



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

June 27, 2005

Community Reinvestment Act
Performance Evaluation

Bremer Bank, National Association
Charter Number: 11818

1100 W. St. Germain Street
St. Cloud, MN 56301

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.

Description of Institution

Bremer Bank, National Association (Bremer) has a main office located in St. Cloud, Minnesota. It has four full-service branches located in St. Cloud, Rice, Sauk Rapids, and Sartell, MN. The bank also operates 15 automated teller machines (ATMs), including seven deposit-taking ATMs. Bremer has two assessment areas as of the date of this evaluation that consist of the St. Cloud Metropolitan Statistical Area including all of Benson and Stearns Counties, and two adjacent census tracts (CTs) of Sherburne County (St. Cloud AA) and Morrison County, Minnesota (Morrison AA). The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income (LMI) areas. For additional information on Bremer's AAs, refer to the Market Profile – Demographic Information Tables in Appendix B.

As of December 31, 2004, Bremer had total assets of \$608 million and held \$46 million in Tier 1 capital. The bank's primary focus is to diversify the portfolio by serving customer's commercial, residential real estate, agricultural and consumer needs. As of December 31, 2004, Bremer's \$456 million loan portfolio consisted of 73% commercial loans, 15% residential real estate loans, 5% agricultural loans, 5% consumer loans and 2% other loans.

Bremer is owned by Bremer Financial Corporation (BFC), a \$6.2 billion holding company headquartered in St. Paul, Minnesota. BFC affiliates have more than 100 locations throughout Minnesota, North Dakota, and Wisconsin. Non-bank affiliates include trust and insurance companies. BFC is owned by the Otto Bremer Foundation (Foundation) and its employees. A majority of Foundation's assets are invested in BFC. Earnings generated by BFC and other investments support local nonprofit activities through the grant-making activities of the Foundation. At the bank's request, we considered qualified investments of the Foundation in the evaluation of the bank's Investment Test performance.

Bremer's performance was rated "Satisfactory" at its last CRA evaluation on September 2, 2002.

Evaluation Period

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

For community development loans, investments, community development services, and retail services, the evaluation period was January 1, 2002 through December 31, 2004. The bank's branch distribution was compared to demographics based on 2000 census data.

Scope of the Evaluation

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

We also reviewed community development loans, investments, and services provided by Bremer management to ensure they met the regulatory definition of community development. The few that did not meet the definition were excluded from this evaluation.

Overall CRA Rating

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

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

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

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

We performed a full-scope review of the St. Cloud AA and limited scope review of the Morrison AA. The St. Cloud AA accounts for 94% of Bremer's loan originations over the evaluation period and the following analysis was based primarily on this loan data. Refer to Tables 1 through 12 for the facts and data that support this conclusion.

Due to Bremer's diversified focus, we gave nearly equal consideration to residential real estate and small loans to businesses. Residential real estate loans represented 52% of the loans made by the bank during the evaluation period by number and 46% by dollar volume. Of those loans, approximately 76% of the loans by number and 69% of the loans by dollar were refinance loans. Small loans to businesses represented 40% of the loans originated by the bank during the evaluation period by number and 50% by dollar volume. Limited weight was applied to small farm lending as it represented only 8% of the loans by number and 4% of the loans by dollar during the evaluation period.

For analysis purposes, equal weight was applied to the lending activity during each evaluation period due to each consisting of one calendar year and nearly an equal amount of loan originations. Of the residential real estate loans, greater weight was placed on refinance loans. As Bremer did not track or report loans for home improvement purposes and their multi-family loans were limited in number, no weight was applied to these products.

Bremer's geographic distribution was considered meaningful only for small loans to businesses. Based on 1990 census data, the St. Cloud AA contained one low-income CT and each of the AAs contained one moderate-income CT. Using 2000 census data, the St. Cloud AA had one low-income CT and four moderate-income CTs. There were no low- or moderate-income CTs in the Morrison AA. Based on 1990 data, the low- and moderate-income CTs contained only 3.06% of the total population and contained 10.35% of the total

population in the AAs based on 2000 census data. One of the branch locations is located in a low-income census tract, however, this location is in a commercial area and is considered not meaningful for residential lending analysis.

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

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

Lending

Refer to Tables 1 through 15 in Appendix C for facts and data used to evaluate the bank's lending. Tables 3 and 9 are intentionally excluded, as information on the home improvement loans is not available.

Lending performance is rated High Satisfactory.

