



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bremer Bank, National Association
Charter Number: 23204

1444 45th Street SW
Fargo, ND58103

Office of the Comptroller of the Currency

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

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Bremer demonstrated good lending activity, good to excellent geographic distribution, and good borrower distribution.
- Bremer provides an excellent level of qualified investments and provides good responsiveness to credit and community development needs.
- Bremer's service delivery systems provide good accessibility and convenience.
- A substantial majority of Bremer's loans are made within its assessment areas (AAs). During the evaluation period, Bremer originated 89% of its HMDA loans, by number, within its AAs. For small loans to businesses, 92%, by number, were originated within the AAs. And for small loans to farms, 88%, by number, were originated within the AAs.
- Bremer's deposit market share is good. Per the June 30, 2008 FDIC Market Share Report data, Bremer ranked 1st in market share for the North Dakota AA, 2nd for the Minnesota AA, and 4th for the Fargo MSA AA.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

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

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

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

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

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

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

Rated Area: A rated area is a state or 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) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

Bremer Bank, National Association (Bremer) had total assets of \$1.39 billion as of June 30, 2008. Bremer is an interstate bank headquartered in Fargo, North Dakota. In the third quarter of 2004, Bremer merged its Minot charter into its Fargo charter, almost doubling the asset size of the surviving bank. Bremer opened one new office in north Fargo, North Dakota during this evaluation period. There were no other mergers or acquisitions, nor any branch closures, during the evaluation period. Bremer has 15 North Dakota locations including Fargo, Fargo-Cashwise, Casselton, Leonard, Lisbon, Carrington, Richardton, Minot, Minot-Marketplace, Minot-Dakota Square, Max, Berthold, Rugby, Devils Lake, and Minnewaukan. There are three branch locations in Minnesota including Moorhead, Detroit Lakes, and Perham.

Bremer is a subsidiary of Bremer Financial Corporation (BFC). BFC is a \$7.3 billion financial services company with banking affiliates in over 100 locations throughout Minnesota, North Dakota and Wisconsin. BFC non-bank affiliates include trust and insurance companies. BFC is owned by the Otto Bremer Foundation (Foundation) and its employees. The Foundation is headquartered in St. Paul, Minnesota. The Foundation's profits are distributed to support nonprofit activities through its grant-making activities in communities served by BFC affiliates. At Bremer's request, we considered qualified investments of the Foundation in the evaluation of the bank's Investment Test performance.

Bremer is a full-service bank offering a variety of loan and deposit products. Its lending focus is commercial, agricultural, and residential mortgage loans. As of June 30, 2008, net loans totaled \$1.08 billion, representing 76.5% of average assets. Net Tier 1 Capital totaled \$111 million. The loan portfolio is comprised of commercial (65%), agriculture (19%), home loans (11%), and consumer plus other loans (5%).

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs in its assessment areas. Bremer received a Satisfactory rating as of its last CRA evaluation dated January 12, 2005.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Bremer's small business, small farm and home mortgage data for the period beginning January 1, 2004 through December 31, 2007. For community development loans, investments and services, the evaluation period began January 1, 2005 and ended December 31, 2007.

We evaluated performance with consideration given to each product's weight within each AA. Overall, small loans to farms represented 45% of the number of loans generated during the evaluation period, while small loans to businesses represented 30%, and home mortgage loans represented 25%. Loans for multi-family dwellings represented 1% of total home mortgage loans; therefore, an analysis of that product would not be meaningful and was not done for this evaluation.

We made one community contact during this assessment. This contact helped to confirm the community profile, opportunities for local financial institutions to meet the credit needs, and the perceived performance of the local financial institutions of the non-MSA North Dakota AA.

Data Integrity

Prior to conducting this evaluation, we tested the accuracy of Bremer's HMDA, 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.

Selection of Areas for Full-Scope Review

We selected three of Bremer's four AAs for full-scope reviews, and the fourth received a limited scope review. Areas receiving full-scope reviews included the Fargo ND-MN MSA, the non-MSA North Dakota multi county AA and the non-MSA Minnesota AA. The non-MSA North Dakota single county AA received a limited scope review due to its very limited impact upon overall performance.

Ratings

The bank's overall rating is a blend of the multi-state metropolitan area rating, state and AA ratings. However, each of these areas were not considered equally in arriving at the bank's overall rating. We placed greater weight upon Bremer's performance in the areas from which it derives the greatest volume of deposits. As a result, the most weight for the lending test was placed upon Bremer's performance in the non-MSA North Dakota AA and Fargo ND-MN MSA AA, and less upon the non-MSA Minnesota AA. Bremer received 45%, 30%, and 18% of its deposits from these three areas, respectively.

Fair Lending or Other Illegal Credit Practices Review

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

Multi-state Metropolitan Area Rating

Fargo North Dakota-Minnesota Multi-state Metropolitan Area

CRA rating for the Fargo MSA¹: High Satisfactory
The lending test is rated: High Satisfactory
The investment test is rated: Outstanding
The service test is rated: High Satisfactory

The major factors that support this rating include:

- In the Fargo ND-MN MSA, Bremer demonstrated good lending activity, adequate geographic distribution, and excellent borrower distribution.
- Bremer provides an excellent level of qualified investments and provides good responsiveness to credit and community development needs.
- Bremer's service delivery systems provide good accessibility and convenience.

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

Bremer's Fargo ND-MN MSA consists of Cass County in North Dakota and Clay County in Minnesota. The AA encompasses the entire MSA. The AA is comprised of 40 census tracts including zero low-income tracts and six moderate-income tracts.

Bremer maintains six full-service branch locations in this AA. As of June 30, 2007, Bremer maintained approximately 5.9% of deposits in the AA, which ranks fourth out of 27 institutions in the AA. Bremer offers a variety of deposit and loan products. Based on available information, the primary lending focus in the AA is small loans to farms followed by business loans and then home mortgage loans.

Refer to the market profile for the Fargo ND-MN MSA in appendix C for detailed demographics and other performance context information.

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

Scope of Evaluation in Fargo ND-MN Multi-state Metropolitan Area

The scope of evaluation of the Fargo ND-MN MSA entailed a full scope review.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Lending Activity

Refer to Table 1 Lending Volume in the "Multi-state Metropolitan Area(s)" section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Lending levels reflect good responsiveness in relation to area credit needs and the bank's deposit market share. Bremer's lending activity was strongest for small loans to farms, where Bremer was ranked third in the number of loans originated and purchased.

During the evaluation period, Bremer originated 987 reportable HMDA loans totaling \$119 million in the Fargo MSA. Based on 2007 HMDA data, Bremer's HMDA loans represent a 2.13% market share. Bremer was ranked seventh out of 286 financial institutions that reported HMDA loans in 2007.

Bremer originated 1,140 reportable small loans to businesses during the evaluation period totaling \$212 million. Based on 2007 numbers, Bremer had a 3.44% market share and ranked eleventh among the 42 financial institutions that reported business loans.

Bremer originated 696 reportable small loans to farms totaling \$72 million during the evaluation period. Of the 14 financial institutions that reported farm loans, Bremer ranked third in the MSA with a 19.4% market share in 2007.

For the Lending Test in the AA, we gave the most weight to Bremer's small loans to farms as they represented 45%, by number, and 34%, by dollar, of the loan originations during the evaluation period. Home mortgage loans represented 25% by number and dollar and small loans to businesses represented 30% by number and 41% by dollar.

