



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

November 13, 2001

Community Reinvestment Act Performance Evaluation

**Bremer Bank, National Association
Charter Number: 23297**

**20 1st Street SW
Minot, ND 58701**

**Office of the Comptroller of the Currency
Minneapolis North Field Office
920 Second Avenue South, Suite 800
Minneapolis, MN 55402**

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

Table of Contents

OVERALL CRA RATING	1
DESCRIPTION OF INSTITUTION.....	5
SCOPE OF THE EVALUATION	6
FAIR LENDING REVIEW	7
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	8
LENDING TEST	8
INVESTMENT TEST.....	12
SERVICE TEST	13
APPENDIX A: SCOPE OF EXAMINATION	A-1
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS.....	B-1
APPENDIX C: TABLES OF PERFORMANCE DATA	C-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

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

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

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

The major factors that support this rating include:

- Bremer has displayed excellent responsiveness to the agricultural credit needs of the community and good responsiveness to business credit needs.
- Bremer achieved an excellent distribution of loans to farms of different sizes. Performance to businesses of different sizes was good.
- Bremer achieved an excellent geographic distribution of business loans. Performance for farm loans was good.
- Bremer provided an excellent level of community development loans over the evaluation period which had a positive impact on bank lending test performance.
- Bremer provided a good level of qualified investments in the Minot assessment area.
- Bremer's delivery systems are accessible to geographies and individuals of different income levels. Bank personnel provided an adequate level of community development services.

Standard CRA 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.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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 statistical 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.

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.

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.

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 or a block numbering area 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).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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 primary metropolitan statistical area (PMSA), metropolitan statistical area (MSA), or consolidated metropolitan area (CMSA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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

Description of Institution

Bremer Bank, National Association (Bremer) is a \$426 million intrastate commercial bank headquartered in Minot, North Dakota. In addition to the main office in Minot, the bank has fourteen branches located in the communities of Berthold, Carrington, Devils Lake, Glenfield, Kensal, Lansford, Max, Minnewaukan, Richardton, Rugby, and Woodworth. The bank also maintains four ATMs in Minot, three in Devils Lake, and one in Rugby.

The bank is owned by Bremer Financial Corporation (BFC), a \$5 billion holding company headquartered in St. Paul, Minnesota. BFC has 11 national bank subsidiaries (with more than 100 banking locations) throughout Minnesota, North Dakota, and Wisconsin. Non-bank affiliates include trust, insurance, management, and operations service companies. BFC is owned by Otto Bremer Foundation, a charitable trust. As a charitable trust, the Foundation must disperse at least 5% of its assets for charitable causes annually.

Bremer is a full-service bank offering a variety of loan and deposit products. Its lending focus is agricultural and commercial loans. As of December 31, 2000, net loans totaled \$240 million and represented 57% of total assets and 68% of total deposits. Tier 1 capital totaled \$30 million. The loan portfolio consists of the following: commercial (46%); agricultural (31%); residential real estate (12%); consumer (7%); and other loans (4%).

There are no financial, legal, or other factors that impede the bank's ability to help meet the credit needs in its assessment area. Bremer received a Satisfactory rating at its last CRA evaluation dated September 21, 1998.

Scope of the Evaluation

Evaluation Period/Products Evaluated

- The evaluation period for the lending test (excluding community development loans) is January 1, 1998 through December 31, 2000. Home mortgage lending activity does not include 1998 data because many individual loan records were no longer available for validation.
- The evaluation period for community development loans, the investment test, and the service test is September 22, 1998 through December 31, 2000.
- The bank collects home purchase and refinance loan data even though it is not a HMDA reporter. Bank systems do not separately code home improvement loans.
- We did not evaluate home mortgage loans in the lending test analysis. Residential loans are not a primary bank product. Home mortgages loans accounted for only 6% of loans over the evaluation period by number (and 9% by dollar volume).
- Products reviewed in the lending test include small business loans, small farm loans, and community development loans.
- In the Lending Test, we gave the most weight to farm loans followed by business loans. Farm lending represents 71% of the bank's loans by number (and 55% by dollar volume) over the evaluation period. Business lending represents 23% of bank loans by number (and 36% by dollar volume).
- Market comparisons for business and farm lending are based on 2000 peer data. This was the most recent data available at the time of the evaluation.
- At the bank's request, we considered qualified investments made by the affiliated Otto Bremer Foundation.
- At the bank's request, we also considered automated teller machines (ATMs) owned by the affiliated Bremer Services, Incorporated in the "Service Test" assessment.

