (MN)	227	51,667	7.0	7,903	0.0	0.0	0.0	20.7	13.2	20.6	48.1	55.1	46.3	31.1	31.7	33.1	0.0	0.0	0.0
St Cloud AA (MN)	221	51,462	6.8	6,042	0.0	0.0	0.0	7.9	10.0	8.7	76.5	57.5	73.5	15.7	32.6	17.8	0.0	0.0	0.0
Total	3,236	779,412	100.0	213,455	1.3	1.1	2.0	14.5	13.0	15.2	59.5	65.4	57.1	24.6	20.4	25.7	0.1	0.1	0.1

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0*



**Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** **2017**

	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate

**Full Scope:**

Fargo AA	164	64,478	5.1	8,302	18.8	6.1	5.3	19.0	21.3	18.5	23.0	23.2	21.4	39.3	36.0	30.4	0.0	13.4	24.3
Grand Forks AA	184	30,250	5.7	2,632	20.2	2.7	3.8	19.0	23.9	19.5	21.1	19.0	21.7	39.7	44.0	38.7	0.0	10.3	16.3
LaCrosse AA	79	18,393	2.4	3,773	18.6	7.6	9.1	18.9	19.0	21.9	22.7	27.8	24.2	39.8	36.7	33.4	0.0	8.9	11.3
Minneapolis AA	888	273,014	27.4	146,832	20.3	17.8	9.2	17.7	26.9	22.5	22.3	23.1	22.0	39.7	29.7	29.4	0.0	2.5	16.9
MN NonMSA	952	166,877	29.4	17,145	18.1	9.1	7.4	17.9	21.8	18.5	23.1	24.5	20.5	40.9	42.6	36.5	0.0	1.9	17.1
ND NonMSA	163	41,620	5.0	5,149	19.6	8.0	7.9	18.3	23.9	21.1	23.2	30.7	23.8	38.9	34.4	27.0	0.0	3.1	20.3
WI NonMSA	142	20,350	4.4	4,089	19.5	7.0	6.2	20.4	21.8	18.3	22.8	23.2	21.6	37.4	44.4	42.5	0.0	3.5	11.4

**Limited Scope:**

Bismarck AA (ND)	23	8,000	0.7	4,315	17.9	13.0	7.4	18.9	21.7	19.7	24.9	26.1	24.6	38.3	34.8	31.4	0.0	4.3	16.8
Eau Claire AA (WI)	103	38,619	3.2	4,471	18.6	6.8	8.2	18.5	23.3	20.1	24.2	32.0	22.9	38.7	35.0	34.4	0.0	2.9	14.4
Mankato AA (MN)	90	14,682	2.8	2,802	19.7	14.4	9.6	17.6	41.1	24.3	23.8	18.9	23.1	38.8	20.0	25.4	0.0	5.6	17.6
Rochester AA (MN)	227	51,667	7.0	7,903	18.9	11.5	12.4	18.6	26.0	23.8	24.0	21.1	20.7	38.5	40.1	30.4	0.0	1.3	12.7
St Cloud AA (MN)	221	51,462	6.8	6,042	20.0	5.4	8.5	17.5	21.3	23.2	23.0	22.2	23.1	39.5	47.1	30.7	0.0	4.1	14.4
<b>Total</b>	<b>3,236</b>	<b>779,412</b>	<b>100.0</b>	<b>213,455</b>	<b>19.7</b>	<b>10.8</b>	<b>8.8</b>	<b>18.0</b>	<b>24.2</b>	<b>21.8</b>	<b>22.7</b>	<b>23.8</b>	<b>22.0</b>	<b>39.6</b>	<b>37.5</b>	<b>30.5</b>	<b>0.0</b>	<b>3.7</b>	<b>16.8</b>