For the home mortgage loan analysis, we placed the most weight on refinance loans and home purchase loans. Those loans represented 46% and 42%, by number, of all of Bremer's home mortgage loans, respectively.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4, and 5 in the "Multi-state Metropolitan Area(s)" 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.

Bremer's overall geographic distribution of home loans in the Fargo ND-MN MSA is good.

Home Purchase Loans

Bremer's overall geographic distribution of home purchase loans in the Fargo ND-MN MA is excellent. There are no low-income census tracts in this AA and only six moderate-income census tracts out of a total of 40. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner occupied housing units in these same areas, 8.48% to 8.26%, respectively. In addition, Bremer's market share of home purchase loans to moderate-income geographies exceeded their overall market share and represents excellent performance.

Home Improvement Loans

Bremer's overall geographic distribution of home improvement loans in the Fargo ND-MN MSA is very poor. The percentage of bank loans made in moderate-income geographies is substantially lower than the percentage of owner occupied housing units in these same areas, 3.28% to 8.26%, respectively. In addition, Bremer's market share of home improvement loans to moderate-income geographies was significantly below its overall market share and represents very poor performance.

Home Refinance Loans

Bremer's overall geographic distribution of refinance loans in the Fargo ND-MN MSA is poor. The percentage of bank loans made in moderate-income geographies is lower than the percentage of owner occupied housing units in these same areas, 5.11% to 8.26%, respectively. In addition, Bremer's market share of home refinance loans to moderate-income geographies was significantly lower than its overall market share and represents very poor performance.

Small Loans to Businesses

Refer to Table 6 in the "Multi-state Metropolitan Area(s)" 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.

Bremer's overall geographic distribution of small loans to businesses in the Fargo ND-MN MSA is good.

The percentage of Bremer's small loans to businesses in moderate-income geographies was nearly equal to the percentage of businesses located in those geographies, 28.25% compared to 28.62%. In addition, Bremer's market share of small loans to businesses loans to

moderate-income geographies exceeded its overall market share. This level of performance is considered excellent.

Small Loans to Farms

Refer to Table 7 in the Multi-state Metropolitan Area(s) 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.

Bremer's overall geographic distribution of small loans to farms in the Fargo ND-MN MSA is very poor. The percentage of Bremer's small loans to farms in moderate-income geographies was significantly lower than the percentage of farms located in those geographies, 1.15% compared to 5.57%. Bremer's market share of small loans to farms to moderate-income geographies is also very poor.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in moderate-income geographies, as there are no low-income geographies in this AA. We did not identify any unexplained or conspicuous lending gaps in the Fargo ND-MN MSA.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in the "Multi-state Metropolitan Area(s)" section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Borrower distribution of home mortgage loans in the Fargo ND-MN MSA reflects good penetration among loan customers of different income levels.

Home Purchase

Bremer's distribution of home purchase loans to borrowers of different income levels is excellent.

Throughout the evaluation period, the percentage of Bremer's home purchase loans to low-income borrowers was near to the percentage of low-income families in the Fargo ND-MN MSA, 11.28% compared to 17.69%, respectively. This level of performance is good. The percentage of Bremer's loans to moderate-income borrowers exceeded the percentage of moderate-income families, 30.5% compared to 18.73%, respectively. This level of performance is considered excellent.

In addition, Bremer's market share of loans to low-income borrowers exceeded its overall market share and loans to moderate-income borrowers were near to its overall market share. This level of performance is considered excellent and good, respectively.

Home Improvement Loans

Bremer's distribution of home improvement loans to borrowers of different income levels is adequate.

Throughout the evaluation period, the percentage of Bremer's home improvement loans to low-income borrowers was lower than percentage of low-income families in the Fargo ND-MN MA, 3.39% compared to 17.69%, respectively. This level of performance is poor. In contrast, the percentage of Bremer's loans to moderate-income borrowers was nearly equal to the percentage of moderate-income families, 18.64% compared to 18.73%, respectively. This level of performance is considered excellent.

In addition, Bremer's market share of loans to low-income borrowers was near to its overall market share and considered good while loans to moderate-income borrowers were significantly lower.

Refinance Loans

Bremer's distribution of home refinance loans to borrowers of different income levels is adequate.

Throughout the evaluation period, the percentage of Bremer's home refinance loans to low-income borrowers was somewhat lower than percentage of low-income families in the Fargo ND-MN MSA, 7.41% compared to 17.69%, respectively. This level of performance is adequate. The percentage of Bremer's loans to moderate-income borrowers was nearly equal to the percentage of moderate-income families, 17.90% compared to 18.73%, respectively. This level of performance is considered excellent.

In addition, Bremer's market share of loans to low- and moderate-income borrowers was somewhat lower than its overall market share and considered adequate.

Small Loans to Businesses

Refer to Table 11 in the "Multi-state Metropolitan Area(s)" section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses in the Fargo ND-MN MSA reflects excellent penetration among business customers with revenues of less than \$1 million. Throughout the evaluation period, the percentage of Bremer's loans to small businesses exceeded the percentage of businesses in the Fargo ND-MN MSA in the same revenue category, 75.96% compared to 58.39%. In addition, Bremer's market share of loans to small businesses significantly exceeded its overall market share. This level of performance is excellent.

Small Loans to Farms

Refer to Table 12 in the "Multi-state Metropolitan Area(s)" 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.

The distribution of small loans to farms in the Fargo ND-MN MSA reflects good penetration among farms of different sizes.

Throughout the evaluation period, the percentage of Bremer's loans to small farms was near to the percentage of farms in the Fargo ND-MN MSA with revenues of \$1 million or less, 92.67% compared to 97.43%. In addition, Bremer's market share of loans to small farms exceeded its overall farm loan market share. This level of performance is excellent.

Community Development Lending

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

Bremer originated two community development loans within this AA totaling \$2,340,000 during the evaluation period. These loans helped to provide housing to low- and moderate-income individuals.

Product Innovation and Flexibility

Bremer's loan products are consistent with those found throughout the Bremer banking organization. Throughout this evaluation period, Bremer noted that none of these products are innovative or flexible.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in Fargo ND-MN MSA is rated Outstanding. Based upon a full-scope review, the bank's performance is excellent. Qualified investments are numerous, varied, and responsive to the AA's needs.

Bremer's level of investments in the Fargo ND-MN MSA is excellent given the bank's opportunities for investment. Qualifying investments total \$3.5 million. In addition, the bank has another \$950 thousand in investments that benefit the greater regional area of North Dakota and Minnesota that potentially could benefit this 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.

These qualified investments provided funds to organizations that provide social services and/or affordable housing support to individuals with low- or moderate-incomes. Examples include organizations that provide: healthcare support (Meritcare, CHARISM Community Center, Rape and Abuse Crisis Center); affordable housing (Lake Agassiz Regional Council, Lake Agassiz Habitat for Humanity, Churches United for the Homeless, Fargo-Moorhead Homeless

Coalition); and social services to help meet the needs of hunger, job assistance, education, clothing, immigrants etc... (Daily Bread, Village Family Service Center, Moorhead Technical College Foundation, The ARC of Cass County, Immigrant Development Center).

Refer to Table 14 in the “Multi-state Metropolitan Area(s)” section of Appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank’s performance under the service test in the Fargo ND-MN MSA is rated High Satisfactory. Based on full-scope reviews, the bank’s performance is good.