- 83% of Bremer's reportable loans were made inside its assessment area, which represents a majority of loans originated.
- Bremer's lending activity is good. The bank's deposit market share is the second strongest within its AA at 11%. For home mortgage loans, Bremer ranks 9th in market share with 2.43% of the home purchase loans and 9th with 2.65% of the refinance loans. Seven of the market leaders in home mortgage lending are large financial institutions based outside of the AA. Bremer ranks 2nd in residential real estate lending among local institutions. Bremer's small business lending market share, of those banks reporting CRA data within the AA, reflects a 6th place market share, with 6% of loans by number and 26% of loans by dollar volume. Bremer leads the local bank market competition in small business lending by market share. Bremer's small farm lending market share is second among banks reporting CRA data within the AA at 18% by number and strongest in the AA at 34% by dollar volume.
- Bremer's distribution of residential real estate loans to low- and moderate-income individuals during the evaluation period is good.
 - Bremer's distribution of home purchase loans to borrowers of different income levels is good. 8.85% of Bremer's purchase loans in 2002 were made to low-income borrowers, which is somewhat lower than the AA demographics of 17.2% and considered adequate. 19.47% of Bremer's purchase loans during the same time period were made to moderate-income borrowers, which exceeds the demographics of 18.68%, and is excellent. During 2003, 5.98% of Bremer's purchase loans were to low-income families, which is somewhat lower than the demographics of 16.13% and considered adequate. 27.35% of Bremer's purchase loans made in 2003 were made to moderate-income borrowers, which is excellent as it exceeds the AA demographics of 19.05%. The number of loans made to low-income borrowers was

affected by the level of families below the poverty level of 7.39% for 2002 and 4.35% in 2003.

- Bremer's distribution of refinance loans to borrowers of different income levels is good. 6.72% of refinance loans were made to low-income borrowers in 2002 and 7.39% in 2003. These numbers are somewhat lower than the demographics of 17.2% and 16.13%, respectively, and are considered adequate. 17.65% of Bremer's refinance loans in 2002 were made to moderate-income borrowers, which is near to the demographics of 18.68% and considered good. For 2003, 19.86% of Bremer's refinance loans were made to moderate-income borrowers, which exceeds the demographics of 19.05% and is considered excellent.
- Loans to businesses with revenues of \$1 million or less is adequate. Bremer's loans represented 50.74% of the bank's reportable loans in 2002 and 49% in 2003, which is somewhat lower than the demographics of 66.75% and 65.09%, respectively, and considered adequate. Small loans to businesses with revenues of \$1 million or less in the limited scope AA is considered excellent for 2002 and good for 2003.
- Bremer's distribution of small loans to farms is good. Small loans to farms with revenues of \$1 million or less represented 91.40% of the bank's reportable loans in 2002, which is near to the demographics of 96.75% and is considered good. For 2003, the bank's small loans to farms of revenues of less than \$1 million were 94.44%, which is nearly equal to the demographics of 96.03% and considered excellent.
- Bremer's geographic distribution of small loans to business is excellent. 4.46% of loans to businesses with revenues of \$1 million or less were made in low-income tracts in 2002 and 5.75% in 2003. These numbers are higher than the demographics of 4.38% and 4.39%, respectively, and are considered excellent. None of Bremer's small business loans in 2002 were made in the moderate-income CT, which is below the demographics of 2.4%. As the number of small businesses in this CT is minimal, we did not consider this analysis meaningful. For 2003, 9.75% of Bremer's small business loans were made in moderate-income tracts, which is near to the demographics of 11.14% and considered good.
- Bremer originated 15 community development loans totaling \$12.3 million during this evaluation period. The majority of these loans were directed to low-income housing projects.

Investments

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

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

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

Bremer's level of qualified investments is satisfactory given the bank's capacity and limited investment opportunities. Qualifying investments in the AA total \$675,687. This represents 1.48% of the bank's Tier I capital. In addition, the bank has investments totaling \$274,500 that benefit the broader regional area of greater Minnesota and that have the potential to benefit the AA. As we were unable to determine the actual effect these broader regional investments had on the AA, they were given less weight in our analysis.

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

- Bremer provided grants to an organization that assists low-income families achieve economic self-sufficiency.
- Bremer provided grants to organizations that fund affordable housing developments in rural communities.
- Bremer provided grants to organizations that provide support for victims of domestic abuse and crime victims. Most of these individuals are low- or moderate-income.