Source: 2015 ACS Census ; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
<b>Full Scope:</b>																			
Fargo AA	163	38,696	5.9	5,083	0.0	0.0	0.0	33.3	34.4	33.0	37.9	37.4	33.3	28.3	28.2	33.2	0.5	0.0	0.4
Grand Forks AA	220	39,487	7.9	1,721	2.1	0.5	1.0	17.2	15.0	14.9	57.8	58.6	54.6	22.9	25.9	29.5	0.0	0.0	0.0
LaCrosse AA	35	9,470	1.3	1,387	10.5	11.4	8.9	14.4	8.6	12.3	63.8	57.1	64.9	10.6	22.9	13.6	0.8	0.0	0.3
Minneapolis AA	645	212,298	23.3	68,256	4.4	5.4	4.0	17.8	22.8	16.2	48.9	56.4	48.5	28.6	15.0	31.0	0.3	0.3	0.2
MN NonMSA	844	160,177	30.4	9,050	0.0	0.0	0.0	13.1	18.5	12.6	75.4	68.7	74.7	11.5	12.8	12.7	0.0	0.0	0.0
ND NonMSA	222	40,972	8.0	3,891	0.5	0.0	0.1	6.1	4.1	5.5	76.5	84.7	73.3	16.8	11.3	21.0	0.0	0.0	0.0
WI NonMSA	186	22,738	6.7	1,830	0.0	0.0	0.0	14.8	11.3	14.1	85.2	88.7	85.9	0.0	0.0	0.0	0.0	0.0	0.0
<b>Limited Scope:</b>																			
Bismarck AA (ND)	36	10,836	1.3	1,961	0.0	0.0	0.0	22.0	33.3	23.1	71.0	52.8	68.1	6.9	13.9	8.8	0.0	0.0	0.0
Eau Claire AA (WI)	32	7,122	1.2	1,978	0.0	0.0	0.0	18.6	9.4	16.1	71.0	87.5	73.3	10.4	3.1	10.6	0.0	0.0	0.0
Mankato AA (MN)	32	10,154	1.2	1,431	0.0	0.0	0.0	18.6	50.0	20.2	78.1	50.0	76.4	3.4	0.0	3.4	0.0	0.0	0.0
Rochester AA (MN)	143	20,857	5.2	3,139	0.0	0.0	0.0	25.6	18.9	22.8	48.5	63.6	48.6	25.9	17.5	28.6	0.0	0.0	0.0

St Cloud AA (MN)	216	60,834	7.8	2,893	0.0	0.0	0.0	14.1	16.7	16.2	70.0	58.8	66.3	15.9	24.5	17.5	0.0	0.0	0.0
<b>Total</b>	<b>2,774</b>	<b>633,641</b>	<b>100.0</b>	<b>102,620</b>	<b>3.0</b>	<b>1.4</b>	<b>2.8</b>	<b>17.5</b>	<b>18.7</b>	<b>16.6</b>	<b>55.9</b>	<b>64.5</b>	<b>53.8</b>	<b>23.4</b>	<b>15.3</b>	<b>26.7</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0																			

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
<b>Full Scope:</b>											
Fargo AA	163	38,696	5.9	5,083	78.0	50.3	50.2	8.3	49.1	13.7	0.6
Grand Forks AA	220	39,487	7.9	1,721	75.8	52.7	50.5	7.3	36.8	16.8	10.5
LaCrosse AA	35	9,470	1.3	1,387	76.1	31.4	50.6	8.2	68.6	15.6	0.0
Minneapolis AA	645	212,298	23.3	68,256	84.2	30.4	56.0	6.8	68.5	9.0	1.1
MN NonMSA	844	160,177	30.4	9,050	80.8	51.8	55.2	6.2	47.4	13.0	0.8
ND NonMSA	222	40,972	8.0	3,891	77.2	66.2	53.5	6.1	33.8	16.7	0.0
WI NonMSA	186	22,738	6.7	1,830	81.1	62.4	52.7	5.5	37.1	13.4	0.5
<b>Limited Scope:</b>											
Bismarck AA (ND)	36	10,836	1.3	1,961	79.5	52.8	50.4	6.3	47.2	14.2	0.0
Eau Claire AA (WI)	32	7,122	1.2	1,978	78.8	65.6	45.7	7.1	34.4	14.2	0.0
Mankato AA (MN)	32	10,154	1.2	1,431	78.2	40.6	51.9	7.3	59.4	14.5	0.0
Rochester AA (MN)	143	20,857	5.2	3,139	82.7	54.5	57.4	5.7	39.9	11.7	5.6
St Cloud AA (MN)	216	60,834	7.8	2,893	81.2	30.6	45.7	7.5	69.0	11.3	0.5
<b>Total</b>	<b>2,774</b>	<b>633,641</b>	<b>100.0</b>	<b>102,620</b>	<b>82.5</b>	<b>46.9</b>	<b>54.7</b>	<b>6.8</b>	<b>51.3</b>	<b>10.8</b>	<b>1.7</b>
Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0											