Retail Banking Services

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

Good performance with regards to retail banking services is supported primarily by the satisfactory distribution and number of branches in the AA. This distribution fosters accessibility to individuals of all income levels. Bremer has one office (17%) within moderate-income census tracts and five (83%) in middle-income tracts. In comparison, 16% of the AA’s population resides in moderate-income census tracts and 84% in middle- and upper-income tracts. In addition, the distribution of automated teller machines (ATMs) also fosters accessibility. Bremer has one deposit-taking ATM in a moderate-income census tract, along with three other deposit-taking and three cash dispensing ATMs in middle- and upper-income tracts. Bremer has not closed any offices during this evaluation period and opened one branch in north Fargo. Hours of operation are reasonable and consistent throughout the branches.

Alternative delivery systems for small business and retail banking services are routine to the industry. Bremer utilizes Internet banking, telephone banking, ATMs, and bank-by-mail systems to foster accessibility to all customers. Bremer does not track the impact of these services on its low- and/or moderate-income customers. Absent this impact data, and given the routine nature of these services, such alternative delivery systems warrant little special weight in our evaluation.

Community Development Services

Good performance with regards to community development services performance in the Fargo ND-MN MSA entails very active and critical involvement in a wide array of local organizations involved in meeting the needs of individuals with low- and -moderate incomes. This involvement has often entailed leadership roles on boards of directors, providing critical technical expertise, along with ground-level volunteerism. A small sample of the types of

organizations include: healthcare support (Meritcare, CHARISM Community Center, Rape and Abuse Crisis Center); affordable housing (Habitat for Humanity, City of Fargo-Affordable Housing Development, Fargo-Moorehead Homeless Coalition, Lutheran Social Service, Beyond Shelter); and social services to help meet the needs of hunger, job assistance, education, clothing, immigrants etc... (Great Plains Food Bank, Village Family Service Center, Cass County Social Services, Centro Cultural De Fargo-Moorhead, Lutheran Social Services,).

Bremer also has a designated non-profit specialist for this AA. Throughout this evaluation period, this person helped Bremer to target its community development services efforts towards non profits that explicitly impact individuals and/or families with low- or moderate-income levels.

State Rating

State of North Dakota

CRA Rating for North Dakota²:	High Satisfactory
The lending test is rated:	High Satisfactory
The investment test is rated:	Outstanding
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- Bremer demonstrated good lending activity, excellent geographic distribution, and good borrower distribution.
- Bremer provides an excellent level of qualified investments and provides good responsiveness to credit and community development needs.
- Bremer's service delivery systems provide good accessibility and convenience

Description of Institution's Operations in North Dakota

Bremer's North Dakota non-MSA AA (ND AA) consists of twelve counties in north-central North Dakota. Based on the 2000 U.S. Census information, the AA consists of 60 census tracts, none of which are designated as low-income and nine designated as moderate-income geographies. The counties include those of Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Stark, Stutsman and Ward.

Bremer maintains ten full-service branch locations in the ND AA. As of June 30, 2007, Bremer maintained approximately 21.2% of deposits in the AA, which ranks first out of 40 institutions in the AA. Bremer offers a variety of deposit and loan products. Based on available information, the primary lending focus in the ND AA is small farm lending.

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

Scope of Evaluation in North Dakota

We performed a full-scope review of Bremer's non-MSA AA in North Dakota. Our analysis and results were weighted most heavily toward Bremer's small farm lending in the ND AA. During the evaluation period, 63% of the bank's reported loans by number and 53% by dollar volume

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

were small loans to farms. During the evaluation period, 25% of loans were to small businesses and 12% were home mortgage loans, by number of loans.

Of the home mortgage loans originated by the bank, 51% by number were home purchase loans, 12% home improvement loans, 36% home mortgage refinance loans, and 1% multifamily loans. Home purchase loans were weighted significantly more than home improvement, home mortgage refinance, and multifamily loans for our analysis.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Lending Activity

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

Lending levels reflect a good responsiveness in relation to area credit needs and the bank's deposit market share. Bremer's lending activity was strongest for small loans to farms, where Bremer was ranked first in the number of loans originated and purchased. Bremer ranked fifth in small business and seventh in home loans.

During the evaluation period, Bremer originated 747 reportable HMDA loans totaling \$55 million in the ND AA. Based on 2007 HMDA data, Bremer's HMDA loans represent a 3.17% market share, by number of loans. Bremer was ranked seventh out of 186 financial institutions that reported HMDA loans in 2007.

Bremer originated 381 reportable small loans to businesses during the evaluation period totaling \$47 million. Based on 2007 numbers, Bremer had a 35.13% market share, by dollar, an 8% market share, by number, and ranked fifth among the 37 financial institutions that reported business loans.

Bremer originated 987 reportable small loans to farms totaling \$69 million during the evaluation period. Of the 16 financial institutions that reported farm loans in 2007, Bremer ranked first in the state with a 62.43% market share, by number, and a 67.89% market share, by dollar.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

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

Bremer's overall geographic distribution of home loans in the ND AA is excellent and represents strong performance.

Home Purchase Loans

Bremer's overall geographic distribution of home purchase loans in the ND AA is excellent. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in these same areas, 10.99% to 8.02%, respectively. This level of performance is excellent. In addition, Bremer's market share of home purchase loans to moderate-income geographies exceeded its overall market share and represents excellent performance.

Home Improvement Loans

Bremer's overall geographic distribution of home improvement loans in the ND AA is excellent. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in these same areas, 13.25% to 8.02%, respectively. In addition, Bremer's market share of home improvement loans to moderate-income geographies exceeded its overall market share and represents excellent performance.

Home Refinance Loans

Bremer's overall geographic distribution of home refinance loans in the ND AA is excellent. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in these same areas, 9.56% to 8.02%, respectively. In addition, Bremer's market share of home refinance loans to moderate-income geographies exceeded its overall market share and represents excellent performance.

Small Loans to Businesses

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

Bremer's overall geographic distribution of small loans to businesses in North Dakota is excellent.

The percentage of Bremer's small loans to businesses in moderate-income geographies exceeded the percentage of businesses located in those geographies, 18.89% compared to 9.57%. In addition, Bremer's market share of small loans to businesses to moderate-income geographies exceeded its overall market share and represents excellent performance.

Small Loans to Farms

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

Bremer's overall geographic distribution of small loans to farms in the ND AA is excellent.

The percentage of Bremer's small loans to farms in moderate-income geographies exceeded the percentage of farms located in those geographies, 6.82% to 6.47%. In addition, Bremer's market share of small loans to farms to moderate-income geographies exceeded its overall market share and represents excellent performance.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in moderate-income geographies, as there are no low-income geographies in this AA. We did not identify any unexplained or conspicuous lending gaps in the ND AA.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

Borrower distribution of home mortgage loans in the ND AA reflects good penetration among loan customers of different income levels.

Home Purchase Loans

Bremer's distribution of home purchase loans to borrowers of different income levels is good.

Throughout the evaluation period, the percentage of Bremer's home purchase loans to low-income borrowers was somewhat lower than percentage of low-income families in the ND AA, 6.20% compared to 17.37%, respectively. This level of performance is adequate. The percentage of Bremer's loans to moderate-income borrowers exceeded the percentage of moderate-income families, 24.26% compared to 18.69%, respectively. This level of performance is considered excellent.