Data Integrity

- To assess the accuracy of the bank's CRA data, we compared reported information to credit file documentation for an independent sample of loans. We did not identify any material errors.
- To assess the accuracy of the bank's HMDA data, we compared reported information to credit file documentation for an independent sample of loans. We identified a material reporting error involving the inclusion of home equity loans that do not have a HMDA purpose. The bank revised the data during the examination, and we validated its accuracy via another independent sample. The revised data is presented in this evaluation.
- We reviewed 100% of the bank's community development loans, investments, and services. Only those activities that qualified are presented and considered in this evaluation.

Selection of Areas for Full-Scope Review

We performed a full scope review of the bank's sole assessment area.

Ratings

The bank's overall rating is based entirely on performance in its sole assessment area.

Other Information

Refer to Appendix B for performance context information and a description of the community contacts used in this evaluation.

Fair Lending Review

We performed an analysis of 1999 and 2000 public comments, consumer complaint information, small business and small farm lending data according to the OCC's risk based fair lending approach. Based on this analysis, we concluded that a comprehensive fair lending examination was not needed in connection with the CRA evaluation this year. The bank's last comprehensive fair lending examination was performed in 1998.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusion

Bremer's performance under the Lending Test is rated "Outstanding". Overall lending activity is excellent, the borrower distribution of loans is excellent, and the geographic distribution of loans is good. The bank also had a high level of community development lending which received positive consideration in our assessment of lending performance.

Lending Activity

(Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's lending activity.)

Lending levels reflect excellent responsiveness in relation to area credit needs and the bank's deposit market share. Agricultural loans are essential to the vitality of the local economy. Community contacts also identified business loans as an area credit need. Bremer has the most deposits (\$326 million) among 39 financial institutions with an office in the Minot assessment area. The bank's deposit rank is 1 and its market share is 13%.

Farm lending activity is excellent. Bremer reported 3,864 farm loans totaling \$167 million over the evaluation period. Bremer originated 58% of all reported 2000 farm loans in the Minot assessment area, ranking first among 11 lenders. The meaningfulness of market share information is, however, somewhat limited. Only four of 38 local competitors reported large bank CRA data for the year 2000. These CRA data reporters collectively account for 38% of area deposits. Among CRA data reporters only, Bremer's farm loan market share is 59% and its deposit market share is 33%.

Business lending activity is good. Bremer reported 1,248 business loans totaling \$110 million over the evaluation period. Bremer originated 19% of all reported 2000 business loans in the Minot assessment area, ranking first of 36 lenders. As previously mentioned, the meaningfulness of market share data is somewhat limited. Among CRA data reporters only, Bremer's business loan market share is 36% and its deposit market share is 33%.

In our assessment of lending activity, we also considered the favorable comments received from community contacts and the lack of CRA complaints in the bank's public CRA file.

Distribution of Loans by Income Level of the Geography

The bank's overall geographic distribution of loans is good.

Small Loans to Farms

(Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to farms.)

The geographic distribution of farm loans is good. The bank's percentage of loans in moderate-income geographies is near the percentage of farms located in those geographies. There are no low-income geographies in the Minot assessment area.

Of all banks that reported 2000 CRA data, Bremer originated the most farm loans in moderate-income geographies (and the most farm loans) in the Minot assessment area. The bank's market share for farm loans in moderate-income areas (51%) is near its overall farm loan market share (58%). No other reporting bank had a market share for farm loans in moderate-income geographies of more than 28%.

Small Loans to Businesses

(Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.)

The geographic distribution of business loans is excellent. The bank's percentage of loans in moderate-income geographies significantly exceeds the percentage of businesses located in those geographies.

Of all banks that reported 2000 CRA data, Bremer originated the most business loans in moderate-income geographies (and the most business loans) in the Minot assessment area. The bank's market share for business loans in moderate-income areas exceeds its overall business loan market share. No other reporting bank had a market share for business loans in moderate-income geographies of more than 10%.