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography	2017
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Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
<b>Full Scope:</b>																			
Fargo AA	102	15,815	4.4	738	0.0	0.0	0.0	8.4	0.0	1.9	67.4	84.3	75.3	24.0	14.7	22.6	0.2	1.0	0.1
Grand Forks AA	299	51,347	12.8	648	0.2	0.0	0.0	9.9	2.7	3.4	75.7	86.6	83.3	14.2	10.7	13.3	0.0	0.0	0.0
LaCrosse AA	25	2,495	1.1	231	0.4	0.0	0.4	1.6	0.0	0.0	89.8	100.0	97.8	7.9	0.0	1.7	0.4	0.0	0.0
Minneapolis AA	67	9,533	2.9	1,192	1.2	0.0	0.3	16.6	28.4	20.7	59.3	61.2	59.8	22.9	10.4	19.1	0.1	0.0	0.1
MN NonMSA	732	95,526	31.2	3,682	0.0	0.0	0.0	3.6	1.5	2.1	81.3	85.7	83.4	15.1	12.8	14.6	0.0	0.0	0.0
ND NonMSA	646	100,196	27.5	2,901	0.2	1.9	0.5	3.9	1.5	1.7	83.6	82.8	82.9	12.2	13.8	15.0	0.0	0.0	0.0
WI NonMSA	171	19,582	7.3	372	0.0	0.0	0.0	6.0	2.3	5.4	94.0	97.7	94.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>Limited Scope:</b>																			
Bismarck AA (ND)	17	1,810	0.7	194	0.0	0.0	0.0	17.6	17.6	11.3	75.7	82.4	84.5	6.6	0.0	4.1	0.0	0.0	0.0
Eau Claire AA (WI)	10	1,315	0.4	156	0.0	0.0	0.0	12.6	0.0	17.9	79.0	100.0	73.1	8.4	0.0	9.0	0.0	0.0	0.0
Mankato AA (MN)	23	4,103	1.0	235	0.0	0.0	0.0	3.1	0.0	0.4	86.8	65.2	85.5	10.1	34.8	14.0	0.0	0.0	0.0
Rochester AA (MN)	226	29,854	9.6	683	0.0	0.0	0.0	20.4	4.9	18.4	63.6	82.3	69.8	16.1	12.8	11.7	0.0	0.0	0.0
St Cloud AA (MN)	27	3,900	1.2	305	0.0	0.0	0.0	2.3	0.0	0.0	90.9	100.0	97.4	6.8	0.0	2.6	0.0	0.0	0.0

<b>Total</b>	<b>2,345</b>	<b>335,476</b>	<b>100.0</b>	<b>11,337</b>	<b>0.4</b>	<b>0.5</b>	<b>0.2</b>	<b>9.6</b>	<b>2.8</b>	<b>5.3</b>	<b>74.2</b>	<b>84.9</b>	<b>80.4</b>	<b>15.8</b>	<b>11.7</b>	<b>14.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Source: 2017 D&amp;B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available.  Due to rounding, totals may not equal 100.0</i>																			