In addition, Bremer's market share of home purchase loans to low- and moderate-income borrowers exceeded its overall market share. This level of performance is considered excellent.

Home Improvement Loans

Bremer's distribution of home improvement loans to borrowers of different income levels is good.

Throughout the evaluation period, the percentage of Bremer's home improvement loans to low-income borrowers was near to the percentage of low-income families in the ND AA, 10.98% compared to 17.37%, respectively. This level of performance is good. The percentage of Bremer's loans to moderate-income borrowers was somewhat lower to the percentage of moderate-income families, 12.20% compared to 18.69%, respectively. This level of performance is considered adequate.

In addition, Bremer's market share of home improvement loans to low-income borrowers was significantly lower than its overall market share while its loans to moderate-income borrowers was somewhat lower than its overall market share. This level of performance is considered very poor and adequate, respectively.

Refinance Loans

Bremer's distribution of home refinance loans to borrowers of different income levels is adequate.

Throughout the evaluation period, the percentage of Bremer's home refinance loans to low-income borrowers was somewhat lower than percentage of low-income families in the ND AA, 8.68% compared to 17.37%, respectively. This level of performance is adequate. The percentage of Bremer's loans to moderate-income borrowers was somewhat lower than the percentage of moderate-income families, 13.96% compared to 18.69%, respectively. This level of performance is considered adequate.

In addition, Bremer's market share of loans to low-income borrowers is near to their overall market share while loans to borrower's with moderate-income was somewhat lower. This level of performance is considered good and adequate, respectively.

Small Loans to Businesses

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

The distribution of small loans to businesses in the ND AA reflects excellent penetration among business customers with revenues of less than \$1 million. Throughout the evaluation period, the percentage of Bremer's loans to small businesses exceeded the percentage of businesses in the ND AA in the same revenue category, 68.27% compared to 59.53%. In addition, Bremer's market share of loans to small businesses exceeded its overall market share and represents excellent performance.

Small Loans to Farms

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

The distribution of small loans to farms in the ND AA reflects good penetration among farms of different sizes.

Throughout the evaluation period, the percentage of Bremer's loans to small farms was near to the percentage of farms in the ND AA with revenues of \$1 million or less, 88.96% compared to 98.67%. In addition, Bremer's market share of loans to small farms exceeded its overall market share and represents excellent performance.

Community Development Lending

Refer to Table 1 Lending Volume in the State of North Dakota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Bremer originated three community development loans within this AA totaling \$669,966 during the evaluation period. These loans helped to provide housing and services to low- and moderate-income individuals.

Product Innovation and Flexibility

Bremer's loan products are consistent with those found throughout the Bremer banking organization. Throughout this evaluation period, Bremer noted that none of these products are innovative or flexible.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the Lending Test in the Ransom County non-metropolitan area is not inconsistent with the bank's overall High Satisfactory performance under the Lending Test in North Dakota. Refer to the Tables 1 through 13 in the State of North Dakota section of Appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

The bank's performance under the investment test in North Dakota is rated Outstanding. Based upon a full-scope review, the bank's performance is excellent. Qualified investments are numerous, varied, and responsive to the AA's needs.

Bremer's level of investments in the ND AA is excellent given the bank's opportunities for investment. Qualifying investments in the ND AA total \$2.6 million. In addition, Bremer invested another \$890 thousand into other areas of North Dakota. 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.

These qualified investments provided funds to organizations that provide social services and/or affordable housing support to individuals with low- or moderate-incomes. Examples include organizations that provide: healthcare support (Granite Falls Living at Home Block Nurse Program); affordable housing (Affordable Housing Developers, Three Affiliated Tribes, Growing Together, Lewis and Clark Community Works); and social services to help meet the

needs of hunger, job assistance, education, clothing, etc. (Community Action Partnership, Minot Area Homeless Coalition, Dakota Boys Ranch Association).

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 Ransom County AA is weaker than the bank's overall Outstanding performance for the ND AA. This is due to a limited amount of opportunities in this area. This weaker performance does not affect the overall Investment rating for the bank's performance in the State of ND due to the limited size of this area. Refer to the Table 14 in the State of North Dakota section of Appendix D for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in North Dakota is rated High Satisfactory. Based on full-scope reviews, the bank's performance is good.

Retail Banking Services

Refer to Table 15 in the 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.

Good performance with regards to retail banking services is supported primarily by the satisfactory distribution and number of branches in the AA. This distribution fosters accessibility to individuals of all income levels. Bremer has three offices (30%) within moderate-income census tracts and the remaining seven are located in middle-income tracts. In comparison, only 10% of the AA's population resides in moderate-income census tracts and 90% in middle- and upper-income tracts. In addition, the distribution of automated teller machines (ATMs) also fosters accessibility. Bremer has one ATM (9%) in a moderate-income census tract, nine (82%) in middle-income tracts, and one (9%) in an upper-income tract. Bremer has not closed nor opened any offices during this evaluation period in this AA. Hours of operation are reasonable and consistent throughout the branches.

Alternative delivery systems for small business and retail banking services are routine to the industry. Bremer utilizes Internet banking, telephone banking, ATMs, and bank-by-mail systems to foster accessibility to all customers. Bremer does not track the impact of these services on its low- and/or moderate-income customers. Absent this impact data, and given the routine nature of these services, such alternative delivery systems warrant little special weight in our evaluation.

Community Development Services

Adequate performance with regards to community development services performance in the ND AA entails active involvement in a variety of local organizations involved in meeting the needs of individuals with low- and moderate-incomes and promoting community development. This involvement entailed leadership roles on boards of directors, providing critical technical expertise, along with ground-level volunteerism. A sample of the types of organizations include: tribal support (Three Affiliated Tribes); healthcare support (Lions Club); affordable housing and related education (Homeless Coalition); and social services to help meet the needs of hunger, job assistance, education, clothing, immigrants etc. (Casselton Community Development Authority, Salvation Army, Y's Men, United Way).

Bremer also has a designated non-profit specialist for this AA. Throughout this evaluation period, this person helped Bremer to target its community development services efforts towards non-profits that explicitly impact individuals and/or families with low- or moderate-income levels.

State Rating

State of Minnesota

CRA Rating for Minnesota³:	High Satisfactory
The lending test is rated:	High Satisfactory
The investment test is rated:	Outstanding
The service test is rated:	High Satisfactory

The major factors that support this rating include:

- Bremer demonstrated good lending activity, excellent geographic distribution, and good borrower distribution.
- Bremer provides an excellent level of qualified investments and provides good responsiveness to credit and community development needs.
- Bremer's service delivery systems provide good accessibility and convenience

Description of Institution's Operations in Minnesota

Bremer's Minnesota non-MSA AA (MN AA) consists of two counties in west-central Minnesota. Based on the 2000 U.S. Census information, the AA consists of 26 census tracts, none of which are designated as low-income, two are moderate-income, 24 are middle-income, and none are designated as high-income geographies. Counties that make up this AA include all of Becker and Otter Tail.

Bremer maintains two full-service branch locations and six ATMs in the MN AA. As of June 30, 2007, Bremer maintained approximately 11.2% of deposits in the AA, which ranks second out of 22 institutions in the AA. Bremer offers a variety of deposit and loan products. Based on available information, the primary lending focus in the MN AA is home mortgages.