Home Mortgage Loans

(Refer to Tables 2, 3 and 4 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.)

Residential loans are not a primary bank product and were not analyzed.

Lending Gap Analysis

Our geographic distribution analysis included a review for any unexplained lending gaps in the Minot AA, particularly in moderate-income geographies. We did not identify any conspicuous gaps.

Inside/Outside Ratio

A substantial majority of the bank's loans (89% by number) are inside the Minot assessment area. By product type, 88% of farm loans and 94% of business loans are inside the bank's assessment area. We viewed this characteristic positively in our assessment of lending performance.

Distribution of Loans by Income Level of the Borrower

The bank's overall borrower distribution of loans is excellent.

Small Loans to Farms

(Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to farms.)

The distribution of loans to farms of difference sizes is excellent. The percentage of loans to small farms (i.e. gross annual revenues of \$1 million or less) exceeds the percentage of small farms in the assessment area.

Of all banks that reported 2000 CRA data, Bremer originated the most loans to small farms (and the most farm loans) in the Minot assessment area. In addition, the bank's market share for loans to small farms exceeds its overall farm loan market share.

The bank's willingness to make loans to small farms is further evidenced by its loan size distribution. Approximately 90% of Bremer's reported farm loans were originated in amounts of \$100,000 or less.

Small Loans to Businesses

(Refer to Table 9 in Appendix C 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 loans to businesses of difference sizes is good. The percentage of loans to small businesses (i.e. gross annual revenues of \$1 million or less) substantially meets the percentage of small businesses in the assessment area.

Of all banks that reported 2000 CRA data, Bremer originated the most loans to small businesses (and the most business loans) in the Minot in assessment area. In addition, the bank's market share for loans to small businesses exceeds its overall business loan market share.

The bank's willingness to make loans to small businesses is further evidenced by its loan size distribution. Approximately 78% of Bremer's reported business loans originated in amounts of \$100,000 or less.

Home Mortgage Loans

(Refer to Tables 7, and 8 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.)

Residential loans are not a primary bank product and were not analyzed.

Community Development Lending

(Refer to Table 1 in Appendix C for the facts and data used to evaluate the bank's level of community development lending.)

Bremer originated three community development loans totaling \$6.4 million. Community development loans accounted for 2% of the lending activity considered in this evaluation period (by dollar volume). Community development loans represented 21% of the bank's Tier 1 capital. The community development loans were responsive to assessment area needs in that they promoted economic development and provided social services to low- and moderate-income individuals.

This volume of community development lending activity is considered excellent. We did not identify any other banks with this level of community development lending in the Minot assessment area. The bank's level of community development lending had a positive impact on its Lending Test assessment.

INVESTMENT TEST

(Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.)

Bank performance under the Investment Test is rated "High Satisfactory".

Bremer provided a good level of qualified investments in the Minot assessment area. Qualified investments consist primarily of current period contributions to organizations that provide community development services.

The bank provided 46 qualified grants and donations totaling \$598 thousand during the evaluation period. Seventy-seven percent of the donations (by dollar) funded organizations that provide social services to low- and moderate-income (LMI) individuals. Another 15% of the donations benefited organizations that facilitate small business development. The remaining 8% benefited organizations that provide affordable housing for LMI individuals.

Bremer also has two outstanding prior period investments (totaling \$200 thousand) in the North Dakota Small Business Investment Company. The North Dakota Small Business Investment Company is a limited partnership that makes venture capital investments in manufacturing, service, and retail businesses with the potential for substantial growth and long term equity appreciation. The company serves the entire state of North Dakota.

The bank's volume of qualified investments is considered good given the somewhat limited investment opportunities in the assessment area. We did not identify any other opportunities for community development investment securities in our performance context research, community contact work, or our review of the CRA performance evaluations of competing banks. CRA investment opportunities primarily consist of contributions to organizations with a community development purpose.

SERVICE TEST

Bank performance under the Service Test is rated “High Satisfactory”.

Retail Banking Services

(Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank’s branch delivery system and branch openings and closings.)

Bremer’s delivery systems are accessible to geographies and individuals of different income levels throughout the assessment area. The percentage of branches operated in moderate-income geographies exceeds that of the population. The distribution of ATMs in moderate-income tracts also exceeds the demographic. Twenty percent of the bank’s ATMs accept deposits.