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>											<b>2017</b>
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
<b>Full Scope:</b>											
Fargo AA	102	15,815	4.4	738	95.9	63.7	57.2	2.9	35.3	1.2	1.0
Grand Forks AA	299	51,347	12.8	648	95.5	71.6	54.6	3.7	25.8	0.7	2.7
LaCrosse AA	25	2,495	1.1	231	97.5	76.0	64.5	1.4	24.0	1.1	0.0
Minneapolis AA	67	9,533	2.9	1,192	96.2	74.6	49.6	2.5	23.9	1.3	1.5
MN NonMSA	732	95,526	31.2	3,682	98.0	80.6	54.9	1.3	17.2	0.6	2.2
ND NonMSA	646	100,196	27.5	2,901	98.0	75.4	52.8	1.3	24.5	0.6	0.2
WI NonMSA	171	19,582	7.3	372	97.4	81.3	53.2	2.0	18.7	0.6	0.0
<b>Limited Scope:</b>											
Bismarck AA (ND)	17	1,810	0.7	194	97.5	88.2	53.6	1.2	11.8	1.2	0.0
Eau Claire AA (WI)	10	1,315	0.4	156	97.8	50.0	31.4	1.5	50.0	0.7	0.0
Mankato AA (MN)	23	4,103	1.0	235	97.3	87.0	46.0	1.8	13.0	0.9	0.0
Rochester AA (MN)	226	29,854	9.6	683	98.2	77.4	55.5	1.1	18.1	0.7	4.4
St Cloud AA (MN)	27	3,900	1.2	305	97.8	63.0	49.8	1.3	37.0	0.9	0.0
<b>Total</b>	<b>2,345</b>	<b>335,476</b>	<b>100.0</b>	<b>11,337</b>	<b>97.2</b>	<b>76.6</b>	<b>53.5</b>	<b>1.8</b>	<b>21.8</b>	<b>0.9</b>	<b>1.6</b>
Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0											

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: BREMER BANK			Evaluation Period: JANUARY 1, 2017 TO DECEMBER 31, 2017				
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Scope:</b>									
Fargo AA	0	0	17	1,119	17	1,119	3.14	0	0
Grand Forks AA	0	0	14	940	14	940	2.64	0	0
LaCrosse AA	0	0	6	300	6	300	0.84	0	0
Minneapolis AA	0	0	319	19,050	319	19,050	53.44	0	0
MN NonMSA	0	0	35	3,895	35	3,895	10.93	0	0
ND NonMSA	0	0	11	786	11	786	2.20	0	0
WI NonMSA	0	0	7	6,926	7	6,926	19.43	0	0
<b>Limited Scope:</b>									
Bismarck AA (ND)	0	0	12	816	12	816	2.29	0	0
Eau Claire AA (WI)	0	0	6	330	6	330	0.93	0	0
Mankato AA (MN)	0	0	3	205	3	205	0.58	0	0
Rochester AA (MN)	0	0	7	785	7	785	2.20	0	0
St Cloud AA (MN)	0	0	7	495	7	495	1.39	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 2017 TO DECEMBER 31, 2017								Geography: BREMER BANK						Evaluation Period: JANUARY 1,			
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 Scope:																	
Fargo AA	100.00	4	100.00	0.00	25.00	50.00	25.00	0	0	0	0	0	0	0.00	21.91	44.38	32.32
Grand Forks AA	100.00	4	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	5.50	20.13	56.41	17.95
LaCrosse AA	100.00	2	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	1.84	13.53	65.78	15.26
Minneapolis AA	100.00	24	100.00	8.33	29.17	37.50	25.00	0	2	0	0	-2	0	5.77	20.34	47.77	25.82
MN NonMSA	64.40	22	62.86	0.00	22.73	77.27	0.00	0	0	0	0	0	0	0.00	10.99	74.61	14.40
ND NonMSA	96.46	10	90.91	0.00	10.00	80.00	10.00	0	0	0	0	0	0	1.13	8.19	73.69	16.99
WI NonMSA	94.44	8	88.89	0.00	12.50	87.50	0.00	0	1	0	-1	0	0	0.00	12.36	87.64	0.00
Limited Scope:																	
Bismarck AA (ND)	3.54	1	9.09	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	13.78	78.53	7.69
Eau Claire AA (WI)	5.56	1	11.11	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	16.59	70.87	12.54
Mankato AA (MN)	1.88	1	2.86	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	14.95	81.19	3.85
Rochester AA (MN)	14.07	7	20.00	0.00	14.29	71.43	14.29	0	0	0	0	0	0	0.00	24.13	46.87	29.00
St Cloud AA (MN)	19.66	5	14.29	0.00	20.00	60.00	20.00	0	0	0	0	0	0	0.00	12.65	71.66	15.68