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

Scope of Evaluation in Minnesota

We performed a full-scope review of Bremer's MN AA. Our analysis and results were weighted most heavily toward Bremer's home mortgage lending. During the evaluation period, 53% of the bank's reported loans by number and 52% by dollar volume were home mortgage.

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

During the evaluation period, 34% of loans were to small businesses and 13% were small loans to farms, by number of loans.

Of the home mortgage loans originated by the bank, 32% by number were home purchase loans, 15% home improvement loans, 53% home mortgage refinance loans, and less than 1% multifamily loans. Home mortgage refinance loans were weighted more than home purchase, home improvement, and multifamily loans for our analysis.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test in Minnesota is rated High Satisfactory. Based on a full-scope review, the bank's performance in this state is good.

Lending Activity

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

Lending levels reflect a good responsiveness in relation to area credit needs and the bank's deposit market share. Bremer's lending activity was strongest for home mortgage loans, where Bremer was ranked fifth in the number of loans originated and purchased. Bremer ranked eighth in small business and third for small loans to farms.

During the evaluation period, Bremer originated 1,194 reportable HMDA loans totaling \$110 million in the MN AA. Based on 2007 HMDA data, Bremer's HMDA loans represent a 5.02% market share, by number of loans. Bremer was ranked fifth out of 303 financial institutions that reported HMDA loans in 2007.

Bremer originated 756 reportable small loans to businesses during the evaluation period totaling \$76 million. Based on 2007 numbers, Bremer had a 24% market share, by dollar, a 5% market share, by number, and ranked eighth among the 26 financial institutions that reported business loans.

Bremer originated 291 reportable small loans to farms totaling \$25 million during the evaluation period. Of the 14 financial institutions that reported farm loans, Bremer ranked third in the state with a 15% market share, by number, and a 19% market share, by dollar, in 2007.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 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 and purchases.

Bremer's overall geographic distribution of home loans in the MN AA is excellent and represents strong performance.

Home Purchase Loans

Bremer's geographic distribution of home purchase loans in the MN AA is excellent. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in these same areas, 13.46% to 7.28%, respectively. In addition, Bremer's market share of home purchase loans to moderate-income geographies was near to its overall market share and represents good performance.

Home Improvement Loans

Bremer's overall geographic distribution of home improvement loans in the MN AA is excellent. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in these same areas, 14.29% to 7.28%, respectively. In addition, Bremer's market share of home improvement loans to moderate-income geographies was near to its overall market share and represents good poor performance.

Home Refinance Loans

Bremer's overall geographic distribution of home improvement loans in the MN AA is excellent. The percentage of bank loans made in moderate-income geographies exceeds the percentage of owner-occupied housing units in these same areas, 13.07% to 7.28%, respectively. In addition, Bremer's market share of home refinance loans to moderate-income geographies exceeded its overall market share and represents excellent performance.

Small Loans to Businesses

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

Bremer's overall geographic distribution of small loans to businesses in the MN AA is excellent.

The percentage of Bremer's small loans to businesses in moderate-income geographies exceeded the percentage of businesses located in those geographies, 23.02% compared to 11.68%. In addition, Bremer's market share in moderate-income areas exceeded its overall market share and represent excellent performance.

Small Loans to Farms

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

Bremer's overall geographic distribution of small loans to farms in the MN AA is excellent.

The percentage of Bremer's small loans to farms in moderate-income geographies exceeded the percentage of farms located in those geographies, 25.09% to 5.23%. In addition, Bremer's

market share in moderate-income areas exceeded its overall market share and represents excellent performance.

Lending Gap Analysis

Our geographic distribution analysis included a review of lending gaps, particularly in moderate-income geographies, as there are no low-income geographies in this AA. We did not identify any unexplained or conspicuous lending gaps in the MN AA.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Borrower distribution of home mortgage loans in the MN AA reflects good penetration among loan customers of different income levels.

Home Purchase Loans

Bremer's distribution of home purchase loans to borrowers of different income levels is good.

Throughout the evaluation period, the percentage of Bremer's home purchase loans to low-income borrowers was somewhat lower than percentage of low-income families in the MN AA, 10.63% compared to 19.78%, respectively. This level of performance is adequate. The percentage of Bremer's loans to moderate-income borrowers exceeded the percentage of moderate-income families, 29.43% compared to 21.38%, respectively. This level of performance is considered excellent.

In addition, Bremer's market share of loans to low- and moderate-income borrowers exceeded its overall market share. This level of performance is considered excellent.

Home Improvement Loans

Bremer's distribution of home improvement loans to borrowers of different income levels is good.

Throughout the evaluation period, the percentage of Bremer's home improvement loans to low-income borrowers was somewhat lower than percentage of low-income families in the MN AA, 10.00% compared to 19.78%, respectively. This level of performance is adequate. The percentage of Bremer's loans to moderate-income borrowers was near to the percentage of moderate-income families, 18.24% compared to 21.38%, respectively. This level of performance is considered good.

In addition, Bremer's market share of loans to low- and moderate-income borrowers was near to its overall market share. This level of performance is considered good.

Refinance Loans

Bremer's distribution of home refinance loans to borrowers of different income levels is good.

Throughout the evaluation period, the percentage of Bremer's home refinance loans to low-income borrowers was somewhat lower than percentage of low-income families in the MN

AA, 6.44% compared to 19.78%, respectively. This level of performance is adequate. The percentage of Bremer's loans to moderate-income borrowers was near to the percentage of moderate-income families, 20.93% compared to 21.38%, respectively. This level of performance is considered excellent.

In addition, Bremer's market share of loans to low-income borrowers was lower than its overall market share while loans to moderate-income borrowers were near to this level. This level of performance is considered poor and good, respectively.

Small Loans to Businesses

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

The distribution of small loans to businesses in the MN AA reflects excellent penetration among business customers with revenues of less than \$1 million.

Throughout the evaluation period, the percentage of Bremer's loans to small businesses exceeded the percentage of businesses in the MN AA in the same revenue category, 83.86% compared to 58.40%. In addition, Bremer's market share of loans to small businesses exceeded its overall market share and represents excellent performance.

Small Loans to Farms

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

The distribution of small loans to farms in the MN AA reflects good penetration among farms of different sizes.

Throughout the evaluation period, the percentage of Bremer's loans to small farms was near to that of the percentage of farms in the MN AA with revenues of \$1 million or less, 84.54% compared to 97.43%. In addition, Bremer's market share of loans to small farms exceeded its overall farm loan market share and represents excellent performance.

Community Development Lending

Refer to Table 1 Lending Volume in the State of Minnesota section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multi-family loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Bremer originated four community development loans within this AA totaling \$3,226,200 during the evaluation period. These loans helped to provide affordable housing to low- and moderate-income individuals.

Product Innovation and Flexibility

Bremer's loan products are consistent with those found throughout the Bremer banking organization. Throughout this evaluation period, Bremer noted that none of these products are innovative or flexible.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in the MN AA is rated Outstanding. Based on a full-scope review, the bank's performance is excellent. Qualified investments are numerous, varied, and responsive to the AA's needs.

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

Bremer's level of investments in Minnesota is excellent given the bank's opportunities for investment. Qualifying investments in the MN AA total \$1.9 million. In addition, Bremer has invested another \$56,000, into other areas of Minnesota. 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.