Business hours offered throughout the assessment area are reasonable and do not vary in a way that inconveniences low- or moderate-income geographies or individuals. Bremer offers its complete line of products and services at each office in the assessment area; six locations have in-house lenders. The Devils Lake office (located in a moderate-income area) is one location with an in-house lender. Other branches accept loan application and forward them to the Minot or Devils Lake offices.

Alternative delivery systems include a 24-hour telephone service and an Internet banking service. The telephone banking service allows customers to check balances, review account history, transfer funds, initiate stop payment orders, and check CD and loan rates. The Internet banking service offers similar features in addition to accepting loan payments and processing bill payment requests.

Alternate delivery systems did not influence service test performance, as the bank could not demonstrate the impact of these systems in low- and moderate-income geographies or the use of these systems by low- and moderate-income individuals.

No branches were opened or closed during this evaluation period.

Community Development Services

Bremer provides an adequate level of community development services. During the evaluation period, the bank provided qualifying services to 13 organizations. Services primarily consist of providing technical expertise and serving on the Board of Directors for organizations that address affordable housing needs and small business development.

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): 1/01/1998 to 12/31/2000 Investment and Service Tests and CD Loans: 9/22/1998 to 12/31/2000	
Financial Institution		Products Reviewed
Bremer Bank, National Association (Bremer) Minot, North Dakota		Home Mortgage, Small Business, Small Farm and Community Development Loans Qualified Investments
Affiliate(s)	Affiliate Relationship	Products Reviewed
Bremer Financial Corporation (BFC)	Parent of Bremer	None
Otto Bremer Foundation (OBF)	Holding Company	CD Investments and Loans
Bremer Services, Inc.	Affiliate	ATMs
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Minot AA	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Minot Assessment Area

Demographic Information for Full Scope Area: Minot Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	61	0.00	11.48	68.85	18.03	1.64
Population by Geography	163,860	NA	12.61	64.25	23.13	0.00
Owner-Occupied Housing by Geography	41,355	NA	6.96	69.09	23.94	0.00
Business by Geography	8,354	NA	7.31	70.74	21.94	0.00
Farms by Geography	2,566	NA	9.31	82.58	8.11	0.00
Family Distribution by Income Level	43,681	18.23	17.98	23.93	39.87	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	15,813	NA	18.44	66.54	15.02	0.00
Median Family Income		26,194	Median Housing Value		40,030	
HUD Adjusted Median Family Income for 2001		41,000	Unemployment Rate :		1.66%	
Households Below Poverty Level		15.77%	(September 2001)			

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

Source: 1990 US Census, 2001 HUD updated MFI, and the State of North Dakota Labor Force.

The bank has one, non-metropolitan assessment area (AA). The AA consists of 12 whole counties (Benson, Bottineau, Dunn, Eddy, Foster, McHenry, McLean, Pierce, Ramsey, Stark, Stutsman, and Ward). The AA resembles an upside down “U” covering the north central part of the state. Although the AA is primarily comprised of middle- and upper-income geographies, it does contain seven moderate-income areas. The moderate-income geographies are spread throughout the AA. The AA does not contain any low-income geographies. The AA complies with regulatory guidelines and does not arbitrarily exclude LMI areas.

The economy is stable and has a mixture of agriculture, manufacturing, and service industries. The economy is heavily dependent on agriculture as many of the businesses are directly related to agriculture. Major agricultural products include wheat, barley, sunflowers, and beef cattle. Unemployment is well below the national average.

We performed a community contact with an economic development organization. We also reviewed five recent contacts by other regulators with tribal government, local government, and economic development representatives. Contacts cited a credit need for business start up and expansion loans. They indicated that area banks are very active in the community and are generally meeting area credit needs. Some contacts indicated a need for housing stock in some communities, while other communities had ample housing.

Community development opportunities in the assessment area are somewhat limited. We did not identify any significant opportunities for community development loans, investments or services in our performance context research, community contact work, or our review of the CRA performance evaluations of competing banks. As evidenced by the bank’s performance, community development opportunities primarily consist of loans, contributions, and service work with nonprofit organizations that have a community development purpose.