Services

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

Performance under the service test is rated high satisfactory.

- Bremer's service delivery systems are accessible to individuals of different income levels. The bank operates five full-service banking offices and 15 ATMs, seven of which are deposit taking. An analysis of the geographic distribution of the bank's offices relative to the populations of low- and moderate-income individuals in the AA shows that branch offices are readily accessible to these individuals. One of those offices and two of those ATMs are located in a low-income geography. The bank also has three ATMs in a moderate-income CT in the AA. Bremer did not open or close any branch offices during the evaluation period.
- Bremer's business hours are reasonable and its services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals. Bremer offers a wide variety of standard banking products and services to meet the needs of the AA.

- The alternative delivery systems the bank offers include automated teller machines, Internet banking, and telephone banking. Because Bremer does not maintain information on how the alternative delivery systems impact low- and moderate-income individuals, we did not place significant weight on these systems for this evaluation.
- Bremer's community development services are considered good. Through its services, the bank works on a variety of community development issues. Bremer has established a part-time nonprofit resource specialist position to assist customers and area non-profit organizations in various ways, including training, consulting, and education.
- Bremer's community development services also include accounts or services that increase access to financial services for low- and moderate-income individuals. Specifically, they offer free government check cashing for both customers and non-customers.

Fair Lending Review

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

Appendix B: Market Profile - Demographic Information Tables

Institution ID: BREMER BANK, NA (ST CLOUD)

St Cloud MSA 1990

Demographic Information for Full Scope Area: St Cloud MSA 1990						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	38	2.63	2.63	78.95	13.16	2.63
Population by Geography	154,672	0.34	2.52	82.43	14.22	0.49
Owner-Occupied Housing by Geography	36,735	0.03	2.99	84.01	12.97	0.00
Business by Geography	11,987	4.38	2.40	79.71	13.48	0.03
Farms by Geography	1,723	0.06	12.54	81.02	6.38	0.00
Family Distribution by Income Level	36,781	17.20	18.68	26.96	37.15	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,199	0.12	3.82	88.70	7.36	0.00
Median Family Income		42,511	Median Housing Value		90,755	
HUD Adjusted Median Family Income for 2002		75,614	Unemployment Rate (1990 US Census)		2.62%	
Households Below Poverty Level		8.11%				

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

Source: 1990 US Census and 2002 HUD updated MFI

St Cloud MSA 2000

Demographic Information for Full Scope Area: St Cloud MSA 2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	36	2.78	11.11	72.22	11.11	2.78
Population by Geography	173,789	0.63	9.56	72.11	17.69	0.00
Owner-Occupied Housing by Geography	44,981	0.00	7.70	74.32	17.98	0.00
Business by Geography	12,074	4.39	11.14	70.13	14.32	0.02
Farms by Geography	1,736	0.17	12.73	81.85	5.24	0.00
Family Distribution by Income Level	41,991	16.13	19.05	27.54	37.28	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	14,771	0.09	11.36	77.77	10.77	0.00
Median Family Income		64,827	Median Housing Value		142,978	
HUD Adjusted Median Family Income for 2002		75,790	Unemployment Rate (1990 US Census)		1.98%	
Households Below Poverty Level		6.46%				

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

Source: 2000 US Census and 2002 HUD updated MFI

Institution ID: BREMER BANK, NA (ST CLOUD)

Morrison 1990

Demographic Information for Full Scope Area: Morrison 1990						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	12.50	87.50	0.00	0.00
Population by Geography	29,604	0.00	8.13	91.87	0.00	0.00
Owner-Occupied Housing by Geography	8,503	0.00	8.22	91.78	0.00	0.00
Business by Geography	1,903	0.00	11.51	88.49	0.00	0.00
Farms by Geography	579	0.00	1.90	98.10	0.00	0.00
Family Distribution by Income Level	7,754	23.16	19.54	23.28	34.02	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,311	0.00	9.73	90.27	0.00	0.00
Median Family Income		28,933	Median Housing Value		47,512	
HUD Adjusted Median Family Income for 2002		48,500	Unemployment Rate (1990 US Census)		2.78%	
Households Below Poverty Level		14.41%				