These qualified investments provided funds to organizations that provide social services and/or affordable housing support to individuals with low- or moderate-incomes. Examples include organizations that provide: healthcare support (White Earth Health Center); affordable housing (Rewind, White Earth Reservation Tribal Council, Habitat for Humanity); economic development (Becker County Economic Development Authority) and social services to help meet the needs of hunger, job assistance, education, clothing, etc. (Ashinaabe Center, Becker County Food Pantry, Ottertail Wadena Community Program).

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test in Minnesota is rated High Satisfactory. Based on a full-scope review, the bank's performance in the MN 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.

Good performance with regards to retail banking services is supported primarily by the satisfactory distribution and number of branches in the AA. This distribution fosters accessibility to individuals of all income levels. Bremer has one office (50%) within a moderate-income census tract and the other office is located in a middle-income tract. In comparison, only 9% of the AA's population resides in the moderate-income census tract and 90% in middle-income tracts. In addition, the distribution of automated teller machines (ATMs) also fosters accessibility. Bremer has four ATMs (67%), within moderate-income census tracts, along with two others (33%) in middle-income tracts. Bremer has not closed nor opened any offices during this evaluation period in this AA. Hours of operation are reasonable and consistent throughout the branches.

Alternative delivery systems for small business and retail banking services are routine to the industry. Bremer utilizes Internet banking, telephone banking, ATMs, and bank-by-mail systems to foster accessibility to all customers. Bremer does not track the impact of these services on its low- and/or moderate-income customers. Absent this impact data, and given the routine nature of these services, such alternative delivery systems warrant little special weight in our evaluation.

Community Development Services

Adequate performance with regards to community development services performance in Minnesota entails active involvement in a variety of local organizations involved in meeting the needs of individuals with low- and moderate-incomes and promoting community development. This involvement entailed leadership roles on boards of directors, providing critical technical expertise, along with ground-level volunteerism. A sample of the types of organizations include: affordable housing (Perham Housing and Redevelopment Authority); community development (Perham Housing and Redevelopment Authority); and social services to help meet the needs of hunger, job assistance, education, clothing, etc. (Detroit Lakes Community & Cultural Center, Salvation Army, Lakes Crisis Center, New York Mills Food Shelf).

Bremer also has a designated non-profit specialist for this AA. Throughout this evaluation period, this person has helped Bremer to target its community development services efforts towards non-profits that explicitly impact individuals and/or families with low- or moderate-income levels.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): 01/01/2004 to 12/31/2007 Investment and Service Tests and CD Loans: 01/01/2005 to 12/31/2007	
Financial Institution	Products Reviewed	
Bremer Bank, National Association (Bremer) Fargo, North Dakota	Home Mortgage Small Loans to Businesses Small Loans to Farms	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Otto Bremer Foundation	Affiliate	Investments
List of Assessment Areas and Type of Examination		
Assessment Area (AA)	Type of Exam	Other Information
Fargo North Dakota-Minnesota Multi-State MA (Fargo MSA)	Full-Scope	Cass County, ND & Clay County, MN
North Dakota North Dakota Non-metropolitan AA (ND AA)	Full-Scope	ND Counties of Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Stark, Stutsman, Ward
North Dakota Ransom County Non-metropolitan AA	Limited-Scope	Ransom County, ND
Minnesota Non-metropolitan AA (MN AA)	Full-Scope	Becker and Ottertail Counties, MN

Appendix B: Summary of Multi-state Metropolitan Area and State Ratings

RATINGS Bremer Bank, National Association				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Multi-state Rating
Bremer	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory
Multi-state Metropolitan Area or State:				
Fargo ND-MN Multi-state MA	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory
North Dakota	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory
Minnesota	High Satisfactory	Outstanding	High Satisfactory	High Satisfactory

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

Appendix C: Market Profiles for Full-Scope Areas

Fargo, ND-MN Multi-state Metropolitan Area

Demographic Information for Full-Scope Area: Fargo ND-MN MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	40	0	15	73	12	0
Population by Geography	174,367	0	16	68	16	0
Owner-Occupied Housing by Geography	73,536	0	8	73	19	0
Businesses by Geography	14,750	0	29	58	13	0
Farms by Geography	933	0	6	85	9	0
Family Distribution by Income Level	42,527	18	19	26	37	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	15,492	0	18	72	10	0
Median Family Income HUD Adjusted Median Family Income for 2000 US Census Households Below the Poverty Level	= \$51,677 = \$63,300 = 8,060 or 12%	Median Housing Value Unemployment Rate				= \$89,182 = 2.48%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, and 2008 HUD updated MFI.

This AA consists of the entire Fargo ND-MN Multi-state MSA, which includes Cass County in ND and Clay County in MN.

Economic conditions in the AA were stable during this evaluation period. Unemployment in the AA was at 3.3% at year-end 2007, in line with the ND level and below MN and national levels of 4.8%. Major employers in the AA are related to medical services, colleges/universities, public school districts, and local municipalities.

Competition in the AA is strong with 27 banks competing for customers. Competitors include banks that operate locally, statewide and nationally, along with government-sponsored farm agencies, and various mortgage companies.

Credit needs in the AA are typical. Credit needs exist for business, home and retail lending, including loans for affordable housing, and agriculture.

Please refer to other aspects of this report for details regarding Bremer's deposit and loan market share, the evaluation period for this analysis, bank branches and ATMs, Bremer's business focus, community development opportunity level, and community contact data.

State of North Dakota

North Dakota Nonmetropolitan Area

Demographic Information for Full-Scope Area: ND AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	60	0	15	70	12	3
Population by Geography	159,607	0	10	74	16	0
Owner-Occupied Housing by Geography	73,398	0	8	74	18	0
Businesses by Geography	12,606	0	9	77	14	0
Farms by Geography	2,177	0	6	81	13	0
Family Distribution by Income Level	42,409	17	19	24	40	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	15,292	0	13	76	11	0
Median Family Income = \$40,679		Median Housing Value = \$61,046				
HUD Adjusted Median Family Income for 2000 US Census = \$51,800		Unemployment Rate = 2.40%				
Households Below the Poverty Level = 8,313/13%						

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2008 HUD updated MFI.

This AA consists of 12 ND counties throughout northwestern ND including Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Stark, Stutsman, and Ward counties.

Economic conditions in the AA were stable during this evaluation period. Unemployment in the AA for 2007 was 4.17%, above the state level of 3.1% and below the national level of 4.8%. Major employers in the AA are related to medical services, public school districts, light manufacturing, tourism, local municipalities, and agriculture.

Competition in the AA is strong with 22 banks competing for customers. Competitors include banks that operate locally, statewide and nationally, along with government-sponsored farm agencies, and various mortgage companies.

Credit needs in the AA are typical. Credit needs exist for businesses, home and retail lending, including loans for affordable housing.

Please refer to other aspects of this report for details regarding Bremer's deposit and loan market share, the evaluation period for this analysis, bank branches and ATMs, Bremer's business focus, community development opportunity level, and community contact data.

State of Minnesota

Minnesota Nonmetropolitan Area

Demographic Information for Full-Scope Area: MN AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	0	8	92	0	0
Population by Geography	87,159	0	8	92	0	0
Owner-Occupied Housing by Geography	50,474	0	7	93	0	0
Businesses by Geography	8,213	0	12	88	0	0
Farms by Geography	1,051	0	5	95	0	0
Family Distribution by Income Level	24,037	20	21	26	33	0
Distribution of Low- and Moderate-Income Families throughout AA Geographies	9,893	0	10	90	0	0
Median Family Income	= \$42,803	Median Housing Value		=	\$86,974	
HUD Adjusted Median Family Income for XXXX	= \$54,700	Unemployment Rate		=	2.72%	
Households Below the Poverty Level	= 4,008/ 12%			=		

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 U.S. Census, and 2008 HUD updated MFI.