Numerous commercial banks provide strong competition for bank services in the AA. Bremer has the largest deposit market share in the AA (13%) as of June 30, 2001. Institutions with the next highest market shares are significantly larger institutions that serve much larger geographic areas - Wells Fargo Bank North Dakota, N.A. (12%) and U.S. Bank N.A. (8%). Other competitors have less than an 8% deposit market share each and primarily consist of small, independent community banks.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: 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 MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- 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** (not applicable)
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - See Table 2.
- 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.
- 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.
- 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 MSA/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** (not applicable)
- Table 10. Borrower Distribution of Home Mortgage 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. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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.
- Table 14. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's branches and ATMs in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME												Geography: NORTH DAKOTA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000 (Business and Farm Loans)		JANUARY 1, 1999 TO DECEMBER 31, 2000 (Home Mortgage Loans)	
MA/Assessment Area (2000):	% 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:																	
Minot AA	100.00	302	25,721	1,248	110,058	3,864	167,424	3	6,400	5,417	309,603	100.00					

* Loan Data as of December 31, 2000. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From September 22, 1998 to December 31, 2000.

*** Deposit Data as of June 30, 2001. 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		Geography: NORTH DAKOTA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Minot AA	144	100.00	NA	NA	6.96	1.39	69.09	59.72	23.94	38.89	NA	NA	NA	NA	NA	

* Based on 2000 Peer Mortgage Data: Midwest Region.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: NORTH DAKOTA				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000								
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Minot AA	152	100.00	NA	NA	6.96	3.29	69.09	64.47	23.94	32.24	NA	NA	NA	NA	NA

* Based on 2000 Peer Mortgage Data: Midwest Region.

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: NORTH DAKOTA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000									
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	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid
Full Review:																
Minot AA	6	100.00	NA	NA	8.37	16.67	65.48	50.00	26.15	33.33	NA	NA	NA	NA	NA	NA

* Based on 2000 Peer Mortgage Data: Midwest Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NORTH DAKOTA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000									
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 Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Minot AA	1,248	100.00	NA	NA	7.31	13.78	70.74	58.41	21.94	27.80	19.30	NA	42.36	18.60	19.18	

* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: NORTH DAKOTA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000									
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Minot AA	3,864	100.00	NA	NA	9.31	7.45	82.58	82.76	8.11	9.78	58.10	NA	50.89	62.04	46.12

* Based on 2000 Peer Small Business Data: US&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 (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NORTH DAKOTA					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000									
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****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Minot AA	144	100.00	18.23	7.64	17.98	14.58	23.93	23.61	39.87	54.17	NA	NA	NA	NA	NA	

* Based on 2000 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by the bank.

*** Percentage of Families is based on the 1990 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.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: NORTH DAKOTA						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2000							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Minot AA	152	100.00	18.23	3.97	17.98	9.27	23.93	28.48	39.87	58.28	NA	NA	NA	NA	NA

* Based on 2000 Peer Mortgage Data: Midwest Region.

** As a percentage of loans with borrower income information available. No information was available for 0.66% of loans originated and purchased by the bank.

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

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: NORTH DAKOTA			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000				
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:									
Minot AA	1,248	100.00	87.63	87.02	78.21	14.34	7.45	19.30	26.61

* Based on 2000 Peer Small Business Data: US&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: Dun & Bradstreet - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.08% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NORTH DAKOTA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2000					
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:									
Minot AA	3,864	100.00	98.25	99.43	89.73	8.83	1.45	58.10	58.57

* Based on 2000 Peer Small Business Data: US&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: Dun & Bradstreet- 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.05% of small loans to farms originated and purchased by the bank.

Table 13. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NORTH DAKOTA				Evaluation Period: SEPTEMBER 22, 1998 TO DECEMBER 31, 2000			
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:									
Minot AA	2	200	46	598	48	798	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation 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 14. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				Geography: NORTH DAKOTA				Evaluation Period: SEPTEMBER 22, 1998 TO DECEMBER 31, 2000									
MA/Assessment Area:	Deposits	Branches						ATMs				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Minot AA	100.00	15	100	NA	13.33	60.00	26.67	10	100%	NA	20.00	50.00	30.00	NA	12.61	64.25	23.13