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

Source: 1990 US Census and 2002 HUD updated MFI

Morrison 2000

Demographic Information for Full Scope Area: Morrison 2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	0.00	100.00	0.00	0.00
Population by Geography	31,712	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	9,684	0.00	0.00	100.00	0.00	0.00
Business by Geography	1,942	0.00	0.00	100.00	0.00	0.00
Farms by Geography	598	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	8,552	19.62	19.55	26.29	34.54	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,350	0.00	0.00	100.00	0.00	0.00
Median Family Income		46,129	Median Housing Value		86,981	
HUD Adjusted Median Family Income for 2002		48,500	Unemployment Rate (1990 US Census)		2.52%	
Households Below Poverty Level		10.13%				

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

Source: 2000 US Census and 2002 HUD updated MFI

Content of Standardized Tables

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

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As 25.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated

and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As 25.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

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

Table 1. Lending Volume

LENDING VOLUME		Geography: BREMER ST. CLOUD				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003						
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
St Cloud MSA 1990 (Loans from 2002)	95.38	494	59,639	404	73,798	93	7,139	0	0	991	140,576	0.00
St Cloud MSA 2000 (Loans from 2003)	93.91	562	75,512	400	71,217	72	5,007	15	12,311	1,034	151,736	0.00
Limited Review:												
Morrison 1990	4.62	20	1,722	5	656	23	2,327	0	0	48	4,705	0.00
Morrison 2000	6.09	28	2,671	14	2,362	25	2,146	0	0	67	7,179	0.00

* Loan Data as of December 31, 2002 and December 31, 2003. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2002 to December 31, 2004.

*** Deposit Data as of June 23, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: BREMER BANK, NA (ST CLOUD)

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
St Cloud MSA 1990	117	96.69	0.03	0.00	2.99	0.00	84.01	59.83	12.97	40.17	2.76	0.00	0.00	2.09	5.56
St Cloud MSA 2000	117	95.12	0.00	0.00	7.70	4.27	74.32	65.81	17.98	29.91	2.55	0.00	1.81	2.38	3.28
Limited Review:															
Morrison 1990	4	3.31	0.00	0.00	8.22	0.00	91.78	100.00	0.00	0.00	0.87	0.00	0.00	0.97	0.00
Morrison 2000	6	4.88	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.07	0.00	0.00	1.07	0.00

* Based on 2002 and 2003 Peer Mortgage Data (Western)

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

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

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
St Cloud MSA 1990	363	95.78	0.03	0.00	2.99	0.00	84.01	68.60	12.97	31.40	4.19	0.00	0.00	3.71	6.15	
StCloud MSA 2000	439	95.23	0.00	0.00	7.70	5.01	74.32	67.20	17.98	27.79	3.21	0.00	3.08	3.01	3.88	
Limited Review:																
Morrison 1990	16	4.22	0.00	0.00	8.22	0.00	91.78	100.00	0.00	0.00	1.53	0.00	0.00	1.66	0.00	
Morrison 2000	22	4.77	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.25	0.00	0.00	1.25	0.00	

* Based on 2002 Peer Mortgage Data (Western)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography *				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
St Cloud MSA 1990	14	100.00	2.21	0.00	0.65	0.00	86.80	85.71	10.34	14.29	31.11	0.00	0.00	29.27	50.00	
St Cloud MSA 2000	6	100.00	1.77	0.00	15.94	16.67	68.99	66.67	13.30	16.67	16.67	0.00	14.29	19.05	14.29	
Limited Review:																
Morrison 1990	0	0.00	0.00	0.00	18.54	0.00	81.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Morrison 2000	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2002 Peer Mortgage Data (Western)

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

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

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans						
Full Review:																
St Cloud MSA 1990	404	98.78	4.38	4.46	2.40	0.00	79.71	79.46	13.48	16.09	6.48	13.85	0.00	6.57	9.41	
St Cloud MSA 2000	400	96.62	4.39	5.75	11.14	9.75	70.13	64.00	14.32	20.50	6.20	14.94	8.50	5.53	11.11	
Limited Review:																
Morrison 1990	5	1.22	0.00	0.00	11.51	0.00	88.49	100.00	0.00	0.00	0.75	0.00	0.00	0.88	0.00	
Morrison 2000	14	3.38	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.80	0.00	0.00	1.97	0.00	

^{*} Based on 2002 Peer Small Business Data -- US and PR

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

^{***} Source Data - Dun and Bradstreet (2002).