This AA consists of Becker and Ottertail counties in MN.

Economic conditions in the AA were stable during this evaluation period. Unemployment in the AA for 2007 was 5.6%, above the state and national levels of 4.8%. Major employers in the AA are related to medical services, colleges/universities, public school districts, and local municipalities.

Competition in the AA is strong with approximately 27 banks competing for customers. Competitors include banks that operate locally, statewide and nationally, along with government-sponsored farm agencies, and various mortgage companies.

Credit needs in the AA are typical. Credit needs exist for business, home and retail lending, including loans for affordable housing, and agriculture.

Please refer to other aspects of this report for details regarding Bremer's deposit and loan market share, the evaluation period for this analysis, bank branches and ATMs, Bremer's business focus, community development opportunity level, and community contact data.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multi-state 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 and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. [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 12CFR25.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

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

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As 12CFR25.12 (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.

Table 1. Lending Volume

LENDING VOLUME DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA						Evaluation Period: JANUARY 1, 2004 TO				
MA/Assessment Area (2006):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Fargo ND-MN MA	23.20	987	119,121	1,140	211,739	696	71,863	2	2,340	2,825	405,063	0.00

* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2005 to December 31, 2007.

*** Deposit Data as of October 01, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE TO DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA								Evaluation Period: JANUARY 1, 2004					
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	578	41.29	0.00	0.00	8.26	8.48	72.89	65.57	18.85	25.95	2.29	0.00	2.97	2.11	2.49

* Based on 2006 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 2000 Census information.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2004 TO DECEMBER 31, 2007			Geography: FARGO ND-MN MULTI-STATE MA								Evaluation Period: JANUARY 1,				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	61	18.54	0.00	0.00	8.26	3.28	72.89	85.25	18.85	11.47	1.11	0.00	0.00	1.28	0.93

* Based on 2006 Peer Mortgage Data (Western)

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 1, 2004 TO DECEMBER 31, 2007				Geography: FARGO ND-MN MULTI-STATE MA						Evaluation Period: JANUARY					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	333	26.26	0.00	0.00	8.26	5.11	72.89	75.98	18.85	18.93	2.53	0.00	1.23	2.82	2.05

* Based on 2006 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 2000 Census information.

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY DECEMBER 31, 2007		Geography: FARGO NSD-MN MULTI-STATE MA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans**** *	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	15	50.00	0.00	0.00	30.13	33.33	60.36	66.67	9.51	0.00	3.33	0.00	5.56	3.03	0.00

* Based on 2006 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 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 2004 TO DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA										Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total*	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Fargo ND-MN MA	1,140	31.05	0.00	0.00	28.62	28.25	57.78	52.37	13.60	19.38	3.44	0.00	3.78	3.38	3.81	

* Based on 2007 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 (2007).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS JANUARY 1, 2004 TO DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA								Evaluation Period:					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	696	12.73	0.00	0.00	5.57	1.15	85.42	94.97	9.01	3.88	19.40	0.00	0.00	20.74	11.59

* Based on 2007 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 (2007).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families4	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	578	41.29	17.69	11.28	18.73	30.50	26.50	31.24	37.08	26.98	2.66	3.45	2.64	2.99	2.08

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 4.3% of loans originated and purchased by bank.

*** Percentage of Families is based on the 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.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 2004 TO DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA										Evaluation Period: JANUARY 1,				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total*	% Famili es***	% BANK Loans****	% Families ⁵	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Fargo ND-MN MA	61	18.54	17.69	3.39	18.73	18.64	26.50	30.51	37.08	47.46	1.15	1.05	0.48	0.59	2.01	

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

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

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2004 TO DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA									Evaluation Period: JANUARY 1,				
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 ⁶	% BANK Loans****	% Families*	% BANK Loans****	% Families*	% BANK Loans**	Overall	Low	Mod	Mid	Upp
Full Review:															
Fargo ND-MN MA	333	26.26	17.69	7.41	18.73	17.90	26.50	29.94	37.08	44.75	2.96	2.42	2.38	2.71	3.72

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

*** Percentage of Families is based on the 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.

⁶ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 2004 TO DECEMBER 31, 2007				Geography: FARGO ND-MN MULTI-STATE MA			Evaluation Period: JANUARY 1,		
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:									
Fargo ND-MN MA	1,140	31.05	58.39	75.96	55.44	21.84	22.72	3.44	4.70

* Based on 2007 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 - 2007).

**** 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 3.43% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 2004 TO DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007		
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:									
Fargo ND-MN MA	696	12.73	97.43	92.67	66.52	22.56	10.92	19.40	21.53

* Based on 2007 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 - 2007).

**** 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 6.35% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS DECEMBER 31, 2007		Geography: FARGO ND-MN MULTI-STATE MA				Evaluation Period: JANUARY 1, 2004 TO			
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:									
Fargo ND-MN MA	0	0	79	3,500	79	3,500	78.65	0	0
Regional Investments	0	0	21	950	21	950	21.35	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: FARGO ND-MN MULTI-STATE MA				Evaluation					
Period: JANUARY 1, 2004 TO DECEMBER 31, 2007																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Fargo ND-MN MA	0.00	6	100.00	0.00	16.67	83.33	0.00	1	0	0	0	1	0	0.00	16.18	67.69	16.13

Table 1. Lending Volume

LENDING VOLUME		Geography: NORTH DAKOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007				
MA/Assessment Area (2006):	% 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:												
Non MSA Counties ND	52.74	747	54,880	1,620	169,169	4,049	251,327	3	670	6,419	476,046	0.00
Limited Review:												
Ransom County ND	5.63	99	6,817	156	10,713	431	37,393	0	0	686	54,923	0.00

* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2005 to December 31, 2007.

*** Deposit Data as of October 01, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 31, 2007		Geography: NORTH DAKOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER							
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	382	27.29	0.00	0.00	8.02	10.99	74.22	77.75	17.76	11.26	3.52	0.00	8.18	3.57	1.90
Limited Review:															
Ransom County ND	61	4.36	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	29.69	0.00	0.00	29.69	0.00

* Based on 2006 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 2000 Census information.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2007			Geography: FARGO ND-MN MA						Evaluation Period: JANUARY 1, 2004 TO						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	83	25.23	0.00	0.00	8.02	13.25	74.22	73.49	17.76	13.26	5.31	0.00	19.05	5.17	2.94
Limited Review:															
Ransom County ND	10	3.04	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	27.27	0.00	0.00	27.27	0.00

* Based on 2006 Peer Mortgage Data (Western)

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2007		Geography: NORTH DAKOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	272	21.45	0.00	0.00	8.02	9.56	74.22	74.26	17.76	16.18	3.37	0.00	8.33	3.46	2.13
Limited Review:															
Ransom County ND	28	2.21	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	13.56	0.00	0.00	13.56	0.00

* Based on 2006 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 2000 Census information.

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY 2007		Geography: NORTH DAKOTA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,					
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans*** *	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	10	33.33	0.00	0.00	14.07	20.00	75.92	70.00	10.01	10.00	9.52	0.00	100.00	6.25	0.00
Limited Review:															
Ransom County ND	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 2006 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 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2007		Geography: NORTH DAKOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	1,620	44.12	0.00	0.00	9.57	18.89	75.63	68.70	14.80	12.41	8.00	0.00	19.17	7.68	7.06
Limited Review:															
Ransom County ND	156	4.25	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	16.27	0.00	0.00	17.00	0.00

* Based on 2007 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 (2007).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2007		Geography: NORTH DAKOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	4,049	74.06	0.00	0.00	6.47	6.82	80.11	82.14	13.42	11.04	62.43	0.00	78.26	63.54	52.94
Limited Review:															
Ransom County ND	431	7.88	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	74.71	0.00	0.00	74.71	0.00

* Based on 2007 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 (2007).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2007		Geography: NORTH DAKOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families7	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	382	27.29	17.37	6.20	18.69	24.26	24.38	36.12	39.56	33.42	3.77	4.73	4.04	3.81	3.37
Limited Review:															
Ransom County ND	61	4.36	13.16	6.56	13.74	14.75	27.60	47.54	45.50	31.15	31.67	20.00	16.67	48.00	22.22

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 4.3% of loans originated and purchased by bank.

*** Percentage of Families is based on the 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.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2007		Geography: NORTH DAKOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Famili es***	% BANK Loans****	% Families ⁸	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	83	25.23	17.37	10.98	18.69	12.20	24.38	29.27	39.56	47.55	5.48	0.00	4.30	4.38	7.73
Limited Review:															
Ransom County ND	10	3.04	13.16	0.00	13.74	20.00	27.60	30.00	45.50	50.00	27.27	0.00	50.00	50.00	20.00

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

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

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

⁸ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2007		Geography: NORTH DAKOTA						Evaluation Period: JANUARY 1, 2004 TO							
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 ⁹	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties ND	272	21.45	17.37	8.68	18.69	13.96	24.38	24.53	39.56	52.83	3.64	3.20	2.10	2.20	5.51
Limited Review:															
Ransom County ND	28	2.21	13.16	3.57	13.74	21.43	27.60	17.86	45.50	57.14	14.81	0.00	0.00	0.00	23.53

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

*** Percentage of Families is based on the 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.

⁹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2007				Geography: NORTH DAKOTA			Evaluation Period: JANUARY 1, 2004 TO		
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:									
Non MSA Counties ND	1,620	44.12	59.53	68.27	73.58	15.62	10.80	8.00	11.42
Limited Review:									
Ransom County ND	156	4.25	64.53	82.05	83.97	8.97	7.05	16.27	27.03

* Based on 2007 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 - 2007).

**** 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 3.43% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 2007		Geography: DAKOTA			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,				
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:									
Non MSA Counties ND	4,049	74.06	98.67	88.96	82.46	13.31	4.23	62.43	67.19
Limited Review:									
Ransom County ND	431	7.88	99.32	95.82	73.09	16.71	10.20	74.71	82.19

* Based on 2007 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 - 2007).

**** 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 6.35% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2007		Geography: NORTH DAKOTA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,			
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:									
Non MSA Counties ND	0	0	15	2,600	15	2,600	73.07	0	0
Regional Investments	0	0	19	890	19	890	25.02	0	0
Limited Review:									
Ransom County ND	0	0	1	68	1	68	1.91	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 1, 2004 TO DECEMBER 31, 2007								Geography: NORTH DAKOTA				Evaluation Period:					
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Non MSA Counties ND	0.00	10	100.00	0.00	30.00	70.00	0.00	0	0	0	0	0	0	0.00	9.64	74.60	15.75
Limited Review:																	
Ransom County ND	0.00	1	100.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00

Table 1. Lending Volume

LENDING VOLUME		Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007				
MA/Assessment Area (2006):	% 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:												
Non MSA Counties MN	18.44	1,194	110,230	756	75,839	291	24,825	4	3,226	2,245	214,120	0.00

* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2005 to December 31, 2007.

*** Deposit Data as of October 01, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 2007		Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,							
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	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	379	27.07	0.00	0.00	7.28	13.46	92.72	86.54	0.00	0.00	5.80	0.00	5.56	5.82	0.00

* Based on 2006 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 2000 Census information.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 2007			Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	175	53.19	0.00	0.00	7.28	14.29	92.72	85.71	0.00	0.00	8.62	0.00	8.33	8.64	0.00

* Based on 2006 Peer Mortgage Data (Western)

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2007		Geography: MINNESOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	635	50.08	0.00	0.00	7.28	13.07	92.72	86.93	0.00	0.00	6.35	0.00	8.78	6.13	0.00

* Based on 2006 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 2000 Census information.

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	5	16.67	0.00	0.00	13.79	0.00	86.21	100.00	0.00	0.00	12.50	0.00	0.00	16.67	0.00

* Based on 2006 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 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 31, 2007		Geography: MINNESOTA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	% of Busines ses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	756	20.59	0.00	0.00	11.68	23.02	88.32	76.98	0.00	0.00	4.91	0.00	11.73	4.59	0.00

* Based on 2007 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 (2007).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2007		Geography: MINNESOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	% of Farms* **	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	291	5.32	0.00	0.00	5.23	25.09	94.77	74.91	0.00	0.00	14.69	0.00	56.52	12.63	0.00

* Based on 2007 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 (2007).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MINNESOTA						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans**	% Families10	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	379	27.07	19.78	10.63	21.38	29.43	25.71	23.98	33.13	35.98	6.52	8.55	8.67	7.26	4.53

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 4.3% of loans originated and purchased by bank.

*** Percentage of Families is based on the 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.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2007		Geography: MINNESOTA								Evaluation Period: JANUARY 1, 2004 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total*	% Families***	% BANK Loans****	% Families 11	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	175	53.19	19.78	10.00	21.38	18.24	25.71	30.00	33.13	41.76	8.70	7.41	7.38	8.75	9.80

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

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

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 31, 2007		Geography: MINNESOTA								Evaluation Period: JANUARY 1, 2004 TO DECEMBER					
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 12	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Non MSA Counties MN	635	50.08	19.78	6.44	21.38	20.93	25.71	31.24	33.13	41.39	7.70	4.96	6.89	8.79	7.86

* Based on 2006 Peer Mortgage Data (Western)

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

*** Percentage of Families is based on the 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.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2007				Geography: MINNESOTA		Evaluation Period: JANUARY 1, 2004 TO DECEMBER			
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:									
Non MSA Counties MN	756	20.59	58.40	83.86	76.32	14.15	9.53	4.91	7.65

* Based on 2007 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 - 2007).

**** 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 3.43% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 2007		Geography: MINNESOTA			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31,				
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:									
Non MSA Counties MN	291	5.32	97.43	84.54	75.95	16.49	7.56	14.69	15.22

* Based on 2007 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 - 2007).

**** 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 6.35% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007			
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:									
Non MSA Counties MN	0	0	7	1,900	7	1,900	97.14	0	0
Regional Investments	0	0	2	56	2	56	2.86	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: MINNESOTA				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2007					
MA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of BANK Branches	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:																	
Non MSA Counties MN	0.00	2	100.00	0.00	50.00	50.00	0.00	0	0	0	0	0	0	0.00	8.55	91.45	0.00