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share (%) by Geography *				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
St Cloud MSA 1990	93	80.17	0.06	0.00	12.54	0.00	81.02	97.85	6.38	2.15	18.08	0.00	0.00	20.17	25.00	
StCloud MSA 2000	72	74.23	0.17	0.00	12.73	1.39	81.85	98.61	5.24	0.00	18.00	0.00	3.03	19.60	0.00	
Limited Review:																
Morrison 1990	23	19.83	0.00	0.00	1.90	0.00	98.10	100.00	0.00	0.00	18.25	0.00	0.00	18.40	0.00	
Morrison 2000	25	25.77	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	23.58	0.00	0.00	23.81	0.00	

* Based on 2002 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2002).

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
St Cloud MSA 1990	117	96.69	17.20	8.85	18.68	19.47	26.96	30.09	37.15	41.59	3.00	2.31	1.91	2.98	4.51	
St Cloud MSA 2000	117	95.12	16.13	5.98	19.05	27.35	27.54	27.35	37.28	39.32	2.89	1.43	2.42	2.57	4.63	
Limited Review:																
Morrison 1990	4	3.31	23.16	0.00	19.54	50.00	23.28	0.00	34.02	50.00	0.99	0.00	1.80	0.00	1.63	
Morrison 2000	6	4.88	19.62	33.33	19.55	16.67	26.29	33.33	34.54	16.67	1.18	3.39	0.56	1.53	0.72	

* Based on 2002 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 3.3% of loans originated and purchased by bank in 2002.

*** Percentage of Families is based on the 1990 and 2000 Census information.

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

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: BREMER ST. CLOUD					Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003								
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
St Cloud MSA 1990	363	95.78	17.20	6.72	18.68	17.65	26.96	33.33	37.15	42.30	5.00	3.93	3.68	4.96	6.23
St Cloud MSA 2000	439	95.23	16.13	7.39	19.05	19.86	27.54	30.25	37.28	42.49	3.97	3.12	3.19	3.51	5.32
Limited Review:															
Morrison 1990	16	4.22	23.16	0.00	19.54	12.50	23.28	18.75	34.02	68.75	1.86	0.00	1.14	0.99	3.30
Morrison 2000	22	4.77	19.62	4.76	19.55	33.33	26.29	42.86	34.54	19.05	1.48	0.91	1.96	1.97	0.81

* Based on 2002 and 2003 Peer Mortgage Data (Western)

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

*** Percentage of Families is based on the 1990 and 2000 Census information.

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

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: BREMER ST. CLOUD			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share *	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
St Cloud MSA 1990	404	98.78	66.75	50.74	54.70	22.28	23.02	6.48	9.85
St Cloud MSA 2000	400	96.62	65.09	49.00	56.50	20.00	23.50	6.20	8.06
Limited Review:									
Morrison 1990	5	1.22	73.83	80.00	80.00	0.00	20.00	0.75	1.73
Morrison 2000	14	3.38	69.88	64.29	57.14	14.29	28.57	1.80	3.13

* Based on 2002 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 4.16% of small loans to businesses originated and purchased by the bank in 2002 and 5.56% of small loans to businesses originated and purchased by the bank in 2003.

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: BREMER ST. CLOUD			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share *	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
St Cloud MSA 1990	93	80.17	96.75	91.40	75.27	19.35	5.38	18.08	17.09
St Cloud MSA 2000	72	74.23	96.03	94.44	81.94	15.28	2.78	18.00	17.52
Limited Review:									
Morrison 1990	23	19.83	98.62	82.61	69.57	21.74	8.70	18.25	16.67
Morrison 2000	25	25.77	97.49	76.00	76.00	16.00	8.00	23.58	19.19

* Based on 2002 Peer Small Business Data -- US and PR

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1.72% of small loans to farms originated and purchased by the bank in 2002 and 2.06% of small loans to farms originated and purchased by the bank in 2003.

Institution ID: BREMER BANK, NA (ST CLOUD)

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: BREMER ST. CLOUD									
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Bremer St Cloud									
In St Cloud AA	0	0	32	676	32	676	61.12%	0	0
Regional and/or statewide	0	0	9	275	9	275	24.86%	0	0
Out of AA and region	0	0	5	155	5	155	14.02%	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 institutions financial reporting system.

Institution ID: BREMER BANK, NA (ST CLOUD)

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: BREMER ST. CLOUD				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003										
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Full Review:																		
St Cloud MSA 1990	0.00	5	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0.34	2.52	82.43	14.22
St Cloud MSA 2000	0.00	5	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0.63	9.56	72.11	17.69
Limited Review:																		
Morrison 1990	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0.00	8.13	91.87	0.00
Morrison 2000	0.00	0	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0.00	0.00	100.00	0.00